COVER SHEET

S.E.C. Registration Number

DEL MONTE PACIFIC LIMITED

(Company's Full Name)

c/o JY Campos Centre, 9th Ave. corner 30th St., Bonifacio Global City, Taguig City

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

Antonio E.S. Ungson	**+632 856 2888**
Contact Person	Company Telephone Number

SEC FORM
(Preliminary)

	20-IS		
Month *Day*	FORM TYPE	*Month* *Day*	Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT 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: **Del Monte Pacific Limited**

3. **British Virgin Islands**
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: **N/A**

5. BIR Tax Identification Code: **N/A**

6. **Craigmuir Chambers, PO Box 71 Road Town, Tortola, British Virgin Islands**
   Address of principal office Postal Code

7. Registrant's telephone number, including area code: **+65 6324 6822**

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

Annual General Meeting	
Date:	**29 August 2023**
Time:	**10:00 a.m.**
Place:	**Orchard Ballroom 3, Level 3 of Orchard Hotel, 442 Orchard Road, Singapore 238879**

9. Approximate date on which the Information Statement is first to be sent or given to security holders:
   7 August 2023

10. In case of Proxy Solicitations: **N/A**
    Name of Person Filing the Statement/Solicitor:
    Address and Telephone No.:

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 or Amount of Debt Outstanding
Ordinary Shares	**1,943,960,024**

12. 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:

    Singapore Exchange Securities Trading Limited – Ordinary Shares
    The Philippine Stock Exchange, Inc. – Ordinary Shares

DEL MONTE PACIFIC LIMITED

(INCORPORATED IN THE BRITISH VIRGIN ISLANDS WITH LIMITED LIABILITY ON 27 MAY 1999)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Del Monte Pacific Limited (the "**Company**") will be held at Orchard Ballroom 3, Level 3 Orchard Hotel, 442 Orchard Road, Singapore 238879, on Tuesday, 29 August 2023 at 10.00 a.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company, together with the Auditors' Report thereon, for the financial year ended 30 April 2023.

[Resolution 1]

2. To re-elect the following Directors retiring pursuant to Article 88 of the Company's Articles of Association and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"):

(i)	Mr Rolando C Gapud	(Retiring under Article 88 and Rule 720(5) of the Listing Manual of the SGX-ST)	**[Resolution 2]**
(ii)	Mr Benedict Kwek Gim Song	(Retiring under Article 88 and Rule 720(5) of the Listing Manual of the SGX-ST)	**[Resolution 3]**

Mr Rolando C Gapud will, upon re-election as a Director, remain as Board Executive Chairman of the Company, and as a member of the Nominating and Governance Committee.

Mr Benedict Kwek Gim Song will, upon re-election as a Director of the Company, remain as Chairman of the Audit and Risk Committee, and as a member of the Nominating and Governance Committee, and the Remuneration and Share Option Committee, and will be considered independent.
[See Explanatory Note (i)]

3. To transact any other ordinary business which may be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

4. To approve the payment of Directors' fees of up to US$621,000/- for the financial year ending 30 April 2024 ("**FY2024**") (FY2023: US$621,000/-), to be paid quarterly in arrears, computed based on the fee structure set out below:

- Board Chairman: US$99,000 per annum
- Directors: US$54,000 per annum
- Audit and Risk Committee Chairman: US$24,750 per annum
- Remuneration and Share Option Committee Chairman: US$12,375 per annum
- Nominating and Governance Committee Chairman: US$12,375 per annum
- Audit and Risk Committee Members: US$13,500 per annum
- Remuneration and Share Option Committee Members: US$6,750 per annum
- Nominating and Governance Committee Members: US$6,750 per annum

[See Explanatory Note (ii)] **[Resolution 4]**

5. To authorise the Directors of the Company to fix, increase or vary the emoluments of Directors of up to US$100,000/- with respect to services to be rendered in any capacity to the Company.
[See Explanatory Note (iii)] **[Resolution 5]**

6. To re-appoint Ernst & Young LLP as the Auditors of the Group and to authorise the Directors of the Company to fix their remuneration.

[Resolution 6]

7. To re-appoint Sycip Gorres Velayo & Co (Ernst & Young Philippines) as the Philippine Auditors of the Group and to authorise the Directors of the Company to fix their remuneration.

[Resolution 7]

8. **Authority to Issue Shares**

That pursuant to Article 15(2) of the Company's Articles of Association and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including, but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions, and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to Shareholders of the Company shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from the exercise of share options which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)] **[Resolution 8]**

9. **Authority to Allot and Issue Shares under the Del Monte Pacific Executive Share Option Plan 2016**

That approval be and is hereby granted to the Directors of the Company, acting through its Remuneration and Share Option Committee, to allot and issue from time to time such Shares as may be allotted and issued pursuant to the exercise of the Del Monte Pacific Executive Share Option Plan 2016 ("**ESOP**"), provided always that the aggregate number of Shares to be allotted and issued pursuant to the ESOP shall not exceed ten percent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (v)] **[Resolution 9]**

10. **Renewal of Shareholders' Mandate for Interested Person Transactions**

That for the purposes of Chapter 9 of the Listing Manual of the SGX-ST:

(a) approval be given for the renewal of the mandate for the Company, its subsidiaries and target associated companies or any of them to enter into any of the transactions falling within the types of Interested Person Transactions as set out on page 5 of the Company's information memorandum ("**Information Memorandum**") with any party who is of the class of Interested Persons described in the Information Memorandum, provided that such transactions are carried out in the normal course of business, at arm's length and on commercial terms, and in accordance with the guidelines of the Company for Interested Person Transactions, as set out in the Information Memorandum (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM of the Company; and

(c) authority be given to the Directors to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the IPT Mandate as they may think fit.
[See Explanatory Note (vi)] **[Resolution 10]**

By Order of the Board

Antonio E S Ungson
Company Secretary
3 August 2023

Explanatory Notes to Resolutions to be passed –

(i) The bio-data of Directors seeking re-election are appended for Shareholders' information:

Mr Rolando C Gapud, Executive Chairman, 81
(Appointed on 20 January 2006 and last re-elected on 17 September 2020)

In line with Provision 4.4 of the 2018 Code of Corporate Governance: (a) there are no relationships or business relationships which Mr Gapud, his immediate family member, or an organisation in which Mr Gapud or his immediate family member is a substantial shareholder, partner (with 5% or more stake), executive officer or director in has with the Company or any of its related corporations, and (b) Mr Gapud does not hold directorships in other listed companies.

Mr Rolando C Gapud is the Chairman of the Board of Del Monte Foods, Inc, DMPL's US subsidiary, and Chairman of Del Monte Philippines, Inc, DMPL's Philippine subsidiary. He is also a Director of Del Monte Foods Private Ltd, a joint venture of DMPL with the Bharti Group of India. He has almost 50 years of experience in banking, finance and general management, having worked as CEO of several Philippine companies, notably Security Bank and Trust Company, Oriental Petroleum and Minerals Corp and Greenfield Development Corp. He was also the COO of the joint venture operations of Bankers Trust and American Express in the Philippines. He has served in the Boards of various major Philippine companies, including the Development Bank of the Philippines, the development finance arm of the Philippine Government. He holds a Master of Science in Industrial Management degree from the Massachusetts Institute of Technology. He is a member of the Asian Executive Board of the Sloan School of MIT and the Board of Governors of the Asia School of Business, a joint venture between the Sloan School of MIT and Bank Negara, the Central Bank of Malaysia.

Additional information on Mr Rolando C Gapud as required to be furnished pursuant to Rule 720(6) of the Listing Manual of the SGX-ST is found in the FY2023 Annual Report, under the "Board of Directors" section.

Mr Benedict Kwek Gin Song, Lead Independent Director, 76
(Appointed on 30 April 2007 and last re-elected on 17 September 2020)
(Appointed as Lead Independent Director on 11 September 2013)

In line with Provision 4.4 of the 2018 Code of Corporate Governance: (a) there are no relationships or business relationships which Mr Kwek, his immediate family member, or an organisation in which Mr Kwek or his immediate family member is a substantial shareholder, partner (with 5% or more stake), executive officer or director in has with the Company or any of its related corporations, and (b) Mr Kwek does not hold directorships in other listed companies.

Mr Benedict Kwek Gim Song is DMPL's Chairman of the Audit and Risk Committee and is a Director of Del Monte Foods, Inc, DMPL's US subsidiary. Mr Kwek was Chairman of previously SGX-listed Pacific Shipping Trust from 2008 to 2012. He was also a Director and Chairman of the Audit Committee of listed companies including Ascendas REIT. He has over 30 years of banking experience, having served as the President and CEO of Keppel TatLee Bank. He has held various key positions at Citibank in the Philippines, Hong Kong, New York and Singapore. He holds a Bachelor of Social Science (Economics) degree from the then University of Singapore and attended a management development programme at Columbia University in the United States.

Additional information on Mr Kwek as required to be furnished pursuant to Rule 720(6) of the Listing Manual of the SGX-ST is found in the FY2023 Annual Report, under the "Board of Directors" section.

(ii) The Ordinary Resolution 4 above is to approve the payment of Directors' fees for FY2024, to be paid quarterly in arrears in accordance with the proposed fee structure. The fee structure is based on guidelines recommended by the Singapore Institute of Directors and disclosed in the Corporate Governance Report in the Annual Report. The proposed Directors' fees for FY2024 are commensurate with the onerous responsibilities placed on the Directors.

The Ordinary Resolution 4 if passed, will authorise the payment of Directors' fees for FY2024, in accordance with the fee structure, amounting up to US$621,000/- and there is no change from prior year on a per Director basis.

(iii) The Ordinary Resolution 5 proposed above, if passed, will also authorise the Directors of the Company to fix, increase or vary the emoluments of Directors of up to US$100,000/- with respect of services to be rendered in any capacity to the Company. This would provide flexibility for the Company to engage or procure the specialist services of Directors as appropriate and as may be required by the Company. In particular, this resolution is meant for the specialist services of Dr Emil Q Javier, for his services rendered to the Company at the plantation and for chairing the Group's Plantation Oversight Committee.

(iv) The Ordinary Resolution 8 proposed above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company, of which up to 15% may be issued other than on a pro rata basis to Shareholders. For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time when this Ordinary Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of Shares.

(v) The Ordinary Resolution 9 proposed above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue from time to time such number of fully-paid Shares in the capital of the Company, as may be required to be issued pursuant to the exercise of options under the ESOP. The aggregate number of Shares which may be issued pursuant to the ESOP and any other share option plan(s)/ share plan(s) which the Company may have in place shall not exceed ten percent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company from time to time.

(vi) The Ordinary Resolution 10 proposed above, if passed, will authorise the Interested Person Transactions, as described in the Information Memorandum accompanying the FY2023 Annual Report and recurring in the year; and will empower the Directors to do all acts necessary to give effect to the IPT Mandate. This authority will, unless previously revoked or varied by the Company at a general meeting, expire at the conclusion of the next AGM of the Company.

(vii) Dividend Policy for Ordinary Shares

The Company's dividend payment policy is to distribute a minimum of 33% of full year profit but remains subject to review by the Board.

The dividend payout was 75% from FY2006 to 2012, 50% for 2013, 2016, 2017 and 2019, 37% for 2021, 33% for 2022 and 15% for 2023. The payout was lower in 2023 in light of the high leverage of the Company.

Important Information

The AGM will be held by way of physical meeting in Singapore and proceedings of the AGM in Singapore will be made available to Shareholders in the Philippines via a videoconference facility at the 1st Floor, JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City, Metro Manila Philippines.

Access to Documents

Printed copies of this Notice and the accompanying proxy form will be sent by post to Shareholders. These documents along with the FY2023 Annual Report and Information Memorandum in relation to Renewal of Shareholders' Mandate for Interested Person Transactions will also be published on the Company's website at the URL https://www.delmontepacific.com, the SGX website at the URL https://www.sgx.com/securities/company-announcements and PSE website at the URL https://edge.pse.com.ph/announcements/form.do. Shareholders may also request for a printed copy of the Annual Report through jluy@delmontepacific.com.

Submission of Questions

1. Shareholders, including CPF and SRS investors, may submit questions related to the resolutions to be tabled for approval at the Meeting in advance of the Meeting:

   (a) if submitted by post, be deposited at Registered Office of the Company's Singapore Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (b) if submitted electronically, be sent via email to delmonteagm@boardroomlimited.com

   When submitting questions by post or via email, shareholders should also provide the following details: (i) the shareholder's full name; (ii) the shareholder's address; and (iii) the manner in which the shareholder holds shares in the Company (e.g., via CDP, CPF, SRS and/or scrip), for verification purposes.

   All questions must be received by 21 August 2023.

2. The Company will address all substantial and relevant questions received from members by publishing its responses to such questions on the SGX website and the Company's website at the URL https://www.delmontepacific.com by 25 August 2023. The Company will respond to questions or follow-up questions submitted after the 21 August 2023 deadline at the Meeting itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

A. Notes for Shareholders in Singapore:

1. A Shareholder entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a Shareholder of the Company.

2. If a Depositor wishes to appoint a proxy/proxies to attend the AGM, then he/she must complete and deposit the Depositor proxy form at the office of the Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte Ltd, 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, or email to delmonteagm@boardroomlimited.com at least forty-eight (48) hours before the time of the AGM.

3. If the Depositor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

B. Notes for Shareholders in the Philippines:

1. Only Shareholders at record date at the close of business of 23 August 2023 are entitled to attend and vote at the AGM.

2. While electronic poll voting is not available to Shareholders in the Philippines who are unable to attend the AGM in Singapore, they will still be able to vote by manual poll voting in Manila. Shareholders in the Philippines who wish to attend the AGM in Singapore will be able to participate in the electronic poll voting. To facilitate registration, please bring a valid government-issued ID.

3. Shareholders in the Philippines who wish to vote but cannot attend either the AGM in Singapore or the videoconference in the Philippines may still do so by appointing a proxy to attend the meeting in Singapore or in Manila. He/she must complete the enclosed proxy form and submit the same by 26 August 2023 at 12:00 p.m. to the Company's Philippine Stock Transfer Agent, BDO Unibank, Inc Trust and Investments Group – Securities Services (Stock Transfer), at its office address in 46th Floor BDO Corporate Center, Ortigas, East Tower, 12 ADB Avenue, Mandaluyong City, Philippines, for the attention of Ms. Concepcion "Jeng" Foronda and Gesan Tesiorna or email to bdo-stocktransferteam2@bdo.com.ph.

4. Shareholders in the Philippines may also be entitled to appoint not more than two (2) proxies to attend in his/her stead. A proxy need not be a Member or Shareholder of the Company.

5. Validation of proxies shall be held on 28 August 2023 at 12.00 p.m. at the office of the Company's Philippine Stock Transfer Agent, BDO Unibank, Inc Trust and Investments Group – Securities Services (Stock Transfer).

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

DEL MONTE PACIFIC LIMITED
(Incorporated in the British Virgin Islands with limited liability on 27 May 1999)

PROXY FORM

The Annual General Meeting ("AGM") of Del Monte Pacific Limited (the "Company") will be held at Orchard Ballroom 3, Level 3 Orchard Hotel, 442 Orchard Road, Singapore 238879, on Tuesday, 29 August 2023 at 1000 a.m. A Shareholder (whether individual or corporate) must complete this Proxy Form to effect the appointment of the Chairman of the Meeting as his/her/its proxy to speak and vote on his/her/its behalf at the Meeting in respect of the Shareholder(s) Shares.

The undersigned, being a shareholder of **DEL MONTE PACIFIC LIMITED** (the "**Company**"), whose name is in the Register of Members as at 23 August 2023 ("**Record/Cut Off Date**") hereby constitutes and appoints:**:**

The Chairman of the Meeting, as proxy, to represent, act and vote in his/her name and stead at the AGM of the Company to be held on 29 August 2023 at 10.00 a.m. and at any adjournment thereof, as fully and to all intents and purposes as the undersigned might do if present and acting in person.

(Please indicate your vote "For" or "Against" or "Abstain" with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against	Abstain
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 30 April 2023			
2	Re-election of Mr. Rolando C Gapud as a Director of the Company			
3	Re-election of Mr. Benedict Kwek Gim Song as a Director of the Company			
4	Approval of payment of Directors' fees for the financial year ending 30 April 2024			
5	Authority to fix, increase or vary emoluments of Directors			
6	Re-appointment of Ernst & Young LLP as Auditors of the Group			
7	Re-appointment of SyCip Gorres Velayo & Co. (Ernst & Young Philippines) as the Philippine Auditors of the Group			
8	Authority to issue Shares			
9	Authority to allot and issue shares under the Del Monte Pacific Executive Share Option Plan 2016			
10	Renewal of Shareholders' Mandate for Interested Person Transactions			

_______________________________________ Printed Name and Signature of Shareholder

_______________________ Number of Shares Held

_______________________ Date/Place

NOTES:

1. This Proxy Form should be duly completed, submitted to, and received by, the Company's Philippine Stock Transfer Agent, BDO Unibank Inc — Trust and Investments Group in the following manners:
   a. Submit via post on or before **26 August 2023 at 12.00 p.m**., at its office address at 45th Floor BDO Corporate Center Ortigas, East Tower, 12 ADB Avenue, Mandaluyong City, Philippines, for the attention of, Ms. Concepcion E. Foronda or Ms. Gesan Tesiorna; or
   b. Submit via email to bdo-stock-transferteam2@bdo.com.ph.

   in either case, at least forty-eight (48) hours before the time of the Annual General Meeting.

   Due to the current COVID-19 situation, shareholders are strongly encouraged to submit the completed Proxy Forms electronically via email.
2. Validation of proxies shall be held on **28 August 2023 at 12:00 p.m.** at the office of the Philippine Share Transfer Agent.
3. This proxy, when properly executed, will be voted in the manner as directed herein by the shareholder(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.
4. A shareholder giving a proxy has the power to revoke it at any time before the right granted is exercised.
5. The Company shall be entitled to reject any proxy form which is incomplete, improperly completed or illegible, or where the true intentions of the shareholder are not ascertainable from the instructions of the shareholder specified on any proxy form. It is the shareholder's responsibility to ensure that this proxy form is properly completed.

PERSONAL DATA PRIVACY

By submitting an instrument appointing the Chairman of the Meeting as a proxy, the Member accept(s) and agree(s) to the personal data privacy terms set out in the Notice of AGM dated 24 July 2023.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

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

a. The Annual General Meeting ("**AGM**") of the shareholders of Del Monte Pacific Limited (the "**Company**") will be held on 29 August 2023 at 10.00 a.m., and will be convened and held at Orchard Ballroom 3, Level 3 of Orchard Hotel, 442 Orchard Road, Singapore 238879.

The mailing address of the Company in Singapore is at c/o 17 Bukit Pasoh Road, Singapore 089831, while its mailing address in the Philippines is at c/o 10th Floor, JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City, 1634 Philippines.

b. In compliance with the Notice of the Securities and Exchange Commission dated 13 March 2023, the Company shall cause the publication of the Notice of Meeting in two (2) newspapers of general publication, in print and online format, on 7 August 2023 and 8 August 2023, and the Information Statement and other pertinent materials shall be available to the shareholders through the Company's and the Philippine Stock Exchange websites.

2. Dissenters' Right of Appraisal

Not applicable.

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

a. Except for the resolutions stated in Section 15(a)(ii), (iii), (iv), (viii) and (ix) below, none of the Directors or officers of the Company, or any nominee to the Board, or any association of the foregoing persons have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the AGM other than election to office.

b. None of the Directors have informed the Company in writing that he or she intends to oppose any matter to be acted upon at the AGM.

c. No cumulative voting rights are available.

B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Holders Thereof

a. The Company has a total of 1,943,960,024 outstanding Ordinary Shares as of the date of this Information Statement.

Holders of Ordinary Shares are entitled to one vote for each share of stock held as of the established record date. On the other hand, holders of Preference Shares are generally not entitled to (i) attend, speak or vote at any meeting of the members of the Company; or (ii) vote on any resolution of members.[1]

As of 30 June 2023, 95.43% of the total outstanding shares or 1,855,166,715 Ordinary Shares of the Company are foreign-owned shares.

b. All shareholders as of 23 August 2023 are entitled to attend and vote at the AGM.

In determining the date of shareholders entitled to attend and vote, the Company takes into account the definition of "record date" under the 2015 SRC Rules, and Articles 71(1)(b) and 71(1)(d) of the Company's Articles of Association.

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[1] Under the Company's Articles of Association, holders of the preference shares shall have the right to attend, speak and vote at a general meeting convened for any of the following purposes:

i. Reducing the Company's authorized or issued share capital
ii. Winding up the Company;
iii. Sanctioning a sale of the whole or substantially the whole of the business, or undertaking of the Company;
iv. Where the proposal to be submitted to the general meeting directly affects the rights and privileges of holders of the preference rates.

They also have the right to attend, speak and vote at any general meeting when the dividend on the Series A Preference Shares has been declared by the Board and has not been paid in full when due, and remains unpaid for at least six (6) months.

2015 SRC Rule 20.2.1.5 defines "record date" as the date on which the holders of securities *entitled to vote* at the meeting, in person or by written consent or authorization, shall be determined.

As a rule, every member is entitled to attend and vote at a general meeting of the Company. However, if a member appoints a proxy, Article 71(1)(b) of the Articles of Association states that the "Depository shall be deemed to have appointed as the Depository's proxies to vote on behalf of the Depository at a general meeting of the Company each of the Depositors who are individuals and whose names are shown on the records of the Depository as at a time not earlier than 48 hours prior to the time of the relevant general meeting." Article 71(1)(d) further provides that "the Company shall reject any CDP proxy form of a nominating depositor if his name is not shown in the records of the Depository as at a time not earlier than 48 hours prior to the time of the general meeting."

c. Security Ownership of Certain Record and Beneficial Owners and Management

i. Security Ownership of Certain Record and Beneficial Owners of More Than 5%

The table below sets forth the security ownership of certain record and beneficial owners of more than 5% of the Company's voting securities as of the date of this Information Statement.

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 Common Shares Held**	**% of Total Outstanding Shares**
Ordinary Shares	NutriAsia Pacific Limited ("**NAPL**") Trident Chambers Road Town, Tortola, British Virgin Islands Shareholder	NAPL is the beneficial and record owner of the shares indicated.*	British Virgin Islands	1,196,539,958 Ordinary Shares	61.53%
Ordinary Shares	HSBC (Singapore) Nom's Pte. Ltd. ("**HSBC**") 21 Collyer Quay #13-01 HSBC Building Singapore 049320 Shareholder	Bluebell Group Holdings Limited ("**Bluebell**") is the beneficial owner of the shares indicated.* The shares are held in nominee by HSBC.	British Virgin Islands	189,736,540 Ordinary Shares	9.76%
Ordinary Shares	Lee Pineapple Company Pte. Ltd. ("**Lee**") 65 Chulia St, #44-01 OCBC Centre Singapore 049513 Shareholder	Lee is the beneficial and record owner of the shares indicated.**	Singapore	106,854,000 Ordinary Shares	5.49%

Notes:
** NAPL and Bluebell are beneficially owned by Mr. Joselito D. Campos, Jr. and the Campos family of the Philippines.*
*** Lee is beneficially owned by the Lee Family of Malaysia.*

ii. Security Ownership of Management

The table below sets forth the security ownership of the Company's directors and executive officers as of the date of this Information Statement.

Title of Class	**Name of Beneficial Owner**	**Amount and Nature of Beneficial Ownership**		**Citizenship**	**Percent of Class**
Ordinary	Joselito D. Campos, Jr.	7,621,466	Direct	Filipino	0.39%
Ordinary	Rolando C. Gapud	2,651,203	Direct	Filipino	0.14%
Ordinary	Edgardo M. Cruz, Jr.	2,984,632	Direct	Filipino	0.15%
Ordinary	Emil Q. Javier	611,828	Direct	Filipino	0.03%
Ordinary	Benedict Kwek Gim Song	117,092	Direct	Singaporean	0.01%
Ordinary	Godfrey E. Scotchbrook	117,092	Direct	British	0.01%

Ordinary	Luis F. Alejandro	3,381,000	Indirect	Filipino	0.19%
		299,400	Direct		
Ordinary	Ignacio C. O. Sison	1,079,736	Direct	Filipino	0.06%
Ordinary	Antonio E. S. Ungson	597,864	Direct	Filipino	0.03%

d. Voting Trust Holders of 5% or More

There are no persons holding more than 5% of a class of shares of the Company under a voting trust or similar agreement as of the date of this Information Statement.

e. Changes in Control

There are no arrangements which may result in a change in control of the Company as of the date of this Information Statement.

5. Directors and Executive Officers

a. Directors, Independent Directors and Executive Officers

i. Directors and Board Committees

The overall management and supervision of the Company, including the exercise of corporate powers and the conduct of the business of the Company, are undertaken by the Board. There are seven members of the Board, three of whom are Executive Directors and the remaining four are Non-Executive Directors who are also Independent Directors.

As of the date of this Information Statement, the composition of the Board is as follows:

Name	**Age**	**Citizenship**	**Position**	**Year First Appointed**	**Year Last Elected (if ID, state no. of years served as ID)**
Rolando C. Gapud	81	Filipino	Executive Chairman	2006	2017
Joselito D. Campos, Jr.	72	Filipino	Managing Director & Chief Executive Officer	2006	2006
Edgardo M. Cruz, Jr.	68	Filipino	Executive Director	2006	2021
Benedict Kwek Gim Song	76	Singaporean	Lead Independent Director	2007	2017 (ID:14)
Godfrey E. Scotchbrook	77	British	Independent Director	2000	2021 (ID: 21)
Emil Q. Javier	82	Filipino	Independent Director	2007	2022 (ID: 14)
Yvonne Goh	70	Singaporean	Independent Director	2015	2022 (ID:6)

In this year's AGM, the following are the incumbent Directors of the Company who are retiring pursuant to Article 88 of the Company's Articles of Association and due for re-election:

Mr Rolando C Gapud, Executive Chairman, 81
Appointed on 20 January 2006
Last re-elected on 17 September 2020

Mr Benedict Kwek Gim Song, Lead Independent Director, 76
Appointed on 30 April 2007
Last re-elected on 17 September 2020
Appointed as Lead Independent Director on 11 September 2013

Under Article 88, all Directors hold office for a maximum period of three (3) years, whereupon they shall retire in accordance with the Company's Articles of Association, but are eligible for re-election.

In reviewing the nomination for the re-election of the retiring Directors, the Nominating and Governance Committee (the "**NGC**") had considered the contributions and performance of each Director, taking into account his attendance and participation at Board and Board committee meetings, as well as his or her independence.

All Directors retiring have consented to continue in office and have offered themselves for re-election at the Company's AGM.

Both Mr. Gapud and Mr. Kwek are not family-related to the other directors, substantial shareholders, or shareholders who own at least 10% of the Company.

The Certification of Independent Director executed by Mr. Kwek is attached herein as ***Annex "A-1"***.

The NGC, on an annual basis, determines whether or not a director is independent, taking into account the definition of the 2012 Code of Corporate Governance of Singapore (the "**2012 Code**"), which defines "independence" to mean that Directors have no relationship with the Company, or its related corporations, its 10% shareholders or its officers that could or be reasonably perceived to interfere with the exercise of the Director's independent business judgment. Disclosures of Directors' interests and their interest in transactions are standing agenda items in all Board meetings, and would be circulated and tabled for Board members' information, as appropriate.

The 2012 Code states that the independence of any Director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review.

Consistent with previous practice, the NGC undertook a rigorous review of the independence of each Independent Director, including those whose tenure had exceeded nine years from the date of their first appointment. Led by the NGC Chairperson and facilitated by Boardroom Corporate & Advisory Services Pte Ltd, the Company's external corporate secretarial service provider, the assessment was conducted by means of a confidential and incisive questionnaire completed by each Director and confirmation completed by the Independent Directors.

As part of this rigorous review, Board members were asked to share their observations on how the Independent Directors whose tenure had exceeded 9 years, namely Messrs Benedict Kwek Gim Song, Emil Q Javier and Godfrey Scotchbrook, have demonstrated their independence on the Board. Board members were invited to cite, as appropriate, specific instances and examples.

The results were analysed and discussed at the NGC and Board meetings. It was concluded that there is a strong sense of independence amongst all Board members. Management is constantly challenged and questioned on proposals that come before the Board with all Directors engaging in thorough and robust discussion and deliberation, taking into consideration the interest of the Group's stakeholders.

Based on the assessment, Messrs Benedict Kwek Gim Song (first appointed on 30 April 2007), Emil Q Javier (first appointed on 30 April 2007) and Godfrey E Scotchbrook (first appointed on 28 December 2000) have demonstrated independent mindedness and conduct at Board and Board committee meetings. The NGC is also of the firm view and opinion that these Directors continue to exercise independent judgment in the best interest of the Company in the discharge of their duties as Directors, and their more than nine years of exemplary service on the Board have not in any way affected their independence as throughout their tenure in office they had continually challenged and provided constructive feedback to Management.

Each member of the NGC had abstained from deliberations in respect of the assessment on his own independence.

Management, together with the Board Committees, including the Audit & Risk Committee ("**ARC**"), NGC, and Remuneration and Share Option Committee ("**RSOC**") support the Board in discharging its responsibilities. The members of the Board Committees are as follows:

Audit and Risk Committee	
Benedict Kwek Gim Song (Lead Independent Director)	ARC Chairman
Godfrey E. Scotchbrook (Independent Director)	Member
Emil Q. Javier (Independent Director)	Member
Yvonne Goh (Independent Director)	Member
Nominating and Governance Committee	
Yvonne Goh (Independent Director)	NCG Chairperson
Benedict Kwek Gim Song (Lead Independent Director)	Member
Godfrey E. Scotchbrook (Independent Director	Member
Emil Q. Javier (Independent Director)	Member
Rolando C. Gapud (Executive Chairman)	Member

Edgardo M. Cruz (Executive Director)	Member
Remuneration and Share Option Committee	
Godfrey E. Scotchbrook (Independent Director)	RSOC Chairman
Benedict Kwek Gim Song (Lead Independent Director)	Member
Emil Q. Javier (Independent Director)	Member
Yvonne Goh (Independent Director)	Member

ii. Senior Management

As of the date of this Information Statement, the following are the Company's Senior Management:

Name	Age	Citizenship	Position	Year Position was Assumed
Joselito D. Campos, Jr.	72	Filipino	Managing Director and CEO	2006
Luis F. Alejandro	69	Filipino	Chief Operating Officer	2008
Ignacio C. O. Sison	59	Filipino	Chief Corporate Officer	2015
Parag Sachdeva	53	Indian	Chief Financial Officer	2015
Antonio E. S. Ungson	51	Filipino	Chief Legal Counsel and Chief Compliance Officer	2008
			Company Secretary	2015
Ruiz G. Salazar	59	Filipino	Chief Human Resource Officer	2016

b. Significant Employees

The Board and the Senior Management of the Company have been an integral part of its success. Their knowledge, experience, business relationships and expertise greatly contribute to the Company's operating efficiency and financial performance.

The Company maintains that it considers the collective efforts of the Board and all of its employees as instrumental to its overall success. The business of the Company is not dependent on any individual person. No employee is indispensable in the organization. The Company has institutionalized, through documentation, its processes and training to ensure continuity and scalability in the business without relying on any particular employee.

c. Family Relationships

Other than as provided below, there are no other family relationships known to the Company:

Ms. Jeanette Beatrice Campos Naughton is Vice President, Strategic Planning of the Company's U.S. subsidiary, Del Monte Foods, Inc ("**DMFI**"). She is the daughter of Mr. Joselito D Campos, Jr., the Company's Managing Director and CEO, and DMFI's Vice Chairman and Director.

d. Involvement in Certain Legal Proceedings

As to Directors, Executive Officers and Nominees for Election:

Except as set out below, the Company is not aware that any of the incumbent Directors and any nominee for election as director, executive officer or control person of the Company has been the subject of any: (a) bankruptcy petition; (b) conviction by final judgment in a criminal proceeding, domestic or foreign; (c) 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 his involvement in any type of business, securities, commodities or banking activities; and (d) judgment of violation of a securities or commodities law or regulation by a domestic or foreign court of competent jurisdiction, in a civil action, the Philippine SEC or a comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, which has not been reversed, suspended or vacated, for the past five (5) years up to the latest date that is material to the evaluation of his ability or integrity to hold the relevant position in the Company:

Mr. Luis F. Alejandro, the Group's Chief Operating Officer, is not involved in any criminal, bankruptcy or insolvency investigation or any other proceeding against him, except only the libel case pending between GMA Network, Inc and ABS-CBN Broadcasting Corp where he was impleaded eight years ago as co-accused in his capacity as then President and Chief Operating Officer of ABS-CBN Broadcasting Corp.

As to the Company and its Subsidiaries:

The Group is the subject of, or a party to, other various suits and pending or threatened litigation. While it is not feasible to predict or determine the ultimate outcome of these matters, the Company believes that none of these legal proceedings will have a material adverse effect on its financial position.

e. Certain Relationships and Related Transactions

a) The following is a summary of Interested Person Transactions ("**IPT**") entered into by the Company and/or its subsidiaries (the "**Group**") with certain Interested Persons[2] for FY2023 (1 May 2022 to 30 April 2023), FY2022 (1 May 2021 to 30 April 2022) and FY2021 (1 May 2020 to 30 April 2021):

Related Party Transaction	Relationship	Nature	FY2023 US$'000	FY2022 US$'000	FY2021 US$'000
Del Monte Philippines, Inc (DMPI Retirement Fund)	Retirement fund of the Company's subsidiary	Rental to DMPI Retirement Fund	1,851	1,837	1,747
		Security Deposit to DMPI Retirement Fund	18	-	2
		Management fees from DMPI Retirement Fund	(4)	(4)	(4)
Del Monte Philippines, Inc (DMPI Provident Fund)	Retirement fund of the Company's subsidiary	Rental to DMPI Provident Fund	6	7	-
NutriAsia Inc (NAI)	Affiliate of the Company	Rental to NAI Retirement Fund	629	652	602
		Security deposit to NAI Retirement Fund	7	7	7
		Purchases of Production Materials	78	25	24
		Toll Pack Fees	-	12	-
		Utilities / Parking Space Rental	42	97	40
		Recharge of Inventory Count Shortage	-	-	-
		Management fee	-	(49)	(65)
		Shared IT & Other Services from NAI	(98)	(112)	(185)
		Sale of other Raw Materials with NAI	-	48	(11)
		Sale of apple juice concentrate with NAI	(15)	(12)	(17)
		Cash Advances	-	-	(703)
NAPL	Affiliate of the Company	Cash Advances	-	(1,261)	-
TOTAL			**2,514**	**1,247**	**1,437**

Review

The Company has an IPT and Related Party Transactions (RPT) policy and manual that set out the definitions, general guidelines, and review and monitoring procedures to be adopted across the Group for IPTs compliance with the Listing Manual of the SGX-ST and the SEC Memorandum Circular No. 10 (Series of 2019) or the *Rules on Material Related Party Transactions for Publicly Listed Companies*. The manual presents a comprehensive view of IPT and RPT and the procedures that all affected Group personnel, including members of senior management, directors and employees in Purchasing, Treasury, Finance, Sales, Legal, Internal Audit, must

[2] Under the SGX-ST Listing Manual, "Interested Person" is defined as: (a) a Director, CEO or Controlling Shareholder of the listed company; or (b) an Associate of any such Director, CEO or Controlling Shareholder. A "Controlling Shareholder" is one who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company; or (b) in fact exercises control over a company.

follow. The policy and manual set out materiality thresholds for IPTs and RPTs that could trigger certain approval and disclosure requirements.

The Company established review procedures to ensure that IPTs and RPTs: (i) are carried out on an arm's length basis and on normal commercial terms, consistent with the Group's usual business practices and policies; and (ii) will not be prejudicial to the interests of the Company and its minority shareholders.

In general, the transactions with related parties are carried out based on terms agreed between the parties. Pricing for the sales of products are market driven, less certain allowances. For purchases, the Group's policy is to solicit competitive quotations. Bids from any related party are evaluated on arm's length commercial terms and subject to bidding against third party suppliers. Purchases are normally awarded based on the lowest price.

The ARC reviews the internal audit report on the IPTs and RPTs on a quarterly basis to ascertain that the established review procedures are complied with. If during these periodic reviews, the ARC is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, the Company will revert to its shareholders for a fresh mandate based on a new set of guidelines and review procedures that would ensure compliance with the established standards above.

The Company maintains a register of transactions carried out with Interested Persons, as defined in the IPT manual, and the Company's internal audit plan will incorporate an annual review of all transactions entered into in the relevant financial year pursuant to the IPT mandate.

Approval or Ratification

The following are the categories of IPTs in the Company's manual:

1. Mandated IPT – refers to an IPT between the Group and any Interested Person pursuant to a shareholders' mandate approved on an annual basis by the Company's shareholders, which is subject to renewal each year at the annual general meeting. However, despite the existence of the shareholders' mandate, Mandated IPTs are still subject to auditors and AC's review.

2. Non-Mandated IPT – refers to purchase or sale of fixed assets, undertakings or businesses, as well as transactions not included under the shareholders mandate, which may require announcements, management approval, Board approval and/or shareholders' approval, depending on the amounts involved.

Monitoring and Recording

To facilitate recording of IPTs, each Group subsidiary's Controller shall establish two holding accounts that will be used in recording IPTs – one to record Mandated IPTs and the other to record Non-Mandated IPTs. Transactions recorded under these two holding accounts will then be cleared monthly to the proper accounts. The transactions that are recorded under the holding accounts will then be reported on a quarterly basis to the CFO for consolidation which will then be submitted to the ARC for evaluation and review.

b) Other than standard terms and conditions typical for these kinds of contracts and negotiated at arm's length and upon normal commercial terms with counterparties, there are no other commitments resulting from these arrangements.

Considering the arm's length negotiation of these IPTs and the Company's established IPT review, approval, monitoring and disclosure processes, we do not see any material risks arising from these transactions.

f. Resignation of Directors due to Disagreement

No Director has resigned from, or declined to stand for re-election to, the Board since the date of the 2018 AGM due to any disagreement with the Company on any matter relating to its operations, policies or practices.

g. No provision of the Company's Articles of Association, which relates to the selection, nomination and election of Independent Directors, has been recently amended. The Company's selection and election processes for independent directors are in accordance with the Company's Articles of Association and the 2012 Code.

h. Attendance for FY 2023 (from 1 May 2022 to 30 April 2023)

Directors	Board Meetings	Audit and Risk Committee Meetings	Remuneration and Share Option Committee Meetings	Nominating and Governance Committee Meetings	Annual General Meeting
Mr. Rolando C. Gapud	4	NA	NA	4	1
Mr. Joselito D. Campos, Jr.	4	NA	NA	NA	1
Mr. Edgardo M. Cruz, Jr.	4	NA	NA	4	1
Mr. Benedict Kwek Gim Song	4	4	2	4	1
Mr. Godfrey E. Scotchbrook	4	4	2	4	1
Dr. Emil Q. Javier	4	4	2	4	1
Mrs. Yvonne Goh	4	4	2	4	1
Total No. of Meetings Held	**4**	**4**	**2**	**4**	**1**

New Directors undergo an orientation program whereby they are briefed by the Company Secretary on their obligations as Directors, as well as the Group's corporate governance practices, and relevant statutory and regulatory compliance issues, as appropriate. They are also briefed by Management on the Group's industry and business operations. Ongoing orientation includes visits to the Group's plantation and manufacturing facilities for Board members to gain a first-hand understanding and appreciation of the Group's business operations. During the year under review, there were no new Director appointments in the Company.

Timely updates on developments in accounting matters, sustainability, legislation, jurisprudence, government policies and regulations affecting the Group's business and operations are likewise provided to all Directors. The Board was duly updated on the 2018 Code and SEC CG Code, as well as on any developments or changes to relevant laws and related matters. The Board also receives regular training updates on matters affecting the Group's business and operations. In addition, all Directors are required to undergo annual continuing training as may be relevant to the effective discharge of their responsibilities, at the expense of the Company, as set out in the table below:

i. Directors and Officers Training and Seminars Attended in FY2023 (1 May 2022 – 30 April 2023)

Date	Location	No. of hours	Training/ Seminar/ Conference	Organizer	Attendees
11 May 2022	Online	1.0	Creating competitive advantage through sustainability	Grant Thornton	Edgardo Cruz, Jr.
12 May 2022	Online	1.5	Getting ahead of the changing consumer and disruption	Ernst & Young	Edgardo Cruz, Jr.
31 May 2022	Online	2.0	Board and Audit Committee Priorities	KPMG	Edgardo Cruz, Jr. and Benedict Kwek
15 Jun 2022	Online	4.0	Environmental, Social and Governance Essentials	Singapore Institute of Directors	Yvonne Goh
15 Jun 2022	Online	4.0	Environmental, Social and Governance Essentials	Singapore Institute of Directors	Benedict Kwek

14 Jul 2022	Online	4.0	Environmental, Social and Governance Essentials	Singapore Institute of Directors	Edgardo Cruz, Jr.
2 Aug 2022	Online	4.0	Environmental, Social and Governance Essentials	Singapore Institute of Directors	Emil Javier
25 Aug 2022	Online	2.5	CSO Sustainability Leaders Network in Singapore	SGX	Ignacio Sison
13-14 Sep 2022	Online	4.0	2022 HR BEAT Virtual Conference	Willis Towers Watson	Ruiz Salazar
10 Oct 2022	Online	2.0	Corporate Governance Webinar	SIAS	Ignacio Sison
11 Oct 2022	Online	1.0	ESGenome Onboarding Seminar	SGX	Ignacio Sison
11 Nov 2022	Online	3.0	The Corporate Board's Roadmap to ESG-Driven Sustainability Strategy and Reporting	Center for Global Best Practices	Joselito Campos, Jr.
			The Business Case for Integrity		
21 Nov 2022	Online	1.0	ESG Data and Ratings	Standard Chartered Bank and SGX	Ignacio Sison
9 Dec 2022	Online	4.0	Sustainability E-Training for Directors	Institute of Singapore Chartered Accountants and SAC Capital	Godfrey Scotchbrook
5 Jan 2023	Online	4.0	Sustainability E-Training for Directors	Institute of Singapore Chartered Accountants and SAC Capital	Ignacio Sison
1 Feb 2023	Online	1.5	Enabling Sustainable Supply Chains	SCMAP	Ignacio Sison
3 Feb 2023	Online	1.5	Economic Briefing	Credit Suisse and BDO	Ignacio Sison
3 Mar 2023	Online	7.0	Validation of GHG Inventory Management Plan	Synchronized Macro Solutions	Ignacio Sison
29 Mar 2023	Online	1.0	Setting the Pace of Sustainability Reporting	GRI	Ignacio Sison
3-26 April 2023	Online	8.0	Willis Towers Watson's Driving Value in an Age of Disruption	Willis Towers Watson	Ruiz Salazar
17 Apr 2023	Online	1.5	AAF ASEAN Launch Event Empowering Sustainable	GRI	Ignacio Sison
			Agriculture, Aquaculture, and Fishing in Southeast Asia		

j. Review of the Performance of the Board

The Board, through the NGC, has implemented a formal annual evaluation process to assess the effectiveness of the Board as a whole, each of its Board Committees and individual Directors. The evaluation process is undertaken annually as an internal exercise and involves Board members completing a questionnaire covering mainly the following areas of assessment:

- Board composition
- Information to the Board
- Board procedures, training and resources
- Board accountability

• Communication with CEO and Key Management Personnel
• Succession planning for Directors, Board Chairman and the CEO
• Standards of conduct and effectiveness of the Board
• Rigorous review of the independence of each of the Independent Directors
• Board Committees' performance in relation to discharging their responsibilities under their respective terms of reference

Each Director conducts a self-assessment of his/her performance and contribution to the Board through completion of a questionnaire on a secured online portal, the results of which are collated and tabulated by an external facilitator.

The Directors' self-evaluation on their performance focused on the following:

• Directors' duties
• Leadership
• Communication skills
• Strategy and risk management
• Board contribution
• Knowledge
• Interaction with fellow Directors, Key Management Personnel, Auditors, Company Secretary, Legal Advisors and other professional advisors

The evaluation process took into account the views of each Board member and provides an opportunity for Directors to provide constructive feedback on the workings of the Board, including its procedures and processes and if these may be improved upon.

Led by the NGC Chairperson and facilitated by Boardroom Corporate & Advisory Services Pte. Ltd., an external service provider, this collective assessment was conducted by means of a confidential questionnaire completed by each Director, which is collated, analyzed and discussed with the NGC and the Board with comparatives from the prior year evaluation. A summary of the findings and recommendations was prepared based on the completed questionnaires for the Board as a whole, each of its Board Committees and individual Directors. This was reviewed and deliberated on by the NGC and thereafter tabled to the Board for its necessary action to further enhance the effectiveness of the Board, as appropriate.

The appointment and the removal of the Company Secretary is a matter for the Board as a whole.

The Company Secretary, Mr. Antonio E. S. Ungson, is a lawyer by profession. He had previously served as company secretary in various companies during the course of his career. He also has an understanding of basic financial and accounting matters.

The Directors have separate and independent access to Management and the Company Secretary. Aside from access to Management and the Company Secretary for advice and services, the Directors may, in appropriate circumstances, seek independent professional advice concerning the Company's affairs at the Company's expense.

6. Compensation of Directors and Executive Officers

The aggregate compensation paid or incurred during the last two fiscal years and estimated to be paid in the ensuing fiscal year to the CEO and senior executive officers of the Company are as follows:

Name and principal position	Year	Salary (in PhP)	Bonus (in PhP)
A. Chief Executive Officer and most highly compensated executive officers*	FY 2024 (Est)	297,796,463	240,631,497
	FY 2023	294,295,069	144,655,116
	FY 2022	235,016,197	227,880,942
B. All other officers and directors as a group unnamed	FY 2024 (Est)	193,965,939	51,868,476
	FY 2023	189,181,068	46,553,084
	FY 2022	170,666,567	46,120,954

**The CEO and executive officers of the Company are as follows: Managing Director & CEO, Mr. Joselito D Campos, Jr. and the executives (in alphabetical order): Luis F. Alejandro, Parag Sachdeva, Ignacio Carmelo O. Sison, and Antonio Eugenio S. Ungson.*

Standard Arrangement

The Directors receive a fixed remuneration annually based on the following fee structure:

a. Board Chairman: US$99,000 per annum
b. Directors: US$54,000 per annum
c. Audit and Risk Committee Chairman: US$24,750 per annum
d. Remuneration and Share Option Committee Chairman: US$12,375 per annum
e. Nominating and Governance Committee Chairman: US$12,375 per annum
f. Audit and Risk Committee Members: US$13,500 per annum
g. Remuneration and Share Option Committee Members: US$6,750 per annum
h. Nominating and Governance Committee Members: US$6,750 per annum

The Directors do not receive any allowance for attending Board or Board committee meetings.

Other Arrangements

Dr. Emil Q. Javier has a consultancy agreement with the Company to act as a consultant, amongst other things, to provide guidance and support to the Group on its plantation operations and development of agri-based initiatives.

Except as described above, there are no other arrangements pursuant to which any of the Company's Directors and officers are compensated, or are to be compensated, directly or indirectly.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no arrangements for compensation to be received by any executive officer from the Company in the event of a resignation, or termination of the executive officer's employment or a change of control of the Company. The Company, however, provides retirement benefits to qualified employees, including Key Management Personnel.

Share Options

There are no outstanding share options as of the date of this Information Statement. All unexercised options which were granted pursuant to the Del Monte Pacific Executive Stock Option Plan 1999 had already lapsed on 6 March 2018.

Share Awards

All share awards granted to Directors had since 20 September 2017 been vested and released to Directors.

Except as disclosed [in the Company's Annual Report], no Director who held office at the end of the financial year had interests in shares, debentures, warrants, share options or share-based incentives of the Company or of related corporations, either at the beginning or at the end of the financial year.

7. Independent Public Accountants

a) The external auditor of the Group for the most recently completed fiscal year is Ernst & Young LLP ("**EY Singapore**"), which is the same accounting firm tabled for re-appointment for the current fiscal year at the AGM of shareholders.

   Sycip Gorres Velayo & Co. ("**EY Philippines**"), the Group's auditors in the Philippines for the most recently completed fiscal year, is likewise tabled for re-appointment for the current fiscal year at the AGM.

b) Mr. Philip Ling Soon Hwa is the partner-in-charge from EY Singapore for the audited financial statements of the Company and the Group for the fiscal year ended 30 April 2022. Representatives of EY Singapore are expected to be present during the AGM. The representatives may make statements, if they desire to do so, and will be available to respond to appropriate questions raised by the shareholders at the AGM.

   Mr. Johnny F. Ang is the partner-in-charge from EY Philippines.

c) The aggregate annual external audit fees billed for each of the last two fiscal years for the audit of the Group's annual financial statements or services that are normally provided by the external auditor are as follows:

	FY2023	**FY2022**

		in US$'000	in US$'000
1.	Audit Fees		
	EY Singapore	172	95
	SGV	1,438	1,297
	Affiliates of auditors of the Company	50	43
	Other auditor	6	6
2.	Non-Audit Fees		
	SGV	160	-
	Other auditors	80	80

8. Compensation Plans

Except as stated in Section 9 below, there are no actions to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed during the AGM.

9. Voting Rights of Shareholders

The Company treats all shareholders fairly and equitably, and recognizes, protects and facilitates the exercise of shareholders' rights. Moreover, the Group continually reviews and updates such governance arrangements. Shareholders are informed of changes in the Group's business that are likely to materially affect the value of the Company's shares.

The Company encourages shareholder participation at AGMs or GMs, and ensures that the venue for the meetings is in a central location easily accessed by public transportation.

In view of the COVID-19 situation, the AGM held in respect of FY2022, was convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronically accessed live audio-visual webcast, or live audio-only stream; submission of questions to the Chairman of the Meeting in advance of the AGM; addressing of substantial and relevant questions at, or prior to, the AGM; and voting by appointing the Chairman of the Meeting as proxy at the AGM; was put in place for the AGM.

The Company had appointed independent scrutineers, Drewcorp Services Pte. Ltd. in Singapore and Ortega Law Office in the Philippines, to validate the votes submitted for the said meeting held on 26 August 2022.

The Chairman of the Board, the respective Chairperson of the ARC, NGC and RSOC, three other Directors, Senior Management including the CEO, and the external auditors were present at the most recent AGM held on 26 August 2022, to assist the Board in addressing shareholders' questions.

Shareholders were given the opportunity to participate by emailing their questions and submitting their votes and proxy forms before the AGM.

The Company's Memorandum and Articles of Association do not allow corporations which provide nominee or custodial services to appoint more than two proxies to vote. At present, only the Central Depository (Pte.) Ltd. is permitted to appoint more than two proxies. The Company does, however, allow non-shareholders to attend the AGM or GM as observers.

The Company does not practice bundling of resolutions at general meetings. Each distinct issue is proposed as a separate resolution and full information is provided for each item in the agenda for the meetings.

Pre-pandemic, shareholders were given the opportunity to communicate their views and direct questions in person to Directors and Senior Management regarding the Company.

The Company had since 2013 instituted electronic poll voting and all resolutions are put to vote by electronic poll at its AGMs and GMs. Shareholders are informed of the rules and voting procedures before the start of any meeting. The Group ensures that shareholders have the opportunity to participate effectively in, and vote at, AGMs or GMs. The detailed results of the poll, including the number of votes cast for and against each resolution with the respective percentages taken during the AGM or GM are disclosed and made available to the public on the same day, and likewise uploaded on the Company's website within five days from the date of the meeting.

The Company's Memorandum and Articles of Association do not provide for absentia voting which, even if allowed, may only be possible following a deliberate study to ensure that the integrity of information and authentication of the identity of shareholders and other related security issues through the web would not be compromised, and importantly, legislative changes are effected to recognize remote voting.

The AGM and GM minutes reflect that shareholders are always given the opportunity to ask questions. The minutes include shareholders' comments and a summary of the questions and answers during the meetings. The minutes are promptly made available in the Company's website after the meetings.

The Company's dividend policy for Ordinary Shares is to distribute a minimum of 33% of full year profit. The holders of Ordinary Shares are entitled to receive dividends, as declared from time to time, after dividends of Preference Shares are paid. For FY2023, the Company declared a final dividend of S$0.0013 or a 15% payout to Ordinary shareholders.

The dividend policy and terms, including the declaration dates from previous years, are provided on the Company's website. The Company endeavors to pay dividends within 30 days after declaration date.

10. Corporate Governance and Protection of Minority Shareholders

The Company dutifully accomplishes the Integrated Annual Corporate Governance Report to assess the level of compliance by the Company, the Board and Senior Management with the Manual of Corporate Governance.

The Company also participates in regular Corporate Governance surveys such as the ASEAN Corporate Governance Scorecard and the Singapore Transparency Index. Hence, the Company keeps abreast of best practices in corporate governance matters. The directors and executives also regularly attend training seminars and workshops on these matters and training hours are monitored regularly.

We are not aware of any material deviation by the directors or the members of top level management from the Company's Manual of Corporate Governance.

The Board continues to find ways to enhance the independence of the independent directors. For instance, measurable objectives relating to this as well as diversity are being considered. There is also a plan to consider adopting a Board charter for the Company.

In the interest of good corporate governance and the protection of minority stockholders, the Company observes its Interested Party Transaction and Related Party Transactions policy and manual to ensure that its related party transactions are (i) carried out on an arm's length basis and on standard commercial terms, consistent with the Company's usual business practices and policies; and (ii) will not be prejudicial to the interests of the Company and its minority shareholders. All related party transactions are subject to the review and approval of the ARC, the Board and the stockholders, depending on the amounts involved.

And to manage the risk of potential limitations on minority stockholders' rights, the Company remains cognizant of the requirements of applicable laws as well as of its Articles of Association governing stockholder meetings and stockholders' voting rights

The NGC is also tasked with reviewing the performance and contribution of the directors in order to consider them for re-election or re-appointment. The NGC will review, in particular, the directors' attendance and participation at meetings of the Board and Board Committees, and their efforts and contributions towards the success of the Company's business and operations.

11. Risk Management and Internal Control

The Group maintains an effective system of risk management and internal controls addressing financial, operational, compliance and information technology (IT) controls, and risk management policies and systems established by Management. These controls are designed to provide reasonable assurance as to the adequacy, effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

The adequacy and effectiveness of these controls is subject to a periodic review by the Group's Internal Audit department and monitored by the ARC. In addition, the Group's external auditors also reviewed the effectiveness of the Group's key internal controls as part of their audit for the year with respect to financial reporting. Significant non-compliance in internal controls, if any, together with recommendations for improvement, is reported to the ARC. A copy of this report is also issued to the relevant department for follow-up action.

Risk assessment and evaluation takes place as an integral part of the Annual Operating Plan (AOP). Having identified key risks to the achievement of the Group's AOP, mitigating actions are formulated in respect of each significant risk. Identified risks are also included and monitored in the corporate risk register, and mitigating measures are followed up. The approach to risk management is set out in the "Risk Management" section of this Annual Report.

IT issues are also regularly reported to the Board through the ARC. Reports include matters on business continuity, disaster recovery and cybersecurity among others. The Board, through the ARC, provides directions on these matters which Management executes and Internal Audit monitors.

Cybersecurity and IT general controls remained focus areas in FY2022. The Group invested in several improvements starting with the groupwide standardization of its endpoint security solution which came with integrated detection and response. It also completed email upgrades along with additional key security and authentication features. End-of-life/ end-of-support network switches and devices were also updated and replaced. The Group also started rolling out Single Sign-On for SAP. With the help of a third party, the Group conducted vulnerability assessment and penetration testing (VAPT) on select company websites as it had been doing regularly in the past years. In response to previous VAPTs, transitions were made to new and more secure websites. System and Organization Controls (SOC) reports were also obtained from major IT service and solutions providers. On an ongoing basis, the Group continues to regularly manage, monitor and maintain access controls including a strong password policy and multi-factor authentication where applicable, network segmentation, advanced persistent threat protection, encryption and patch management for all its devices and programs. User segregation of duties is reviewed as part of the access provisioning process and periodically. Timely user deactivations are enforced and periodically reviewed as well. The Group also conducts user trainings and awareness campaigns on cyber threats and shares tips and reminders to avoid exploits and comply with best practices and standards.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, assurances by the CEO, Chief Operating Officer, Chief Corporate Officer, Chief Financial Officer (CFO) and Chief Compliance Officer, and reviews performed by Management and various Board Committees, the Board is of the opinion, and the ARC concurs, that the Group's internal controls, addressing financial, operational, compliance and IT risks, and its risk management systems were adequate and effective as at 30 April 2022.

The Board and the ARC are also responsible for (a) monitoring the Group's risk of becoming subject to, or violating, any sanction-related law; and (b) ensuring timely and accurate disclosures to SGX-ST of any such risks and other relevant authorities. The Company will inform shareholders of any sanction-related risks on the Group, the impact of such risk on the financials and operations of the Group, if any, and also the cessation of such risk via announcements to SGX-ST.

For the year under review, the Board had received (a) written confirmation from the CEO and the CFO that the financial records have been properly maintained, and the financial statements give a true and fair view of the Company's operations and finances; and (b) written confirmation from the CEO and other Key Management Personnel who are responsible, that the Company's risk management and internal control systems have remained adequate and effective.

The Board will, on a continuing basis, endeavor to further enhance and improve the Company's system of internal controls and risk management policies.

The Group's internal audit team, led by the Head of Internal Audit, reports directly to the ARC. An internal audit report is submitted to the ARC on a quarterly basis. The ARC reports all material updates to the Board.

C. ANNUAL GENERAL MEETING OF SHAREHOLDERS LAST 26 AUGUST 2022

The Company had since 2013 instituted electronic poll voting and all resolutions are put to vote by electronic poll at its AGMs and GMs. Shareholders are informed of the rules and voting procedures before the start of any meeting. The Company ensures that shareholders have the opportunity to participate effectively in, and vote at, AGMs or GMs. The detailed results of the poll, including the number of votes cast for and against each resolution with the respective percentages taken during the AGM or GM are disclosed and made available to the public on the same day, and likewise uploaded on the Company's website within five days from the date of the meeting.

In view of the COVID-19 situation, the AGM held in respect of FY2022, on 26 August 2022, was convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronically accessed live audio-visual webcast, or live audio-only stream; submission of questions to the Chairman of the Meeting in advance of the AGM; addressing of substantial and relevant questions at, or prior to, the AGM; and voting by appointing the Chairman of the Meeting as proxy at the AGM; was put in place for the AGM.

Shareholders were given the opportunity to participate by emailing their questions and submitting their votes and proxy forms before the AGM.

The Company had appointed independent scrutineers, Drewcorp Services Pte. Ltd. in Singapore and Ortega Law Office in the Philippines, to validate the votes submitted for the said meeting held on 26 August 2022.

Shareholders were given the opportunity to participate by emailing their questions and submitting their votes and proxy forms before the AGM. The Notice of the AGM which includes the matters and resolutions discussed is also uploaded in the website of the Company, specifically at the link https://www.delmontepacific.com/hubfs/pdf/28%207%202022%20Del%20Monte%20Pacific%202022%20Notice%20of%20AGM%20FINAL.pdf. The minutes,list of attendees, results of the voting for each agenda item , and Q&A from the 2022 AGM can be accessed at https://www.delmontepacific.com/hubfs/pdf/DMPL%20-%20AGM%20Minutes%20FY2022%20-%20Final%20with%20Appendix.pdf.

D. ISSUANCE AND EXCHANGE OF SECURITIES

12. Authorization or Issuance of Securities Other than for Exchange

a. *Title and Amount of Securities to be Authorized*

At the AGM, the following matters shall be submitted for shareholders' approval:

i) *Authority to Issue Shares*

*That pursuant to Article 15(2) of the Company's Articles of Association and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:*

*(a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or*

*(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including, but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,*

at any time and upon such terms and conditions, and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to Shareholders of the Company shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;
(b) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) *unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.*

If passed, this Ordinary Resolution will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 15% may be issued other than on a pro rata basis to Shareholders.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of Shares.

ii) *Authority to Allot and Issue Shares under the Del Monte Pacific Executive Share Option Plan 2016*

*That approval be and is hereby granted to the Directors of the Company, acting through its Remuneration and Share Option Committee, to allot and issue from time to time such Shares as may be allotted and issued pursuant to the exercise of the Del Monte Pacific Executive Share Option 2016 ("**ESOP**"), provided always that the aggregate number of Shares to be allotted and issued pursuant to the ESOP shall not exceed ten percent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.*

If passed, this Ordinary Resolution will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue from time to time such number of fully-paid Shares in the capital of the Company, as may be required to be issued, pursuant to the ESOP. The aggregate number of Shares which may be issued pursuant to the ESOP shall not exceed ten percent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

b. *Description of the Company's Securities*

At present, the Company has an authorized capital of U.S.$630,000,000.00 consisting of 3,000,000,000 Ordinary Shares with a par value of U.S.$0.01 each, and 600,000,000 Preference Shares with a par value of U.S.$1.00 each, which may be issued in one or more series.

Out of the authorized capital stock, the Company has (i) 1,943,960,024 Ordinary Shares and (b) 10,000,000 Series A-2 Preference Shares outstanding. The total issued Ordinary Shares are 1,944,935,826 Ordinary Shares, which includes 975,802 Ordinary Shares that are held by the Company as treasury shares.

13. Modification or Exchange of Securities

There are no actions to be taken with respect to the modification or exchange of the Company's securities.

14. Financial and Other Information

The Management Report discussing the operational, financial and other information of the Company is attached herein as ***Annex "B"***.

The consolidated audited financial statements of the Group for the fiscal year ended 30 April 2022 are likewise attached herein as ***Annex "C".***

15. Mergers, Consolidations, Acquisitions and Similar Matters

There are no actions to be taken in relation to any merger, acquisition or business combination.

16. Acquisitions and Investments

There are no matters to be taken with respect to any merger, consolidation, acquisition of any property.

17. Restatement of Accounts

There are no actions to be taken and submitted for shareholders' approval with respect to the restatement of any asset, capital or surplus account of the Company.

D. OTHER MATTERS

18. Action with Respect to Reports and Other Items

a) The following shall be submitted for shareholders' approval during the AGM:

(i) To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company, together with the Auditors' Report thereon, for the financial year ended 30 April 2023. ***(Resolution 1)***

(ii) To re-appoint the following Directors retiring pursuant to Article 88 of the Company's Articles of Association and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited:

a. Mr. Rolando C. Gapud ***(Resolution 2)***

b. Mr. Benedict Kwek Gim Song ***(Resolution 3)***

(iii) To approve the payment of Directors' fees of up to US$621,000/- for the financial year ending 30 April 2024 ("FY2024") (FY2023: US$621,000/-), to be paid quarterly in arrears, computed based on the fee structure set out below:

- Board Chairman: US$99,000 per annum
- Directors: US$54,000 per annum
- Audit and Risk Committee Chairman: US$24,750 per annum
- Remuneration and Share Option Committee Chairman: US$12,375 per annum
- Nominating and Governance Committee Chairman: US$12,375 per annum
- Audit and Risk Committee Members: US$13,500 per annum
- Remuneration and Share Option Committee Members: US$6,750 per annum
- Nominating and Governance Committee Members: US$6,750 per annum ***(Resolution 4)***

(iv) To authorize the Directors of the Company to fix, increase or vary the emoluments of Directors of up to US$100,000/- with respect to services to be rendered in any capacity to the Company. ***(Resolution 5)***

(v) To re-appoint Ernst & Young LLP as the Auditors of the Group and to authorize the Directors of the Company to fix their remuneration. ***(Resolution 6)***

(vi) To re-appoint Sycip Gorres Velayo & Co. (Ernst & Young Philippines) as the Philippine Auditors of the Group and to authorize the Directors of the Company to fix their remuneration. ***(Resolution 7)***

(vii) To authorize the Directors to issue shares in the Company, whether by way of rights, bonus or otherwise, and/or make grant offers, agreements or options that may or would require the issuance of shares, including, but not limited to, the creation and issue of options, warrants, debentures or other instruments convertible into shares, upon such terms and conditions, and for such purposes as the Directors of the Company may deem fit. ***(Resolution 8)***

(viii) To authorize the Directors to allot and issue Shares under the Del Monte Pacific Executive Share Option Plan 2016. ***(Resolution 9)***

(ix) To approve the renewal of shareholders' mandate for Interested Person Transactions (IPT). ***(Resolution 10)***

The Information Memorandum in relation to the renewal of shareholders' mandate for IPT is incorporated by reference, a copy of which is attached herein as ***Annex "D"***.

For details on the foregoing resolutions, please refer to the enclosed Notice of AGM.

19. Matters Not Required to be Submitted

There are no actions to be taken at the AGM with respect to any matter which is not required to be submitted to a vote of security holders.

20. Amendment of Charter, By-laws or Other Documents

There are no actions to be taken at the AGM with respect to any amendment of the Company's Memorandum of Association and Articles of Association.

21. Other Proposed Action

No other actions on any matter are proposed to be taken except matters of incidence that may properly arise during the AGM.

22. Voting Procedures

a) As to vote required:

For "Ordinary Resolutions", a simple majority of votes of the shares which were present at the meeting and entitled to vote thereon and were voted on, and not abstained.

For "Special Resolutions", the following rules shall apply:

i. A majority of not less than three-fourths of the votes of the shares which were present at the meeting and entitled to vote thereon and were voted and not abstained; or

ii. A majority of not less than three-fourths of the votes of each class or series of shares which were present at the meeting and entitled to vote thereon as a class or series and were voted and not abstained; or

A resolution consented to in writing by (1) a majority of not less three-fourths of the votes of shares entitled to vote thereon; or (2) a majority of not less than three-fourths of the votes of each class or series of shares entitled to vote thereon as a class or series.

b) As to method: The AGM be held on 29 August 2023 at 10.00 a.m., and will be convened and held at Orchard Ballroom 3, Level 3 of Orchard Hotel, 442 Orchard Road, Singapore 238879. The voting at the AGM in Singapore will be carried out via electronic poll voting. Philippine shareholders who are unable to attend the meeting in Singapore, but can attend the videoconference in Manila, will still be able to vote by manual voting.

c) The Company appointed independent scrutineers, Drewcorp Services Pte. Ltd. and Ortega Bacorro Odulio Calma & Carbonell Law Office, to validate the votes. The scrutineers will be responsible for counting votes based on the number of shares entitled to vote owned by the shareholders who are present or represented by proxies at the AGM of the shareholders, in the presence of the Group's external auditors.

Upon the written request of any stockholder, the Company undertakes to furnish said stockholder with a copy of the Company's Annual Report or SEC Form 17-A free of charge. Any request for a copy of the said report may be addressed to the following:

DEL MONTE PACIFIC LIMITED
c/o JY Campos Centre
9th Avenue corner 30th Street
Bonifacio Global City
Taguig City

Attention:
Mr. Ignacio C. O. Sison
Chief Corporate Officer

Alternatively, the request may be sent by e-mail to the Company's Investor Relations Officer, Ms. Jennifer Luy at jluy@delmontepacific.com.

SIGNATURE PAGE

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 the City of Taguig, on 31 July 2023.

Del Monte Pacific Limited
Issuer

By:

Antonio Eugenio S. Ungson
Company Secretary, Chief Legal Counsel and Chief Compliance Officer

NC0N5P0IOG

NOTARIAL CERTIFICATE

TO ALL TO WHOM these presents shall come

I, Tan Mary, NOTARY PUBLIC duly admitted, authorised to practise in the Republic of Singapore, DO HEREBY CERTIFY

that I was present on the 26 day of July, 2023 and did see **BENEDICT KWEK GIM SONG** (holder of Singapore NRIC No. S0557555/I), an Independent Director of **DEL MONTE PACIFIC LIMITED** described in the **<u>CERTIFICATION OF INDEPENDENT DIRECTOR</u>** duly sign, seal and execute the same in my presence and that the signature appearing thereon is the proper handwriting of the said **BENEDICT KWEK GIM SONG.**

REPUBLIC OF SINGAPORE
NOTARY PUBLIC

IN FAITH AND TESTIMONY whereof I the said notary have subscribed my name and set and affixed my seal of office at Singapore, this 26th day of July 2023.

NOTARY PUBLIC
SINGAPORE

NOTARY PUBLIC
Tan Mary
NP2023/0210
1 Apr 2023 – 31 Mar 2024
SINGAPORE

By virtue of Rule 8(3)(c) of the Notaries Public Rules, a Notarial Certificate must be authenticated by the Singapore Academy of Law in order to be valid.

With effect from 16 September 2021, a Notarial Certificate shall be deemed to be validly authenticated by the affixing of an Apostille to the back of the Notarial Certificate.

APOSTILLE

(Convention de La Haye du 5 Octobre 1961)

This **Apostille** only certifies the authenticity of the signature, seal or stamp and the capacity of the person who has signed the attached Singapore public document, and, where appropriate, the identity of the seal or stamp. It does not certify the authenticity of the underlying document.

If this document is to be used in a country not party to the Hague Convention of the 5th of October 1961, it should be presented to the consular section of the mission representing that country.

To verify this **Apostille**, go to https://legalisation.sal.sg or scan QR code:

Verification code: 28083274

1. **Country:**	Singapore
This public document	
2. **Has been signed by:**	Tan Mary
3. **Acting in the capacity of:**	Notary Public
4. **Bears the seal/stamp of:**	Notary Public
Certified	
5. **At:**	Singapore Academy of Law
6. **The:**	26th July 2023
7. **By:**	Melissa Goh, Director, Trust Services, SAL
8. **No.:**	AC0N5R094H
9. **Seal/Stamp:**	10. **Signature:** Melissa

SINGAPORE ACADEMY OF LAW
CERTIFICATION SEAL

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **BENEDICT KWEK GIM SONG**, Singaporean, of legal age and a resident of Singapore, after having been duly sworn in accordance with law, do hereby declare that:

1. I am a nominee for independent director of Del Monte Pacific Limited (**"DMPL"**) and have been its independent director since 2007.

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

Company/Organization	Position/Relationship	Period of Service
Del Monte Foods, Inc.	Independent Director	2014 – June 2023

3. To the best of my knowledge, I possess all the qualifications and none of the disqualifications to serve as an Independent Director of DMPL, as provided for in Section 38 of the Securities Regulation Code (**"SRC"**), its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission (**"SEC"**).

4. I am not related to any director, officer or substantial shareholder of DMPL and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the SRC.

5. To the best of my knowledge, 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 listing rules of the Singapore Exchange Securities Trading Limited, the SRC and its Implementing Rules and Regulations, the SEC Code of Corporate Governance for Publicly Listed Companies and other SEC issuances.

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

Done this 26 of July 2023 at Singapore.

BENEDICT KWEK GIM SONG
Affiant

NOTARY PUBLIC
Tan Mary
NP2023/0210
1 Apr 2023 – 31 Mar 2024
SINGAPORE

26 July, 2023

REPUBLIC OF SINGAPORE
NOTARY PUBLIC

MANAGEMENT REPORT

I. BUSINESS AND GENERAL INFORMATION

Overview

Del Monte Pacific Limited (the "Company") was incorporated as an international business company in the British Virgin Islands on 27 May 1999 under the International Business Companies Act (Cap. 291) of the British Virgin Islands. It was automatically re-registered as a company on 1 January 2007 when the International Business Companies Act was repealed and replaced by the Business Companies Act 2004 of the British Virgin Islands. The registered office of the Company is located at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in growing, processing, and selling packaged fruits, vegetable and tomato, sauces, condiments, pasta, broth and juices, mainly under the brand names of "Del Monte", "S&W", "Today's", "Contadina", "College Inn" and other brands and fresh pineapples under "S&W" and other brands pursuant to relevant agreements. The Company's subsidiaries also produce and distribute private label food products.

The immediate holding company is NutriAsia Pacific Limited ("NAPL"), and the indirect shareholders of which are NutriAsia Inc. ("NAI") and Well Grounded Limited ("WGL"), which at 30 April 2023, 2022 and 2021, each held 57.8% and 42.2% interests in NAPL, respectively, through their intermediary company, NutriAsia Holdings Limited. NAPL, NAI and WGL were incorporated in the British Virgin Islands. The ultimate holding company is HSBC International Trustee Limited.

On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Ordinary Shares of the Company were also listed on the Philippine Stock Exchange Inc. ("PSE") on 10 June 2013. The first tranche of the Company's Preference Shares (Series A-1) was listed on 7 April 2017 and the second tranche (Series A-2) on 15 December 2017. The Company redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares on 7 April 2022, and all of the outstanding 10,000,000 Series A-2 Preference Shares on 15 December 2022 (see Note 16).

On 6 August 2010, the Company established DM Pacific Limited-ROHQ ("ROHQ"), the regional operating headquarters of the Company in the Philippines. The ROHQ is registered with and licensed by the Philippine Securities and Exchange Commission ("SEC") to engage in general administration and planning, business planning and coordination, sourcing and procurement of raw materials and components, corporate financial advisory, marketing control and sales promotion, training and personnel management, logistics services, research and product development, technical support and maintenance, data processing and communication, and business development. The ROHQ commenced its operations in October 2015.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through power over the investee.
Specifically, the Company controls an investee if and only if the Company has:

- power over the investee (i.e., existing rights that give 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.

When the Company has less than majority of the voting rights or similar rights to an investee, the Company 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; and
- the Company's voting rights and potential voting rights.

The Company reassesses 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. Subsidiaries are fully consolidated from the date control is transferred to the Company and cease to be consolidated from the date control is lost. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the income statement from the date the Company gains control until the date the Company ceases to control the subsidiary.

The details of the Company's subsidiaries and their principal activities, as of 30 April 2023, are as follows:

Name of subsidiary	Date of Incorporation	Principal activities	Place of Incorporation	Effective equity held by the Group
Held by the Issuer				
Del Monte Pacific Resources Limited ("**DMPRL**")	21 Dec 1990	Investment holding	British Virgin Islands	100.00%
DMPL India Pte Ltd ("**DMPLI**")	29 Mar 2004	Investment holding	Singapore	100.00%
DMPL Management Services Pte Ltd	29 Apr 1999	Providing administrative support and liaison services to the Group	Singapore	100.00%
GTL Limited	9 Mar 1998	Trading food products mainly under the brand name *"Del Monte"* and buyer's own labels	Federal Territory of Labuan, Malaysia	100.00%
S&W Fine Foods International Limited ("**S&W**")	12 Nov 2007	Selling processed food products under the "S&W" trademark; Owner of the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa	British Virgin Islands	100.00%
DMPL Foods Limited ("**DMPLFL**")[(a)]	11 Dec 2013	Investment holding	British Virgin Islands	93.57%
Held by DMPRL				
Central American Resources, Inc. ("**CARI**")	16 Dec 1971	Investment holding	Panama	100.00%
Dewey Limited ("**Dewey**")	13 Dec 1990	Mainly investment holding	Bermuda	100.00%
Held by CARI				
Del Monte Philippines, Inc ("**DMPI**") [(c)]	11 Jan 1926	Growing, processing and distribution of food products mainly	Philippines	87.00%

Name of subsidiary	Date of Incorporation	Principal activities	Place of Incorporation	Effective equity held by the Group
		under the brand name *"Del Monte"*		
South Bukidnon Fresh Trading, Inc.	20 Jun 2014	Inactive	Philippines	100.00%
Held by DMPI				
Philippines Packing Management Service Corporation	18 Jun 2007	Intellectual property holding and licensing, management, logistics and support services	Philippines	87.00%
Del Monte Txanton Distribution, Inc. [b]	7 Jan 2015	Inactive	Philippines	34.80%
Held by Dewey				
Dewey Sdn Bhd	5 Oct 2009	Inactive	Malaysia	100.00%
Held by DMPLI				
DMPL India Limited[d]	12 Aug 2004	Investment holding	Mauritius	95.52%
Held by S&W				
S&W Japan Limited	24 April 2017	Support and marketing services	Japan	100.00%
Held by DMPLFL				
Del Monte Foods Holdings Limited ("**DMFHL**")	11 Nov 2013	Investment holding	British Virgin Islands	93.57%
Held by DMFHL				
Del Monte Foods Holdings II, Inc. ("**DMFHII")**	15 Mar 2018	Investment holding	State of Delaware, U.S.A.	93.57%
Held by DMFHII				
Del Monte Foods Holdings, Inc. ("**DMFHI**")	2 Jun 2014	Investment holding	State of Delaware, U.S.A.	93.57%
Held by DMFHI				
Del Monte Foods, Inc ("**DMFI**")	16 Sep 2013	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A.	93.57%
Held by DMFI				
Sager Creek Foods, Inc. (formerly Vegetables Acquisition Corp.)	24 Feb 2015	Real estate holding	State of Delaware, U.S.A.	93.57%
Del Monte Andina C.A.	16 Jul 1998	Manufacturing, processing and	Venezuela	-

Name of subsidiary	Date of Incorporation	Principal activities	Place of Incorporation	Effective equity held by the Group
("**DM Andina**")		distributing food, beverages and other related products		
Del Monte Colombiana S.A.	27 Oct 1999	Manufacturing, processing and distributing food, beverages and other related products	Colombia	76.35%
Industrias Citricolas de Montemorelos, S.A. de C.V. (ICMOSA)	1 Nov 1974	Manufacturing, processing and distributing food, beverages and other related products	Mexico	93.57%
Del Monte Peru S.A.C.	18 Jan 2000	Distribution of food, beverages and other related products	Peru	93.57%
Del Monte Ecuador DME C.A.	10 Feb 2000	Distribution of food, beverages and other related products	Ecuador	93.57%
Hi-Continental Corp.	15 Jul 1959	Distributor of non-Del Monte products	State of California, U.S.A.	93.57%
College Inn Foods	17 Jul 1958	Distributor of College Inn brand products	State of California, U.S.A.	93.57%
Contadina Foods, Inc	26 Jan 1998	Distributor of Contadina brand products	State of Delaware, U.S.A.	93.57%
S&W Fine Foods, Inc.	26 Feb 2001	Distributor of S&W Fine Foods, Inc.	State of Delaware, U.S.A.	93.57%
Del Monte Ventures, LLC ("**DM Ventures**")	19 June 2017	Holding company	State of Delaware, U.S.A.	93.57%
Joyba, Inc.	25 May 2022	Distributor of Joyba brand products	State of California, U.S.A.	93.57%
Kitchen Basics, Inc.	10 Sep 2022	Distributor of Kitchen Basics brand products	State of California, U.S.A.	93.57%
Green Thumb Foods, Inc.	18 May 2022	Distributor of Green Thumb Foods brand products	State of California, U.S.A.	93.57%
Held by DM Ventures				
Del Monte Chilled Fruit Snacks, LLC	21 June 2017	Development, production, marketing, sale and distribution of processed refrigerated fruit products	State of Delaware, U.S.A.	47.72%
Held by DM Andina C.A.				
Del Monte Argentina S.A.	22 Sep 2000	Inactive	Argentina	-

(a) *On In its special m15 May 2020, the Company converted its long-term loans receivable from Del Monte Foods Holdings Limited ("DMFHL") amounting to US$229.5 million (including accrued interest of US$0.8 million from 30 April 2020 to conversion date) to equity investment. DMFHII issued 64.546 shares of capital stock to DMFHL, and DMFHL was unconditionally released of all liabilities for principal and interest through 30 April 2020 relating to the purchase of the Second Lien Term Loans. On 15 May 2020, DMFHL recorded US$229.5 million of additional paid-in capital related to this transaction. In addition, the Company and DMPLFL entered into a supplemental agreement dated 11 August 2020 for the issuance of additional 3.23 ordinary shares b DMPLFL to cover the additional accrued interest through 15 May 2020 which amounted to $1.1 million. On 15 May 2020, the Company invested US$150.0 million of additional paid-in capital to DMPLFL in exchange for 423.95 shares of preferred stock.*

(b) *DMTDI is consolidated as the Group has de facto control over the entity. Even with less than the majority voting rights, the Group concluded that DMTDI is a subsidiary and that it has power to direct the relevant activities of DMTDI due to DMPI having majority seats in the Board through a shareholders agreement with the other shareholders of DMTDI. The key management personnel (i.e., President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Treasurer and Corporate Secretary) of DMPI also serve in the same positions in DMTDI. In its special meeting held on 22 April 2019, DMTDI's Board approved the dissolution and liquidation of DMTDI by shortening its corporate term. As at 30 April 2023, the application for the dissolution and liquidation is yet to be submitted with the SEC due to certain regulatory and documentary requirements.*

(c) *On 20 May 2020, CARI completed the sale of 12% stake in DMPI to SEA Diner. Conditions of the sale were already met as of 30 April 2020, as confirmed by both parties. On 16 December 2020, CARI sold additional 27,973,200 common shares of DMPI to SEA Diner for US$10 million, which increased the ownership of SEA Diner in DMPI to 13%.*

MARKET PRICE INFORMATION

The Company has been listed on the SGX-ST for over 20 years since 1999. The Company also listed its Ordinary- Shares on the PSE in 2013, making DMPL the first entity to be dual-listed on the SGX-ST and the PSE.

The Company's share price highlights for its Ordinary Shares for the past years are as follows:

Year	Quarter	PSE (PHP)		SGX (SGD)	
		High	Low	High	Low
2023	1Q 2023	14.18	11.20	0.335	0.235
2022	4Q 2022	14.20	12.10	0.345	0.280
	3Q 2022	14.80	13.24	0.380	0.310
	2Q 2022	14.78	13.00	0.385	0.345
	1Q 2022	16.16	13.52	0.420	0.345
2021	4Q 2021	16.48	14.10	0.405	0.355
	3Q 2021	17.98	12.48	0.445	0.335
	2Q 2021	16.68	9.08	0.465	0.260
	1Q 2021	9.80	7.21	0.265	0.194
2020	4Q 2020	8.10	4.61	0.225	0.122
	3Q 2020	6.21	4.00	0.142	0.097
	2Q 2020	4.50	3.40	0.114	0.090
	1Q 2020	5.40	2.50	0.148	0.079
2019	4Q 2019	6.05	4.82	0.144	0.121
	3Q 2019	6.40	5.40	0.157	0.129
	2Q 2019	6.18	5.30	0.15	0.12
	1Q 2019	6.85	6.00	0.15	0.12
2018	4Q 2018	7.45	6.32	0.19	0.12
	3Q 2018	8.27	6.56	0.20	0.17
	2Q 2018	10.48	7.62	0.24	0.16
	1Q 2018	11.20	10.00	0.29	0.24

On 7 April 2017 and 15 December 2017, the Company listed its Series A-1 and Series A-2 Preference Shares, respectively on the PSE. The Company's share price highlights for its Preference Shares are as follows:

Series A-1 Preference Shares:

Year	Quarter	PSE (USD)	
		High	Low
2022	1Q 2022	10.20	9.40
2021	4Q 2021	10.30	9.40
	3Q 2021	10.28	10.02
	2Q 2021	10.28	9.94
	1Q 2021	10.50	9.50
2020	4Q 2020	10.44	9.90
	3Q 2020	10.40	9.50
	2Q 2020	10.30	9.60
	1Q 2020	10.30	10.00
2019	4Q 2019	10.40	10.00
	3Q 2019	10.40	10.10
	2Q 2019	10.40	10.00
	1Q 2019	10.40	10.00
2018	4Q 2018	10.70	10.00
	3Q 2018	10.32	10.00
	2Q 2018	10.30	10.00
	1Q 2018	10.50	10.10
2017	4Q 2017	11.10	10.00
	3Q 2017	11.00	10.50
	2Q 2017	10.90	10.00
	1Q 2017	-	-

Series A-2 Preference Shares:

Year	Quarter	PSE (USD)	
		High	Low
2022	4Q 2022	10.06	9.71
	3Q 2022	10.10	10.00
	2Q 2022	10.18	9.93
	1Q 2022	10.80	9.92
2021	4Q 2021	10.30	9.95
	3Q 2021	10.50	10.00
	2Q 2021	10.50	10.02
	1Q 2021	10.60	9.95
2020	4Q 2020	10.30	10.00
	3Q 2020	10.50	9.88
	2Q 2020	10.28	9.60
	1Q 2020	10.30	9.70
2019	4Q 2019	10.30	9.90
	3Q 2019	10.50	10.00
	2Q 2019	10.40	10.00

	1Q 2019	10.20	10.00
2018	4Q 2018	10.26	9.70
	3Q 2018	10.26	9.80
	2Q 2018	10.28	10.00
	1Q 2018	10.40	10.00
2017	4Q 2017	10.30	10.00

The Company has an authorized capital stock of US $630.0 million consisting of 3,000,000,000 Ordinary Shares, each with a par value of US $0.01 and 600,000,000 Preference Shares, each with a par value of US $1.00. Out of the authorized capital stock, the Company has (i) 1,943,960,024 Ordinary Shares.

The number of Ordinary Shares outstanding excludes 975,802 Ordinary Shares held by the Company as treasury shares. The Company has a total of 1,944,935,826 issued Ordinary Shares, including treasury shares.

On 7 April 2022, the Company had redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares and on 15 December 2022, all of the outstanding 10,000,000 Series A-2 Preference Shares. The redeemed preferred shares shall be cancelled but shall remain part of the Company’s authorized capital and shall be available to be reissued by resolution of the board.

The top 20 shareholders of the Company’s Ordinary Shares as of 30 June 2023 are as follows:

Rank	Name	No. of Shares	%
1	NUTRIASIA PACIFIC LIMITED	1,196,539,958	61.55
2	BLUEBELL GROUP HOLDINGS LIMITED	189,736,540	9.76
3	LEE PINEAPPLE COMPANY PTE LTD	106,854,000	5.50
4	BNP PARIBAS NOMS SPORE PL	54,393,432	2.80
5	RAFFLES NOMINEES(PTE) LIMITED	51,711,794	2.66
6	DBS NOMINEES PTE LTD	21,317,243	1.10
7	CITIBANK NOMS SPORE PTE LTD	19,889,739	1.02
8	WEE POH CHAN PHYLLIS	16,650,000	0.86
9	GOVERNMENT SERVICE INSURANCE SYSTEM	15,957,937	0.82
10	MAYBANK SECURITIES PTE. LTD.	10,715,595	0.55
11	BDO SECURITIES CORPORATION	10,127,182	0.52
12	UNITED OVERSEAS BANK NOMINEES P L	9,016,280	0.46
13	JOSELITO JR DEE CAMPOS	7,621,466	0.39
14	ABN AMRO CLEARING BANK N.V.	6,317,700	0.32
15	PHILLIP SECURITIES PTE LTD	6,192,004	0.32
16	COL Financial Group, Inc.	5,366,278	0.28
17	BANCO DE ORO - TRUST BANKING GROUP	4,845,876	0.25
18	TIGER BROKERS (SINGAPORE) PTE. LTD.	4,671,000	0.24
19	G.D. TAN & COMPANY, INC.	4,373,975	0.23
20	IGC SECURITIES INC.	4,358,784	0.22
	Subtotal (Top 20 Stockholders)	**1,746,656,783**	**89.85**
	Others	197,303,241	10.15
	Total Outstanding	**1,943,960,024**	**100.00**

DIVIDENDS

Under the Company’s Articles of Association and the terms of the Company’s Preference Shares, the Company may, by a resolution of directors, declare and pay dividends on Ordinary Shares provided there are adequate and available funds for dividends on Preference Shares which have priority over Ordinary Shares.

Dividends shall only be declared and paid out of surplus. No dividends shall be declared and paid, unless the Directors determine that, immediately after the payment of the dividends: (a) the Company will be able to satisfy its liabilities as they become due in the ordinary course of its business; and (b) the realizable value of the assets of the Company will not be less than the sum of its total liabilities, other than its deferred taxes, as shown in its books of accounts, and its capital.

	30 April 2023 US$’000	30 April 2022 US$’000	30 April 2021 US$’000
Declared and paid during the financial year:			
Dividends on ordinary shares			
2023: US$0.0170 (2022: US$0.0120; 2021: US$0.0154)	33,251	23,310	30,055
Dividends on preference shares			
A-1 preference shares for 2023: nil: 2022 and 2021: US$0.6625 per share	-	13,250	13,250
A-2 preference shares for 2023: US$0.4478 (2022 and 2021: US$0.6500 per share	4,478	6,500	6,500
	4,478	19,750	19,750
	37,729	43,060	49,805
Proposed but not recognized as a liability as at reporting date:			
Dividends on ordinary shares			
2023: US$0.0013 (2022: US$0.0170; 2021: US$0.0120)	2,527	33,047	23,328

Dividends on Ordinary Shares

The Company’s dividend payment policy for Ordinary Shares has been to distribute a minimum of 33% of full year profit. The holders of Ordinary Shares are entitled to receive dividends, as declared from time to time, after dividends of Preference Shares are paid.

On 20 June 2023, the Company declared dividends of US$0.0013 per share to ordinary shareholders on record as at 11 July 2023. The special dividend was paid on 25 July 2023.

On 23 June 2022, the Company declared dividends of US$0.0170 per share to ordinary shareholders on record as at 13 July 2022. The special dividend was paid on 27 July 2022.

On 23 June 2021, the Company declared dividends of US$0.0120 per share to ordinary shareholders on record as at 13 July 2021. The special dividend was paid on 27 July 2021.

Dividends on Preference Shares

The holders of Preference Shares are entitled to cash dividends based on the issue price, at the dividend rate per annum from the issue date, payable every 7 October and 7 April of each year following the issue date, upon declaration by the Company.

On 15 December 2022, the redemption date of the Series A-2 Preference Shares, the Company paid the accrued cash dividends at the fixed rate of 6.5% per annum, or equivalent to US$0.12278 per Series A-2 Preference Share for the period from 8 October 2022 to 15 December 2022.

On 9 September 2022, the Company declared dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per Series A-2 Preference Share for the six-month period from 8 April 2022 to 7 October 2022. The final dividends were paid on 7 October 2022.

On 11 March 2022, the Company declared dividends to holders of Series A-1 Preference Shares, at the fixed rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference Share for the six-month period from 8 October 2021 to 7 April 2022. The Company also declared dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per Series A-2 Preference Share for the six-month period from 8 October 2021 to 7 April 2022. The final dividends were paid on 7 April 2022.

On 10 September 2021, the Company declared dividends to the holders of the Series A-1 Preference Shares at the fixed rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference and Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per series A-2 Preference Shares for the six-month period from 8 April 2021 to 7 October 2021. The final dividends were paid on 7 October 2021.

On 10 March 2021, the Company declared dividends to holders of Series A-1 Preference Shares, at the fixed rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference Share for the six-month period from 8 October 2020 to 7 April 2021. The Company also declared dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per Series A-2 Preference Share for the six-month period from 8 October 2020 to 7 April 2021. The final dividends were paid on 7 April 2021.

The cumulative undeclared dividends on the preference shares amounted to US$0.4 million as of 30 April 2022. None as of 30 April 2023 as all preference shares were already redeemed.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The following comprises the Company's Board of Directors:

Name	Age	Citizenship	Position
Rolando C. Gapud	81	Filipino	Executive Chairman
Joselito D. Campos, Jr.	72	Filipino	Managing Director & CEO
Edgardo M. Cruz, Jr.	68	Filipino	Executive Director
Benedict Kwek Gim Song	76	Singaporean	Lead Independent Director
Godfrey E. Scotchbrook	77	British	Independent Director
Emil Q. Javier	82	Filipino	Independent Director
Yvonne Goh	70	Singaporean	Independent Director

The following comprises the Group's Senior Management:

Name	Age	Citizenship	Position
Joselito D. Campos, Jr.	72	Filipino	Managing Director and CEO
Luis F. Alejandro	69	Filipino	Chief Operating Officer
Ignacio C. O. Sison	59	Filipino	Chief Corporate Officer
Parag Sachdeva	53	Indian	Chief Financial Officer
Antonio E. S. Ungson	51	Filipino	Chief Legal Counsel and Chief Compliance Officer; Company Secretary

Ruiz G. Salazar	59	Filipino	Chief Human Resource Officer

The following is a brief description of the business experience of the Company's Board of Directors and Senior Management for the past five (5) years.

Mr Rolando C Gapud
Executive Chairman, 81
Appointed on 20 January 2006 and last re-elected on 17 September 2020

Mr Rolando C Gapud has over 45 years of experience in banking, finance and general management, having worked as CEO of several Philippine companies, notably Security Bank and Trust Company, Oriental Petroleum and Minerals Corp and Greenfield Development Corp. He was also the COO of the joint venture operations of Bankers Trust and American Express in the Philippines. He has served in the Boards of various major Philippine companies, including the Development Bank of the Philippines, the development finance arm of the Philippine Government. Mr Gapud is the Chairman of the Board of Del Monte Foods, Inc, DMPL's US subsidiary, and Executive Chairman of Del Monte Philippines, Inc, DMPL's Philippine subsidiary. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of DMPL with the Bharti Group of India. He holds a Master of Science in Industrial Management degree from the Massachusetts Institute of Technology. He is a member of the Asian Executive Board of the Sloan School of MIT and the Board of Governors of the Asia School of Business, a joint venture between the Sloan School of MIT and Bank Negara, the Central Bank of Malaysia.

Mr Joselito D Campos, Jr
Executive Director, 72
Appointed on 20 January 2006 and last elected on 28 April 2006

Mr Joselito D Campos, Jr is Chairman and CEO of the NutriAsia Group of Companies, a major food conglomerate in the Philippines. He is also Chairman of Fort Bonifacio Development Corp and Chairman of Ayala-Greenfield Development Corp, two major Philippines property developers. He is a Director of San Miguel Corporation, one of the largest and oldest business conglomerates in the Philippines. Mr Campos is the Vice Chairman of Del Monte Foods, Inc, DMPL's US subsidiary, and a Director of Del Monte Philippines, Inc, DMPL's Philippine subsidiary. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of the Company with the Bharti Group of India. He was formerly Chairman and CEO of United Laboratories, Inc and its regional subsidiaries and affiliates. Unilab is the Philippines' largest pharmaceutical company with substantial operations in the Asian region. Mr Campos is the Consul General in the Philippines for the Republic of Seychelles. He is also Chairman of the Metropolitan Museum of Manila, Bonifacio Arts Foundation Inc, The Mind Museum and the Del Monte Foundation, Inc. He is a Trustee and Global Council Member of the Asia Society in the Philippines; a Trustee of the Philippines-China Business Council and the Philippines Center for Entrepreneurship; a National Advisory Council Member of the World Wildlife Fund-Philippines; and a Director of the Philippine Eagle Conservation Program Foundation, Inc. Mr Campos holds an MBA from Cornell University.

Mr Edgardo M Cruz, Jr
Executive Director, 69
Appointed on 2 May 2006 and last re-elected on 27 August 2021

Mr Edgardo M Cruz, Jr is a member of the Board of the NutriAsia Group of Companies. Mr Cruz is a Director of Del Monte Foods, Inc, DMPL's US subsidiary, and an Executive Director of Del Monte Philippines, Inc, DMPL's Philippine subsidiary. He is the Chairman of the Board of Bonifacio Gas Corporation, Bonifacio Water Corporation, Bonifacio Transport Corporation and Crescent West Development Corporation. He is a member of the Board of Evergreen Holdings Inc, Fort Bonifacio Development Corporation and the BG Group of Companies. He is also a Board member and Chief Financial Officer of Bonifacio Land Corporation. He sits on the Boards of Ayala Greenfield Development Corporation and Ayala Greenfield Golf and Leisure Club Inc. He is a member of the Board of Trustees of Bonifacio Arts Foundation Inc, The Mind Museum and the Del Monte Foundation, Inc. Mr Cruz earned his MBA degree from the Asian Institute of Management after graduating from De La Salle University. He is a Certified Public Accountant.

Mr Benedict Kwek Gim Song
Lead Independent Director, 76
Appointed on 30 April 2007 and last re-appointed on 17 September 2020
Appointed as Lead Independent Director on 11 September 2013

Mr Benedict Kwek Gim Song is a Director of Del Monte Foods, Inc, DMPL's US subsidiary. Mr Kwek was Chairman of previously SGX-listed Pacific Shipping Trust from 2008 to 2012. He was also a Director and Chairman of the Audit Committee of listed companies including Ascendas REIT. He has over 30 years of banking experience, having served as the President and CEO of Keppel TatLee Bank. He has held various key positions at Citibank in the Philippines, Hong Kong, New York and Singapore. He holds a Bachelor of Social Science (Economics) degree from the then University of Singapore and attended a management development programme at Columbia University in the United States.

Mr Godfrey E Scotchbrook
Independent Director, 77
Appointed on 28 December 2000 and last re-appointed on 27 August 2021

Mr Godfrey E Scotchbrook is an independent practitioner in corporate communications, issues management and investor relations with more than 40 years of experience in Asia. In 1990, he founded Scotchbrook Communications and his prior appointments included being an executive director of the then publicly listed Shui On Group. A proponent of good corporate governance, he is an Independent Director of Boustead Singapore Ltd and a Non-Executive Director of Hong Kong-listed Convenience Retail Asia. He is a Fellow of the Hong Kong Management Association and also of the British Chartered Institute of Public Relations. He is also a Director of Del Monte Foods, Inc, DMPL's US subsidiary. Mr Scotchbrook earned his DipCam PR having studied Media and Communications at City University, London.

Dr Emil Q Javier
Independent Director, 82
Appointed on 30 April 2007 and last re-appointed on 28 August 2019

Dr Emil Q Javier is a Filipino agronomist with a broad understanding of developing country agriculture. He was the first and only developing country scientist to Chair the Technical Advisory Committee of the prestigious Consultative Group for International Agricultural Research (CGIAR), a global consortium led by the World Bank and the Food and Agriculture Organization of the United Nations (FAO). He was Director General of the Asian Vegetable Research and Development Center (AVRDC) based in Taiwan and has served as Chairman of the Board of International Rice Research Institute (IRRI), and as Chairman and Acting Director of the Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA). In the Philippines at various periods, he had been President of the University of the Philippines, Minister for Science and Technology and President of the National Academy of Science and Technology, Philippines (NAST PHL). In May 2019, he was elected by his peers in NAST as a National Scientist, the highest honour conferred by the President of the Philippines to a Filipino in the field of science and technology. Dr Javier is an Independent Director of Del Monte Foods, Inc, DMPL's US subsidiary, and of Del Monte Philippines, Inc, DMPL's Philippine subsidiary, and is an Independent Director of Philippine-listed Centro Escolar University. He holds doctorate and master's degrees in plant breeding and agronomy from Cornell University and University of Illinois at Urbana-Champaign, respectively. He completed his bachelor's degree in agriculture at the University of the Philippines Los Baños.

Mrs Yvonne Goh
Independent Director, 70
Appointed on 4 September 2015 and last re-appointed on 28 August 2019

Mrs Goh is a Director of UNLV Singapore Limited, the Singapore campus of the University of Nevada Las Vegas (UNLV), USA. Mrs Goh is also a Director of EQUAL-ARK Singapore Ltd, a charity registered under the Charities Act and an Institution of a Public Character (IPC), assisting at-risk-kids and the elderly through equine-assisted learning and therapy. She also serves on the Board of Del Monte Foods, Inc, DMPL's US subsidiary. Mrs Goh was previously Managing Director of the KCS Group in Singapore, a professional services organisation and Managing Director of Boardroom Limited, a company listed on the SGX. Mrs Goh had served on the Board of WWF Singapore Limited, the Singapore chapter of WWF International, a leading global NGO. She was a Council Member and Vice Chairman of the Singapore Institute of Directors as well as Chairman of its Professional Development Committee. Mrs Goh was also a Director of the Accounting and Corporate Regulatory Authority (ACRA) and a past Chairman of the Singapore Association of the Institute of Chartered Secretaries and Administrators. Mrs Goh is a Fellow of the Singapore Institute of Directors and a Fellow of the Institute of Chartered Secretaries and Administrators, UK.

Luis F. Alejandro
Chief Operating Officer

Mr Luis F Alejandro has over 40 years of experience in consumer product operations and management. He started his career with Procter & Gamble where he spent 15 years in brand management before joining Kraft Foods Philippines Inc as President and General Manager. Later, he joined Southeast Asia Food Inc and Heinz UFC Philippines, Inc, two leading consumer packaged condiment companies of the NutriAsia Group, as President and Chief Operating Officer. He then became President and Chief Operating Officer of ABS-CBN Broadcasting Corporation, a leading media conglomerate in the Philippines. Mr Alejandro is a Director of Del Monte Foods, Inc, DMPL's US subsidiary, and Del Monte Philippines, Inc, DMPL's Philippine subsidiary. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of DMPL with the Bharti Group of India. He holds a Bachelor's degree in Economics from the Ateneo de Manila University and an MBA from the Asian Institute of Management.

Ignacio C. O. Sison
Chief Corporate Officer

Mr Ignacio C O Sison is DMPL's Chief Corporate Officer responsible for strategic planning, sustainability, risk management and investor relations. He has been with DMPL since 1999 and was the group's Chief Financial Officer for nine years. Mr Sison has nearly 30 years of experience spanning corporate and strategic planning, financial planning, treasury, controllership, corporate sustainability, risk management and investor relations. Before joining Del Monte Pacific, he was CFO of Macondray and Company, Inc, then DMPL's parent company, for three years. Amongst others, he also worked for Pepsi-Cola Products Philippines and SGV & Co, the largest audit firm in the Philippines. Mr Sison holds an MSc degree in Agricultural Economics from Oxford University; an MA, Major in Economics, from the International University of Japan; a BA in Economics, magna cum laude, from the University of the Philippines; and an International Baccalaureate from the Lester B Pearson United World College of the Pacific in Canada. In 2010, Mr Sison received the Best CFO award from the Singapore Corporate Awards.

Parag Sachdeva
Chief Financial Officer

Mr Parag Sachdeva has 25 years of management and finance experience spanning planning and controllership, performance management, mergers and acquisitions, treasury, IT and human resources. Before joining DMPL, he was with Carlsberg Asia for more than a year and supported efficiency and effectiveness programmes across the Asian and African regions. Prior to Carlsberg, he was with HJ Heinz for 20 years and held leadership positions in Asia Pacific regions in finance, IT and human resources. Mr Sachdeva graduated from the Aligarh Muslim University in India, Major in Accounting and Commerce. He also has an MBA degree, Major in Finance from the same university.

Antonio E. S. Ungson
Chief Legal Counsel, Chief Compliance Officer, and Company Secretary

Mr Antonio E S Ungson is Chief Legal Counsel, Chief Compliance Officer and Company Secretary of the Company. He is also Head of the Legal Department of Del Monte Philippines, Inc since March 2007. Prior to joining the Group in 2006, Mr Antonio E S Ungson was a Senior Associate in SyCip Salazar Hernandez & Gatmaitan in Manila, where he served various clients for eight years in assignments consisting mainly of corporate and transactional work including mergers and acquisitions, securities and government infrastructure projects. He also performed litigation work and company secretarial services. Mr Ungson was a lecturer on Obligations and Contracts and Business Law at the Ateneo de Manila University Loyola School of Management. He obtained his MBA from Kellogg HKUST, his Bachelor of Laws from the University of the Philippines College of Law and his undergraduate degree in Economics, cum laude and with a Departmental award at the Ateneo de Manila University.

Ruiz G. Salazar
Chief Human Resource Officer

Mr Ruiz G Salazar is a Human Resources and Organisation Development Leader with over 25 years of professional career focused on delivering strategic and effective solutions as a value-driven partner to business, most of which was spent with Johnson & Johnson (J&J). He was Regional Human Resources Director of J&J Asia Pacific, where he was responsible for talent management, organisation transformation, succession pipelining and capability development covering mostly J&J's Consumer Division across the region. Prior to J&J, he was also Group Head – Human Resources and Organisation Development of NutriAsia Food, Inc. Mr Salazar completed the J&J's Senior Management Program at the Asian Institute of Management in 1996, and the J&J's Advanced Management Program at the University of California in 1995. He obtained his Bachelor of Arts degree (Major in Economics) from the University of Santo Tomas.

<u>Directorships in Other Listed Companies</u>

The table below sets forth the directorships in other listed companies, both current and in the past three years:

Name	Position	Company	Date
Joselito D Campos, Jr	Director	San Miguel Corporation	2010 – Present
Emil Q Javier	Independent Director	Centro Escolar University	2002 – Present
Godfrey E Scotchbrook	Non-Executive Director	Convenience Retail Asia (HK)	2002 – Present

None of the Company's Directors are Chairman in other listed companies.

INDEPENDENT PUBLIC ACCOUNTANT AND EXTERNAL AUDIT FEES

(a) The external auditor of the Company for the most recently completed fiscal year was Ernst and Young LLP ("EY Singapore"), which is the same accounting firm tabled for reappointment for the current fiscal year at the AGM of shareholders. Sycip Gorres Velayo & Co. ("EY Philippines"), the Group's auditors in the Philippines for the most recently completed fiscal year, is likewise tabled for reappointment for the current fiscal year at the AGM.

(b) Mr. Philip Ling Soon Hwa is the partner-in-charge from EY Singapore for the audited financial statements of the Company and the Group for the fiscal year ended 30 April 2023. Representatives of EY Singapore are expected to be present during the AGM. The representatives may make statements, if they desire to do so, and will be available to respond to appropriate questions raised by the shareholders at the AGM. Mr. Johnny F. Ang is the partner-in-charge from EY Philippines.

(c) The aggregate annual external audit fees billed for each of the last two (2) fiscal years for the audit of the Group and the Company's annual financial statements or services that are normally provided by the external auditor are as follows:

	Group		**Company**	
	FY2023 U.S.$	**FY2022 U.S.$**	**FY2023 U.S.$**	**FY2022 U.S.$**
1. Audit Fees				
EY Singapore	172	95	136	60
SGV	1,438	1,297	251	450
Affiliates of auditors of the Company	50	43	–	–
Other auditor	6	6	–	–
2. Non-Audit Fees				
SGV	160	-	111	–
Other auditors	80	80	2	2

During the Company's two (2) most recent fiscal years or any subsequent interim period:

1) No independent accountant who was previously engaged as the principal accountant to audit the Group's financial statements, or an independent accountant on whom the principal accountant expressed reliance in its report regarding a significant subsidiary, has resigned or was dismissed; and

2) There were no disagreements with the former accountant on any matter of accounting principles or policies, financial disclosures, or auditing procedure.

(d) EY Singapore was appointed as the external auditors of the Group at the AGM of the Company held on 23 August 2021. EY Philippines was also appointed at the said AGM as the Group's auditors in the Philippines. They were the auditors of the Group for the most recently completed fiscal year.

(e) The Audit and Risk Committee (the "ARC") reviews the scope and results of the audit and its cost effectiveness. It also ensures the independence and objectivity of the external auditors. Likewise, it reviews the non-audit services provided by the Company's external auditors. In the year in review, the ARC had reviewed the audit and non-audit services of the external auditors and was satisfied that the auditors continue to be independent.

II. FINANCIAL INFORMATION

FINANCIAL INFORMATION

As of the fiscal year ended 30 April 2023

The financial statements of the Group as of 30 April 2023 are attached and incorporated herein by reference.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Review of Operating Performance for FY2023 vs FY2022

Summary

For the year ended FY2023, DMPL grew sales by 3% to US$2.4 billion on higher USA and international sales. However, gross profit and EBITDA were lower by 3% and 6% to US$607.0m and US$329.7 million, respectively, on higher costs.

Net income declined to US$16.9 million from US$100.0 million largely due to one-off costs of US$55.2 million as DMFI refinanced its loan earlier with a long-term credit facility that has lower interest rates. Without these one-off costs, DMPL EBITDA and net income would have been US$337.2 million and US$72.2 million, lower by 4% and 28%, respectively.

Sales

DMPL generated sales of US$2.4 billion, up 3% versus prior year driven by higher sales in the U.S. and international markets. Excluding Kitchen Basics, Group sales were higher by 2%.

USA

The Group's U.S. subsidiary, Del Monte Foods, Inc, (DMFI), generated US$1.7 billion of sales or about 72% of Group sales, higher by 5% driven by sustained growth across almost all categories, attributed to pricing adjustments to mitigate inflation, distribution gains for vegetable club and Joyba bubble tea, increased sales of fruit cups, as well as incremental sales of US$35.1 million from Kitchen Basics.

Branded retail which accounted for 75% of DMFI's sales grew by 8%. Other channels of mass merchandizers, e-commerce and foodservice also expanded. Latin America which generated sales of US$49.7 million was also up 12%.

In August 2022, DMFI acquired the intellectual property of the Kitchen Basics brand and its extensive inventory of conventional and organic stocks and broths from McCormick & Company for US$99.0 million (of which US$17 million was inventory with market value of US$25-27 million). The consideration was established through an auction process and negotiations between the parties. The acquisition was financed through available credit facilities. No property, plant and/or equipment were acquired.

Kitchen Basics products are distributed nationally in the United States. The brand was founded in 1996 as the pioneer in liquid stock and remains an industry leader in the U.S. today. The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics complements DMFI's College Inn broth business and creates an immediate national footprint within the broth and stock category.

DMFI continues to pursue its innovation efforts and expand on new product offerings. It launched Take Root Organics, its new organics brand, which includes six tomato products grown throughout California's Central Valley. The launch of Take Root Organics provides DMFI with an exciting and competitive new brand to reach the growing consumer base that seeks high-quality and accessibly-priced organic food. It also launched Del Monte specialty vegetable items Artichoke and Mushrooms.

New products sales reached US$134.3 million and contributed 7.6% to DMFI's total sales in FY2023.

DMFI continues to hold leading market share positions across its core business. Canned vegetable, canned tomato and fruit cup snacks achieved higher shares on the back of strong commercial execution, increased distribution of core products, and new product expansion, all supported by improved supply chain service.

Market Position in Key Categories in the USA

Products	Market Position	Market Share	Change vs. prior year	Brands
Canned Vegetable	#1	21.9%	+0.3 ppt	
Canned Fruit	#1	21.4%	0.0 ppt	
Fruit Cup Snacks	#2	27.7%	+1.1 ppts	
Canned Tomato	#3	6.1%*	+0.3 ppt	
Broth	#2	9.4%	0.0 ppt	

Canned market shares are for branded only, ex-private labels
*Combined share for Del Monte, S&W and Contadina brands
Source: Nielsen RMS / Scantrack DMFI Custom DBs, Equivalent Volume share, Total xAOC, 12M ending 29 April 2023

Foodservice sales in the U.S. improved by 12% to US$99.2 million bringing it to 5.7% of total DMFI sales. This was achieved by building strong partnerships and targeting both commercial and non-commercial segments which demand high quality branded fruits and vegetables. Del Monte has placed its Joyba bubble tea in over 20 college campuses and has started selling its pineapple juice to Bloomin Brands' which operates Outback and Fleming's Steakhouse, among others. Joyba Bubble Tea is the Company's new brand targeting Millennials and Gen Z with a line of boba shop-inspired beverages made with real brewed tea infused with vibrant fruit flavors and popping boba. Del Monte's new foodservice peach salsa with morita chiles is receiving positive feedback and has gained new distribution in the healthcare sector.

Philippines

Sales in the Philippines in FY2023 of US$361.6 million grew by 7% in peso terms but declined by 4% in U.S. dollar terms due to the peso depreciation.

Peso sales increased on higher culinary, beverage and new product sales. This performance was driven by the combined impact of compelling communication campaigns that built relevance for Del Monte products in family meals, low-cash outlay SKUs and multipacks value offers to help consumers cope with high inflation, and improved distributor operations.

However, mixed fruit was negatively affected by lower dessert consumption which consumers deprioritized. 100% Pineapple Juice also declined as consumers shifted preference to more indulgence drinks, with sales of multi-flavored juice drink large packs growing. A new campaign on 100% Pineapple

Juice was launched highlighting immunity with bromelain and antioxidants. The classic line of Del Monte Fit 'n Right was also relaunched at a lower price with the same efficacy and taste.

Innovations grew strongly due to higher sales of Mr. Milk, Potato Crisp and Munchsters in the snacking segment. As schools in the Philippines shifted to in-person classes from online, Del Monte activated its milk sampling activities in a number of schools, and also tied up with a leading book store chain and toy store chain to promote its dairy product. Mr. Milk added the popular orange flavor to its offering while Potato Crisp launched smaller packs.

New products launched in the past three years, including dairy and snacks, contributed 6.5% to total Philippine market sales in FY2023.

Del Monte continues to enjoy strong market share leadership across all its major categories, with higher shares in packaged pineapple behind consumption-building efforts. Del Monte spaghetti sauce also grew share by staying ahead of competition amidst a declining category.

However, RTD juices lost share due to the aggressive growth of the PET segment, which offers low-priced products with broadened distribution and on-the-go convenience. Canned mixed fruit and tomato sauce shares were impacted by price brands. But in the fourth quarter of FY2023, RTD juices and canned mixed fruit registered higher shares versus the prior year quarter behind juice drinks, canned pineapple juice and the re-entry of Fit 'n Right classic line, while tomato sauce maintained its share with the support of its Saucy Meals campaign, spurring brand and category offtake.

Market Leader in Various Categories in the Philippines

Products	Market Position	Market Share	Change vs. prior year	Brands
Packaged Pineapple	#1	95.5%	+2.2 ppts	Del Monte
Canned Mixed Fruit1	#1	75.4%	-0.5 ppt	Del Monte, Today's
RTD Juices ex-foil pouches	#1	40.9%	-2.3 ppts	Del Monte
Tomato Sauce	#1	84.6%	-1.0 ppt	Del Monte
Spaghetti Sauce2	#1	37.8%	+0.5 ppt	Del Monte, Today's, Contadina

[1]Combined share for Del Monte and Today's brands
[2]Combined share for Del Monte, Today's and Contadina brands
Source: The Nielsen Company - Retail Audit Data, 12M to April 2023

Foodservice sales increased by 18% behind the accelerating business of quick service restaurants (QSRs), while convenience store sales jumped 39% as schools and transport sectors opened up. 9,917 foodservice outlets are now open at 92% of pre-pandemic level, while 3,995 convenience stores are now open at 120% of pre-pandemic level.

Del Monte continues to supply ketchups in large chain accounts such as Burger King and Shakey's while gaining new businesses with Landers, Peri-Peri, Domino's and Ikea; pineapple tidbits to Domino's; and juices to Tapa King and Mactan Cebu International airport.

International/Exports

International markets, composed of fresh produce and packaged goods, generated sales of US$330.5 million, up 12%. Packaged sales accounted for US$181.4 million, higher by 11% while fresh sales accounted for US$149.1 million, up 14%. S&W branded business achieved sales of US$136.2 million, higher by 14%.

Fresh sales rose driven by stronger demand particularly in North Asia, better pricing and improved supply. The Company’s new naturally-ripened extra sweet S&W Deluxe premium fresh pineapple in China, Japan and South Korea continued to gain momentum in China’s retail segment. Fresh sales benefitted from favorable consumer and trade response to this variety.

The Group’s high quality, premium MD2 pineapple makes it the largest fresh pineapple exporter to China with a 53% share and one of the three biggest exporters to Japan, South Korea and the Middle East.

Sales of packaged products grew behind higher sales of pineapple, mixed fruit and various retail and industrial juice formats. In the U.S., a major QSR launched new summer drinks, one of which - Pineapple Passionfruit Refreshers – uses the Company’s pineapple product.

The Group’s frozen fruit product uses Nice Tech’s revolutionary technology. Extra sweet and golden yellow pineapples from fully ripened fruits are cut into spears then frozen without breaking the cellular structure of the fruit. This technology is superior to Individually Quick-Frozen (IQF) technology.

With the rising global trend on healthy snacks, the Group’s Nice Tech frozen pineapple spears and chunks healthy snack/dessert has gained traction, now sold in more foodservice channels such as KFC in the UK, 7-Eleven in Japan and McDonald’s in the Middle East, Balkans and Canada.

India

Sales at our joint venture Del Monte Foods Private Limited in India (formerly FieldFresh Foods), which are equity accounted and not consolidated, were US$66.3 million, flat versus prior year in U.S. dollar terms but up 8% in rupee terms. There was overall growth across all channels of B2B, B2C, modern trade and e-commerce. B2B business delivered strongly driven by increase in foodservice sales coming off a lower base last year due to the pandemic.

Del Monte introduced a 600-gram Chocolate Syrup in September 2022, with 50% more cocoa than that of leading competitor. After a successful launch, Del Monte came up with a smaller 100-gram spout pack to recruit new consumers. This added to the Company’s existing low price point pack portfolio and helped the business gain more retail outlets and consumers.

Del Monte also launched the Royal Arabian Dates, entering a US$36 million market and seizing an opportunity for a premium branded player in a sea of unbranded players.

The Company also relaunched its mayonnaise bottle range in wide mouth PET jars, which form the bulk of the mayonnaise category in India, bringing its offering more in line with consumer usage.

DMPL’s share in India was a US$0.1 million profit from a US$3.2 million loss in the prior year.

GROSS PROFIT AND MARGIN

DMPL's gross profit decreased by 3% to US$607.0 million while gross margin declined to 25.1% from 26.6% due to higher raw material, packaging, manufacturing and logistics costs coupled with unfavorable sales mix.

DMFI generated a gross profit of US$400.3 million, slightly higher versus last year's US$396.1 million, on higher sales; however, gross margin was lower at 23.1% from 23.9%. Price increases were insufficient to cover higher costs of raw produce, packaging materials, labor and logistics.

DMPL ex-DMFI delivered gross profit of US$201.4 million, 13% lower than US$230.7 million in the prior year. Gross margin declined to 26.3% from 30.7% as price increases to manage inflation were offset by higher product costs driven by commodity headwinds, lower productivity both in plantation and production which resulted in higher cost of growing, harvesting and processing.

DEL MONTE FOODS REFINANCING

In May 2022, DMFI raised US$600 million through a 7-year Term Loan B facility maturing in 2029 at Adjusted Secured Overnight Financing Rate (SOFR), with a floor of 0.5% plus 4.25% p.a. Proceeds were used to primarily redeem the US$500 million Senior Secured Notes plus redemption fees and accrued interest. The said Notes had an interest rate of 11.875% p.a. and were due to mature in 2025. The new Term Loan B had a hedged interest rate of 8.1% as of end April 2023. The early redemption of the Notes incurred a one-off cost of US$71.9 million or US$50.2 million post tax and non-controlling interest. US$26.3 million of the US$71.9 million was non-cash.

DMFI Non-Recurring Expenses (in US$m)	FY2023	FY2022	Booked under
Early redemption fee for US$500m Notes	45.5	-	Interest Expense
Write-off of deferred financing costs (non-cash)	26.3	-	Interest Expense
Excess of net realizable value over inventory cost related to the Kitchen Basics acquisition	5.0	-	Other Income/Expense
Settlement of legal claims	2.5	-	Other Income/Expense
Total (pre-tax basis)	**79.3**	**-**	
Tax impact	(20.3)	-	
Non-controlling interest	(3.8)	-	
Total (post tax and NCI)	**55.2**	**-**	

REDEMPTION OF PREFERENCE SHARES

In April 2022 of fiscal year 2022, DMPL redeemed US$200 million of its Series A-1 Preference Shares which had a dividend rate of 6.625% p.a. In December 2022 of fiscal year 2023, DMPL redeemed US$100 million of its Series A-2 Preference Shares which had a dividend rate of 6.5% p.a.

The redemption was refinanced by a combination of fixed rate Senior Notes and floating rate loans with an average interest rate of 5.52% in FY2023.

There are no more outstanding Preference Shares as at 30 April 2023.

EBITDA AND NET PROFIT

The Group generated an EBITDA of US$329.7 million, 6% lower than prior year’s US$351.5 million.

DMFI delivered an EBITDA of US$206.0 million, 4% lower than prior year’s US$213.6 million driven by lower margins as discussed. Contributing to the lower EBITDA were losses from consolidation of distribution centers and discontinuation of pocket pies amounting to US$6.6 million and US$2.8 million, respectively.

DMPL ex-DMFI generated an EBITDA of US$118.2 million, lower by 21%, also driven by lower margins as discussed.

The Group registered a net profit of US$16.9 million, lower than last year’s US$100.0 million. This was mainly driven by the one-off costs of US$55.2 million, as discussed above, and the impact of cost increases due to inflation across all business segments and higher interest expense. The Group’s profitability was impacted by the additional US$14.4 million of interest expense for the new loans taken to redeem the Preference Shares. The latter’s cost was previously accounted for in the balance sheet in the form of dividend payments against equity, i.e. outside the income statement, whereas the interest expense for the new loans is booked in the income statement, i.e. impacting net profit.

Without the one-off costs, DMPL’s net profit would have been US$72.2 million, lower by 28% from prior year’s US$100.0 million, while EBITDA would have been US$337.2 million, down 4%.

As a result of the one-off costs, and also higher costs, DMFI incurred a net loss of US$2.8 million versus the net profit of US$54.3 million in the prior year. Excluding one-off costs, DMFI’s net profit would have been US$52.5 million, slightly lower by 3% versus the net profit of US$54.3 million in the prior year. Excluding one-off costs, DMFI’s EBITDA would have been US$213.5 million, same as last year’s.

INVENTORIES

DMPL’s inventories increased to US$1.1 billion as at 30 April 2023, from US$686.0 million as at 30 April 2022, primarily due to DMFI driven by the inflationary impact on overall cost of inventories, increase in certain segments to support customer service levels and higher growth projections for FY2024 and Kitchen Basics acquisition.

CAPEX

Capital expenditures were US$237.9 million in FY2023, higher than US$202.7 million in FY2022. DMFI accounted for US$55.4 million of Group capex in FY2023, higher than US$32.1 million in FY2022 due to higher additions to CIP for various process and improvements. DMPL ex-DMFI’s capex accounted for US$182.5 million in FY2023 from US$170.6 million in FY2022 driven by higher additions to biological assets. DMPL ex-DMFI capex was comprised mostly of biological assets at US$147.0 million, with the balance of US$35.5 million for building, CIP, machinery and equipment.

CASH FLOW AND DEBT

The Group's cash flow from operations was negative US$2.8 million for FY2023 from positive US$280.7 million in the prior year mainly due to higher inventories and lower profit as explained above.

The Group's working capital decreased to US$205.3 million net liability in FY2023 from US$168.4 million net asset in the prior year. The negative working capital was due to the shift to current from non-current liability for long-term loans maturing in the next 12 months, and the new loans taken to redeem the Preference Shares.

The Group's net debt (borrowings less cash and bank balances) amounted to US$2.25 billion as at 30 April 2023, higher than US$1.5 billion as at 30 April 2022. Out of the total net debt of US$2.25 billion, DMFI accounted for US$1.16 billion while DMPL ex-DMFI accounted for US$1.09 billion.

The Group's net debt to EBITDA increased to 6.8x from 4.4x while net debt to equity rose to 5.8x from 3.1x due to higher loans as a result of the redemption of DMPL's Preference Shares, DMFI's Senior Secured Notes refinancing in May 2022, DMFI's ABL (working capital) loans which includes the US$100 million acquisition of Kitchen Basics, and lower equity due to net losses arising from refinancing costs.

Although debt levels had gone up, the refinancing of the Preference Shares with bank loans at an average interest rate of 5.52% versus the Preference Share coupon of 10% on a step-up basis, if not redeemed, saved the company about US$10 million during the year.

A major priority of the Group is to reduce leverage, strengthen its capital structure and bring down interest expense in the coming year.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	**For the year ended 30 April**		
	FY2023	**FY2022**	**Explanatory Notes**
Cost of Goods Sold	**74.9**	73.4	Increase in sales was more than offset by higher production cost.
Distribution and Selling Expenses	**9.5**	9.5	Higher transfer and ocean freight cost in DMFI and DMPI offset by lower advertising costs
G&A Expenses	**5.0**	5.5	Driven by lower people cost from DMFI
Other Operating Expenses (Income)	**0.5**	0.2	Other expense this quarter was mainly from write-off of excess of NRV over cost of inventory of the newly acquired KB brand and cleanup/transition costs of Modesto DC

REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

In US$'000	For the year ended 30 April			
	FY2023	**FY2022**	**%**	**Explanatory Notes**
Depreciation and amortization	**(194,378)**	(193,499)	(0.5)	Higher depreciation of bearer plants from DMPI due to higher harvested tons
Reversal/ (Provision) for inventory obsolescence	**(2,998)**	97	n.m.	Driven by higher obsolescence on DMPI's finished goods
Reversal/ (Provision) for doubtful debts	**214**	(1,059)	120.2	Reversal of bad debt provision for trade receivables
Net gain/(loss) on disposal of fixed assets	**(161)**	(789)	79.6	Gain on disposal of DMFI's capital assets
Foreign exchange gain/(loss)-net	**4,772**	1,523	213.3	Driven by forex gain from ICMOSA
Interest income	**912**	771	18.3	Driven by DMPI, higher interest income from lease advances
Interest expense	**(207,252)**	(109,800)	(88.8)	Driven by redemption cost and write-off of deferrred financing cost related to refinancing as well as redemption of preferred shares which incurred interest this year (vs dividend payout last year)
Share in net loss of JV	**(1,486)**	(4,954)	70.0	Same as 4Q
Taxation benefit (expense)	**(17,167)**	(39,300)	56.3	Lower taxable income from DMPI and DMFI (due to one-off refinancing costs)

REVIEW OF GROUP ASSETS AND LIABILITIES

Balance Sheet	April 2023 (Unaudited)	April 2022 (Audited)	April 2021 (Audited)	% Variance vs April FY22	Explanatory Notes
In US$'000					
ASSETS					
Property, plant and equipment - net	**658,991**	577,647	544,776	14.1	Due to freehold land revaluation from DMPI and DMFI
Right-of-use (ROU) assets	**100,566**	123,539	135,208	(18.6)	Mainly due to amortizations on ROU assets
Investment in joint ventures	**20,161**	17,172	22,530	17.4	Additional investments during the period
Intangible assets and goodwill	**753,841**	688,047	694,697	9.6	Increase driven by acquistion of Kitchen Basics Brand
Other noncurrent assets	**42,250**	30,411	25,325	38.9	Driven by new equity investment to NTH and reclass of the noncurrent portion of derivative assets
Deferred tax assets - net	**118,060**	116,745	130,538	1.1	nm
Pension assets	**10,630**	9,799	7,889	8.5	Driven by remeasurement gain
Biological assets	**47,859**	50,081	47,568	(4.4)	nm
Inventories	**1,076,772**	685,958	557,602	57.0	Mainly driven by higher volume and higher cost of production
Trade and other receivables	**231,036**	214,553	185,049	7.7	Timing of collection of sales
Prepaid expenses and other current assets	**59,667**	49,052	37,286	21.6	Driven by higher prepaid trade and prepaid parts and supplies from DMFI
Cash and cash equivalents	**19,836**	21,853	29,435	(9.2)	Timing of cash flow from operating activities
EQUITY					
Share capital	**19,449**	29,449	49,449	(34.0)	Redemption of A-2 preference shares
Share premium	**208,339**	298,339	478,339	(30.2)	Redemption of A-2 preference shares
Retained earnings	**119,540**	140,320	83,349	(14.8)	Driven by dividend distribution
Reserves	**(28,511)**	(42,541)	(29,953)	33.0	Driven by revaluation gain on freehold land
Non-controlling interest	**66,941**	69,138	61,312	(3.2)	nm
LIABILITIES					
Loans and borrowings	**2,273,353**	1,567,366	1,285,743	45.0	Driven by DMFI refinancing, refinancing of preference capital and higher short term loans for working capital requirements
Lease liabilities	**100,096**	121,320	128,803	(17.5)	Driven by lease payments
Other noncurrent liabilities	**16,826**	23,023	18,697	(26.9)	Driven by lower derivative liabilities from DMFI
Employee benefits	**45,574**	61,300	70,141	(25.7)	Driven by DMFI due to payout of benefits
Environmental remediation liabilities	**-**	203	7,429	(100.0)	Settlement of enviornmental remediation liabilities
Deferred tax liabilities - net	**11,630**	12,421	6,599	(6.4)	Higher deferred tax liabilties on revaluation of freehold land
Trade and other current liabilities	**304,940**	302,833	254,729	0.7	nm
Current tax liabilities	**1,492**	1,686	3,266	(11.5)	Timing of tax payment for DMPI

Key Performance Indicators

The following sets forth the explanation why certain performance ratios (i.e. current ratio, debt to equity ratio, net profit margin, return on asset, and return on equity) do not fall within the benchmarks indicated by the Securities and Exchange Commission of the Philippines (the "**SEC**").

A. Current Ratio

	30-Apr-23	30-Apr-22	Benchmark
Current Ratio	0.8746	1.1980	Minimum of 1.2

Lower current ratio driven by higher current liabilities from reclassification of current portion of long-term loans maturing next year.

B. Debt to Equity Ratio

	30-Apr-23	30-Apr-22	Benchmark
Total Debt/Total Stockholders' Equity	7.1390	4.2250	Maximum of 2.5

Higher gearing driven by redemption of A-2 preference shares, financed by new loans.

C. Net Profit Margin

	30-Apr-23	30-Apr-22	Benchmark
Net Profit/(Loss) Margin attributable to owners of the company	0.70%	4.27%	Minimum of 3%

Lower net profit margin driven by one-off costs incurred to redeem the high-yielding senior notes of DMFI.

D. Return on Asset

	30-Apr-23	30-Apr-22	Benchmark
Return on Asset	0.81%	4.47%	Minimum of 1.21

Lower return driven by one-off costs incurred to redeem the high-yielding senior notes of DMFI.

E. Return on Equity

	30-Apr-23	30-Apr-22	Benchmark
Return on Equity	6.58%	23.35%	Minimum of 8%

Lower return driven by one-off costs incurred to redeem the high-yielding senior notes of DMFI.

Material Changes in Accounts

A. Inventories
Primarily due to DMFI driven by the inflationary impact on overall cost of inventories, increase in certain segments to support customer service levels and higher growth projections for FY2024, and Kitchen Basics acquisition

B. Property, plant and equipment
Driven mainly by DMFI's higher additions to CIP for various process and improvements and Base Business' higher additions to biological assets.

C. Prepaid expenses and other current assets
Driven by higher prepaid trade and prepaid parts and supplies from DMFI.

D. Other noncurrent assets
Driven by new equity investment to NTH and reclass of the noncurrent portion of derivative assets.

E. Loans and borrowings
Driven by DMFI refinancing, refinancing of preference capital and higher short-term loans for working capital requirements.

F. Share Capital and Share Premium
Redemption of A-2 preference shares.

Review of Operating Performance for FY2022 vs FY2021

Summary

Amidst the ongoing challenges of a pandemic and high global inflation, Del Monte Pacific achieved a commendable performance in FY2022, delivering strong operating results with operating profit up 26% to a record US$267.3 million from US$211.9 million. Net profit soared 58% to US$100.0 million, its highest ever, from US$63.3 million in the prior year. The Group improved its sales mix and margins from higher sales of higher-margin branded segments and active cost management.

The Group’s U.S. subsidiary, Del Monte Foods, Inc. (DMFI), more than tripled its net profit to US$54.3 million from US$15.1 million from higher sales and better revenue mix, continued benefits from asset-light strategy (where it closed seven plants from FY2016-2020) and other cost reduction initiatives coupled with select price increases to help offset higher costs.

The Group’s second largest subsidiary, Del Monte Philippines, Inc. (DMPI), achieved record sales of US$729.5 million, up 6% in peso terms versus the prior year, and generated a record net profit of US$97.7 million, up 6% in peso terms. More than half of DMPI’s sales are in the Philippines, with the balance in the international market.

Sales

DMPL generated its highest sales ever of US$2.3 billion in FY2022, up 8% on higher revenue in the USA and international markets, offsetting the decline in the Philippines.

USA

Del Monte Foods, Inc. generated 12% higher sales of US$1.65 billion or about 70% of Group sales, with sustained sales growth across all major segments primarily core branded retail driven by canned vegetables and fruits following improvement in supply and distribution gains which more than offset the planned reduced sales of private labels. DMFI achieved record market share growth in the core vegetable and fruit categories as branded retail sales rose 13%. It successfully expanded into new categories of beverage and frozen, and accelerated growth in key sales channels of dollar stores, convenience stores, e-commerce and foodservice. Its foodservice channel grew significantly by 36% compared to prior year driven by a surge in fruit sales as demand continued to increase post pandemic from schools, hotels and restaurants.

DMFI’s innovation pipeline continued to offer exciting products to consumers. In the snacking area, it launched Del Monte Fruit Infusions and Joyba Bubble Tea. Fruit Infusions are energizing fruit cup snacks infused with antioxidants and other healthy functional ingredients. Joyba Bubble Tea is a new brand targeting Millennials and Gen Z with a line of boba shop-inspired beverages made with real brewed tea infused with vibrant fruit flavors and “popping” boba. In the Meals area, DMFI continued its Frozen Foods expansion with the launch of Del Monte Veggieful Riced Veggies, a line of flavorful vegetables replacing the higher calorie and carbohydrate regular rice.

New product sales reached US$90 million and contributed 5.3% to DMFI’s total sales in FY2022.
DMFI won the “Product of the Year” award for the fourth straight year. Product of the Year is the world's largest consumer-voted award. Winners were determined by the votes of 40,000 consumers in a national survey conducted by Kantar, a global leader in consumer research. DMFI won two awards for Del Monte Fruit Infusions in the fruit snack category and Joyba Bubble Tea in the coffee and tea category. These latest wins build on past awards for Del Monte Deluxe Gold Pineapple and Del Monte Veggieful Pocket Pies (2021) Del Monte Veggie Bowls, Fruit Crunch Parfait and Pizzettas (2020), Fruit & Oats (2019), and Fruit Refreshers (2017) in recognition of DMFI’s strong innovation pipeline.

DMFI is in the Top 3 position for canned vegetable, fruit, tomato, fruit cup snacks and broth. Del Monte canned vegetable, which had the highest contribution to branded retail sales, saw a 4.6-ppt increase in market share to 22% on the back of strong commercial execution, increased distribution of core products, and new product expansion, all supported by superior supply chain service. It reached a five-year high of 24% market share in November. Canned fruit, canned tomato and fruit cup snacks also achieved higher shares.

Market Position in Key Categories in the USA

Products	Market Position	Market Share	Change vs prior year	Brands
Canned Vegetable	#1	22.0%	+4.6 ppts	
Canned Fruit	#2	21.5%	+2.3 ppts	
Fruit Cup Snacks	#2	26.5%	+1.3 ppts	
Canned Tomato	#3	5.8%*	+0.4 ppt	
Broth	#2	6.5%	-0.2 ppt	

Canned market shares are for branded only, ex-private labels
**Combined share for Del Monte, S&W and Contadina brands*
Source: Nielsen RMS / Scantrack DMFI Custom DBs, Equivalent Volume share, Total xAOC, 12M ending 30 April 2022

The U.S. foodservice sales improved by 36% to US$89 million bringing it to 5% of total DMFI sales. This was achieved by building strong distributor partnerships and targeting both commercial and non-commercial segments which demand high quality branded fruits and vegetables. The U.S. foodservice business continued to show strong recovery and it is positioned well to continue to deliver strong growth as its customers build back their businesses.

In FY2022, an e-commerce team was established for DMFI, making it a priority for the company. The e-commerce business grew by 20%, with focus on deeply penetrating the e-commerce account base as well as focusing on foundational, e-commerce principles that can be scaled across the businesses.

<u>Cross-selling</u>

As part of DMPL's growth and globalization initiative, the distribution of products from the Philippines has extended its reach beyond traditional Asian retail channels to a broader ethnic market to mainstream grocery channels within the U.S. As mentioned earlier, canned premium pineapple Del Monte Deluxe Gold from Del Monte Philippines is sold in mainstream channels in USA. Meanwhile, DMFI exports certain Del Monte, S&W and Contadina products to Asia.

Philippines

Sales in the Philippines in FY2022 slightly declined by 1% in peso terms and 4% in US dollar terms to US$377.9 million as seasonal and special occasion items were unfavorably affected by an inflationary environment plus a high base last year from pandemic buying. However, compared to two years ago, sales in the Philippines rose 9%, while retail sales improved by 12%.

While there was a decline in volume, Del Monte's packaged pineapple grew to record-high market shares from new marketing programs promoting Del Monte's new Chunks 200-gram value pouch in everyday meal recipes. This was coupled with expanding its distribution into 200+ additional supermarkets and 2,000+ mom and pop stores.

Packaged fruit and spaghetti sauce category consumption was down due to shifting consumer priorities in the face of food inflation. Spaghetti sauce lost share from low-priced brands. Del Monte continues to promote the "Iba ang Sarap Del Monte" (Del Monte's Distinct Taste) campaign, and focus behind its special Carbonara sauce now available in a larger family-sized pack.

After over two years of pandemic, consumers are looking beyond having healthy juice drinks and are looking for enjoyable experiences which will address their need to feel good about themselves. Consumers are now looking for more variety and/or affordable options. In the summer of 2021, the company launched new variants for Del Monte Juice Drinks - refreshing Melon Cucumber and Tropical Punch. It also launched 100% Tipco Kiwi and Lychee flavors. It continues to support key brands to drive regular consumption behind health and enjoyment.

Del Monte continues to enjoy strong market share leadership across all its major categories, with higher shares in packaged pineapple behind consumption-building efforts. However, RTD juices lost share due to aggressive growth of a competitor, which offers a low-priced product with broadened distribution downline. Canned mixed fruit, tomato and spaghetti sauce shares were impacted by price brands. Notably, spaghetti share loss has slowed down, in fact achieving 41.5% share in the last quarter, gaining +2.2 pts by focusing on product quality.

Market Leader in Various Categories in the Philippines

Products	Market Position	Market Share	Change vs prior year	Brands
Packaged Pineapple	#1	93.3%	+3.7 ppts	Del Monte
Canned Mixed Fruit[1]	#1	75.9%	-0.9 ppt	Del Monte, Today's
RTD Juices ex-foil pouches	#1	43.3%	-6.4 ppts	Del Monte
Tomato Sauce	#1	85.8%	-1.1 ppts	Del Monte
Spaghetti Sauce[2]	#1	37.4%	-0.7 ppt	Del Monte, Today's, Contadina

[1]Combined share for Del Monte and Today's brands
[2]Combined share for Del Monte, Today's and Contadina brands
Source: The Nielsen Company - Retail Audit Data, 12M to April 2022

Following the entry into the snacking category in FY2021 with baked biscuit Del Monte Potato Crisp, Del Monte further expanded to the next largest biscuits segment: crème-filled cookies. Del Monte Fruity Munchsters are cookies with delicious fruit flavors leveraging on Del Monte's equity on fruit and health.

On 16 August 2021, Del Monte Philippines, Inc. (DMPI) forged a strategic alliance with Vietnam Dairy Products JSC (Vinamilk), a leading regional dairy company. DMPI and Vinamilk entered into a joint venture (JV) to expand further into the dairy sector in the Philippines, synergizing Vinamilk's strength in dairy manufacturing and technology with Del Monte's strength in marketing and distribution in the Philippines. The JV imports products from Vietnam, and markets them under a co-branded label through DMPI, leveraging the trust and affinity built for the Del Monte brand among Filipino consumers, as well as DMPI's extensive distribution network and long-standing relationships with leading retailers and distributors throughout the country. The JV presents a growth opportunity for both partners as Vinamilk enters a new market and Del Monte expands into a new category with products consumed in Filipino households on a daily basis. The JV launched new products which have generated incremental revenue. These include Del Monte-Vinamilk Fresh Milk, Del Monte-Vinamilk IQ Smart Flavored Milk, Del Monte-Vinamilk YoGurt Drink and Del Monte-Vinamilk Tea Bliss Milk Tea.

New innovations consisting of Mr. Milk drink, Potato Crisp and Fruity Munchsters snacks, and the new Del Monte-Vinamilk dairy products contributed 6.5% of total Philippine sales in FY2022.

Del Monte's foodservice channel achieved much higher sales, up 27%, as it capitalized on increased restaurant foot traffic as consumers stepped out of their homes more, with menu features and partner tie-ups. Sales are now at 88% of pre-pandemic level. 14,775 outlets are now open at 78% of pre-pandemic level, with key accounts at 94% and general trade at 76% index. Del Monte generated new businesses as primary supplier of Jollibee for pineapple juice, Shakey's for 12oz ketchup bottle, Ikea for 3kg foil ketchup, Burger King, Domino's Pizza, S&R, Landers Superstore and Peri Peri Charcoal Chicken for 10g ketchup sachets.

Foodservice gross margin increased by 2.6 ppts vs. prior year, while operating profit rose 56% due to improved sales and margin. The company expects FY2023 to be a recovery year and to return to pre-pandemic volume going into FY2024.

E-commerce is a key emerging channel that will be a critical part of the Philippine economy. Over the past two years, Del Monte Philippines has grown its e-commerce 13x focusing on online marketplaces. Del Monte was one of the top performing grocery brands in Shopee and Lazada in FY2022. Del Monte's e-commerce efforts were also recognized by Asia eCommerce Awards which bestowed on the company three awards.

The company will develop its competitive advantage by leveraging its consumer recipe engagement program **Kitchenomics.com**, building on its online cooking education platform by adding e-commerce capability. Del Monte has also strengthened its internal e-commerce capability, reinforced by its partnership with e-commerce experts.

DMPI recently hired new sales operations heads for modern trade, general trade and e-commerce with extensive FMCG experience, to strengthen sales and commercial capabilities.

S&W in Asia and the Middle East

International sales of S&W fresh and packaged products rose 13% to US$119.4 million on higher sales of fresh pineapple, canned pineapple and juice. Fresh pineapple accounted for 70% while packaged products contributed 30% of total S&W sales.

Sales in the fresh segment, majority of which are branded S&W, grew by 10% to US$131.1 million with strong sales in China and South Korea, largely due to expansion in tier 2 and 3 cities in China. Goodme and ChaBaiDao fruit tea shops also used S&W pineapple in their offerings. The Group's pineapples are ranked number 1 in the imported pineapple category of Pinduoduo.com while S&W fresh cut pineapple is the best-selling among fresh cut pineapple products on South Korea's largest e-commerce platform, Coupang.

Building on the success of S&W Sweet 16 fresh pineapple, the Company launched S&W Deluxe Premium, a naturally-ripened extra sweet pineapple, in November 2021 in China, Japan and South Korea with favorable market feedback. Majority are sold in China through the company's distributors, and this premium fresh variety is gaining traction in China's retail segment.
The Group's high quality, premium MD2 pineapple makes it the largest fresh pineapple exporter to China with a 53% share and one of the three biggest exporters to Japan, South Korea and the Middle East.

Sales of canned pineapples did well in China while the Group continued to sell the premium canned pineapple Del Monte Deluxe Gold in the USA. The Company also started supplying 100% pineapple juice to Jollibee Malaysia, supporting their key outlet with an S&W-labelled juice dispenser.

The Group's frozen fruit product uses Nice Fruit's revolutionary technology. Extra sweet and golden yellow pineapples from fully ripened fruits are cut into spears then frozen without breaking the cellular structure of the fruit. This technology is superior to Individually Quick-Frozen (IQF) technology.
With the rising global trend on healthy snacks, the Group's frozen pineapple is now in foodservice channels such as Quick Service Restaurants. The Group recently sealed a deal with McDonald's Canada. This is a big win riding on the momentum built over the years, following its success with KFC in the UK and McDonald's in the Middle East.

Individually packaged frozen Pineapple Stick and frozen chunks called Golden Pineapple have been sold in 7-Eleven Japan since 2018, positioned as an on-the-go healthy snack in the store's chiller section. These are also sold in UK, Spain, Andorra, China, Hong Kong and South Korea.

India

Sales at our joint venture Del Monte Foods Private Limited in India (formerly FieldFresh Foods), which are equity accounted and not consolidated, were US$65.9 million in FY2022 from US$67.4 million, down 2% in both U.S. dollar and rupee terms versus prior year. The decline was due to the discontinuation of the fresh business, while the Del Monte-branded packaged segment performed well with sales of US$60.2 million, higher by 6%. Business continued to recover driven by focus on retail including strong growth in e-commerce on the back of manifold growth on local platforms such as Bigbasket and Flipkart.

Del Monte launched India's first ever "King Coconut Water" on e-commerce. King Coconut Water is unique to Sri Lanka and is known to be naturally sweeter than other coconut water, but still remains a low sugar, low calorie beverage great for hydration. It was among the top five brands on Amazon within two months of launch.

DMPL's share in Del Monte Foods in India was unfavorable at US$3.2 million loss, higher than US$1.0 million loss last year, as higher packaged business sales were offset by one-off losses from the discontinued low-margin fresh business.

Gross Profit and Margin

DMPL’s gross profit rose 12% to US$622.7 million while gross margin increased by 90 basis points to 26.6% driven by DMFI in the U.S. DMFI expanded its gross margin by 130 basis points to 23.9% from 22.6% on higher volume, better sales mix from improved sales of higher-margin retail branded products, savings generated by plant closures two years ago with the company’s asset-light strategy, cost reduction initiatives coupled with select price increases to help offset higher pack costs and transportation headwinds driven by port congestions particularly in the second half.

DMPL ex-DMFI sustained its gross margin at 30.7% from 30.6% as selective inflationary price increases were partly offset by higher product costs driven by commodity headwinds particularly tin plates, sugar and tomato paste, and unfavorable sales mix primarily in the Philippines.

EBITDA and Net Profit

The Group generated its highest ever EBITDA of US$351.5 million, 14% higher versus prior year’s US$309.0 million, and a record net profit of US$100.0 million, 58% higher versus last year’s US$63.3 million, mainly driven by the strong performance of DMFI and the international markets.

DMFI delivered an EBITDA of US$213.6 million, significantly up by 25% versus the US$170.5 million in the prior year, due to higher gross profit as explained above, as well as lower administrative expenses. DMFI more than tripled its net profit to US$54.3 million from US$15.1 million last year.

As part of the Group’s Asset Light strategy to improve operational excellence, reduce fixed costs and increase competitiveness, DMFI closed/sold four of its facilities two years ago. These divestitures enabled DMFI to significantly improve capacity utilization at the remaining plants in its production network and lowered fixed costs.

DMPL ex-DMFI generated an EBITDA of US$149.2 million, higher by 5% and a net profit of US$82.5 million, higher by 12% versus US$73.6 million last year with improved sales and operating profit, lower interest expense and reduced tax.

The Group’s second largest subsidiary, Del Monte Philippines, achieved its best ever sales of US$729.5 million, up 3% in US dollar terms and 6% in peso terms on higher exports of S&W branded fresh and packaged pineapple. DMPI generated a record EBITDA of US$154.2 million, up 1% and 4%, and a record net profit of US$97.7 million, up 3% and 6% in US dollar and peso terms, respectively. More than half of DMPI’s sales are in the Philippines, with the balance in the international market.

INVENTORIES

DMPL’s inventories increased to US$686.0 million as at 30 April 2022, from US$557.6million as at 30 April 2021 as a result of higher volume and production cost.

CAPEX

Capital expenditures were US$205.2 million in FY2022, higher than US$166.1 million in FY2021. DMFI accounted for US$38.8 million of Group capex in FY2022, higher than US$28.3 million in FY2021 due to higher additions to CIP for various process and improvements. DMPL ex-DMFI’s capex accounted for US$166.3 million in FY2022, up from US$137.8 million in FY2021 driven by higher additions to biological assets and completion of various projects for machinery and equipment. DMPL ex-DMFI capex was comprised mostly of biological assets at US$133.6 million, with the balance of US$32.7 million for building, CIP, machinery and equipment.

SENIOR NOTES ISSUANCE

In December 2021, DMPL successfully issued 3-year unrated Senior Notes amounting to US$90 million with a coupon rate of 3.75% per annum. This transaction marked DMPL’s inaugural issuance in the international debt capital markets, establishing a new source of funding.

REDEMPTION OF SERIES A-1 PREFERENCE SHARES

In April 2022, DMPL redeemed US$200 million of its Series A-1 Preference Shares which had a dividend rate of 6.625% p.a. This was refinanced by a combination of the fixed rate Senior Notes mentioned above and floating rate loans with a current average rate of 3.8% p.a.

DEL MONTE FOODS REFINANCING

In May 2022, DMFI raised US$600 million through a 7-year Term Loan B facility at Adjusted SOFR, with a floor of 0.5% plus 4.25% p.a., to primarily redeem the US$500 million Senior Secured Notes which had an interest rate of 11.875% p.a. The much lower interest rate is expected to result in about US$20-30 million interest savings per year. The redemption of the Notes incurred one-off transaction costs of about US$70 million which will be booked in FY2023. US$26 million of the US$70 million is non-cash.

DMFI achieved a credit rating upgrade to “B2” from “B3” from Moody’s and an upgrade to Positive Outlook from S&P. This reflects DMFI’s strengthening operating performance following prior year’s recapitalization and major operational restructuring which has improved liquidity and leverage.

CASH FLOW AND DEBT

The Group’s cash flow from operations in FY2022 was US$280.7 million, lower versus prior year’s cash flow of US$315.3 million mainly from higher inventories as a result of higher sales volume and production cost.

The Group’s working capital in FY2022 decreased to US$168.4 million from US$200.4 million. This was driven by short-term loans obtained to finance the redemption of US$200 million Series A-1 preference shares.

The Group’s net debt (borrowings less cash and bank balances) amounted to US$1.5 billion as at 30 April 2022, higher than US$1.3 billion as at 30 April 2021. Out of the total net debt of US$1.5 billion, DMFI accounted for US$612.4 million while DMPL ex-DMFI accounted for US$933.1 million.

The Group net debt to equity ratio increased to 312.4% from 195.5% while net debt to EBITDA rose to 4.4x from 4.1x.

Although total loans and gearing ratios of the Group increased as a result of the redemption of the preference shares, the cash flow impact will be favorable with the lower interest rate of the loans versus the preferred dividends.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the year ended 30 April		
	FY2022	**FY2021**	**Explanatory Notes**
Cost of Goods Sold	**73.4**	74.3	Overall, increase in costs was more than covered by higher sales
Distribution and Selling Expenses	**9.5**	9.3	Higher ocean freight cost in DMFI and DMPI
G&A Expenses	**5.5**	6.7	Lower administrative expenses in DMFI driven by lower computer costs and miscellaneous overhead.
Other Operating Expenses (Income)	**0.2**	0.0	Driven by impairment loss on Del Monte Foods (previously named FieldFresh). Last year was offset by gain on disposal of assets in the US

REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

In US$'000	For the year ended 30 April			
	FY2022	**FY2021**	**%**	**Explanatory Notes**
Depreciation and amortization	**(193,499)**	(187,320)	(3.3)	Higher depreciation of bearer plants from DMPI due to higher harvested tons
Reversal/ (Provision) for inventory obsolescence	**97**	(800)	112.1	Driven by reversal of obsolescence on DMPI's finished goods
Reversal/ (Provision) for doubtful debts	**(1,059)**	(141)	(651.1)	Additional bad debt provision for trade receivables of DMPI
Net gain/(loss) on disposal of fixed assets	**(789)**	1,333	(159.2)	Loss from disposal of assets in the US
Foreign exchange gain/(loss)- net	**1,523**	3,921	(61.2)	Higher gain last year driven by ICMOSA
Interest income	**771**	547	41.0	Driven by DMPI from interest income on receivable from sale and leaseback of land
Interest expense	**(109,800)**	(111,044)	1.1	Lower market interest rates in the Philippines
Share in net loss of JV	**(4,954)**	(1,531)	(223.6)	Advertising expenses for the new venture, Del Monte-Vinamilk, as well as one-off cost in on Del Monte Foods (previously named FieldFresh) for the discontinued low-margin fresh business.
Taxation benefit (expense)	**(39,300)**	(27,273)	(44.1)	Higher taxes as a result of higher income from DMFI compared to last year

REVIEW OF GROUP ASSETS AND LIABILITIES

Balance Sheet	30 Apr 2022 (Audited)	30 Apr 2021 (Audited)	30 Apr 2020 (Audited)	% Variance vs April FY21	Explanatory Notes
In US$'000					
ASSETS					
Property, plant and equipment - net	**577,647**	544,776	517,585	6.0	Increase mainly due to additions to bearer plants in the Philippines and higher CIP in the US
Right-of-use (ROU) assets	**123,539**	135,208	166,085	(8.6)	Mainly due to amortizations on ROU assets
Investment in joint ventures	**17,172**	22,530	25,317	(23.8)	Decrease driven by joint venture losses, inclusive of impairment loss
Intangible assets and goodwill	**688,047**	694,697	701,347	(1.0)	nm
Other noncurrent assets	**30,411**	25,325	26,181	20.1	Driven by DMPI from higher advance rentals and deposits to growers and landowners; as well as downpayments for capital expenditures
Deferred tax assets - net	**116,745**	130,538	144,974	(10.6)	Reduction on tax loss carryforward for DMFI as it continues to generate profit
Pension assets	**9,799**	7,889	6,675	24.2	nm
Biological assets	**50,081**	47,568	63,278	5.3	Increase mainly due to additions to growing crops
Inventories	**685,958**	557,602	482,463	23.0	Mainly due to higher cost of production as well as higher volumes
Trade and other receivables	**214,553**	185,049	320,603	15.9	Timing of collection of sales
Prepaid expenses and other current assets	**49,052**	37,286	66,380	31.6	Driven by higher downpayments to suppliers
Cash and cash equivalents	**21,853**	29,435	33,465	(25.8)	Cash outflow mainly from redemption of preference shares and capital expenditures
EQUITY					
Share capital	**29,449**	49,449	49,449	(40.4)	Redemption of A-1 preference shares
Share premium	**298,339**	478,339	478,339	(37.6)	Redemption of A-1 preference shares
Retained earnings	**140,320**	83,349	60,763	68.4	Net profit partially offset by dividends declared
Reserves	**(42,541)**	(29,953)	(77,474)	(42.0)	Driven by translation adjustment
Non-controlling interest	**69,138**	61,312	54,820	12.8	Share in net profit partially offset by dividends received
LIABILITIES					
Loans and borrowings	**1,567,366**	1,285,743	1,396,029	21.9	Driven by loan drawdowns of DMPL to finance preference redemption
Lease liabilities	**121,320**	128,803	158,525	(5.8)	Driven by lease payments
Other noncurrent liabilities	**23,023**	18,697	23,380	23.1	Decrease in liability related to DMFI's worker's compensation due to settlement from closed plants and reversal of over accrual
Employee benefits	**61,300**	70,141	105,345	(12.6)	Driven by remeasurement gain on retirement plans in DMFI
Environmental remediation liabilities	**203**	7,429	9,587	(97.3)	Settlement related to closed Mendota plant
Deferred tax liabilities - net	**12,421**	6,599	12,447	88.2	Driven by increase in deferred taxes related to final tax on intercompany dividends
Trade and other current liabilities	**302,833**	254,729	276,893	18.9	Driven by higher trade payables
Current tax liabilities	**1,686**	3,266	6,250	(48.4)	Timing of tax payment for DMPI

Key Performance Indicators

The following sets forth the explanation why certain performance ratios (i.e. current ratio, debt to equity ratio, net profit margin, return on asset, and return on equity) do not fall within the benchmarks indicated by the Securities and Exchange Commission of the Philippines (the "**SEC**").

A. Current Ratio

	30-Apr-22	30-Apr-21	Benchmark
Current Ratio	1.2	1.3	Minimum of 1.2

Lower current ratio driven by higher current liabilities from short-term loans obtained to finance redemption of preference shares.

B. Debt to Equity Ratio

	30-Apr-22	30-Apr-21	Benchmark
Total Debt/Total Stockholders' Equity	4.2	2.8	Maximum of 2.5

Higher debt to equity ratio was due to redemption of A-1 preference shares, financed by new loans.

C. Net Profit Margin

	30-Apr-22	30-Apr-21	Benchmark
Net Profit/(Loss) Margin attributable to owners of the company	4.27%	2.92%	Minimum of 3%

Higher net profit margin driven by higher gross margin, lower general and administrative expenses and interest expense.

D. Return on Asset

	30-Apr-22	30-Apr-21	Benchmark
Return on Asset	4.47%	3.16%	Minimum of 1.21

Higher profit this year driven by higher sales, lower general and administrative expenses and lower interest expense.

E. Return on Equity

	30-Apr-22	30-Apr-21	Benchmark
Return on Equity	23.35%	11.90%	Minimum of 8%

Higher net profit this year and also lower equity from redemption of A-1 preference shares.

Material Changes in Accounts

A. Inventories

Mainly due to higher cost of production as well as higher volumes.

B. Property, plant and equipment

Increase mainly due to additions to bearer plants in the Philippines and higher CIP in the US.

C. Trade and other receivables

Timing of collection of sales.

D. Trade and other current liabilities

Driven by higher trade payables.

E. Loans and borrowings

Driven by loan drawdowns of DMPL to finance preference redemption.

F. Share Capital and Share Premium

Redemption of A-1 preference shares.

G. Retained Earnings

Net profit partially offset by dividends declared

Financial Ratios

Supplementary Schedule of Financial Soundness Indicator

Ratio	Formula	30 April 2023	30 April 2022	30 April 2021
(i) Liquidity Analysis Ratios:				
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	0.9	1.2	1.3
Quick Ratio	(Current Assets - Inventories - Prepaid expenses and other current assets - Biological Assets – Noncurrent assets held for sale) / Current Liabilities	0.2	0.3	0.3
(ii) Solvency Ratio	Total Assets / Total Liabilities	1.1	1.2	1.4
Financial Leverage Ratios:				
Debt Ratio	Total Debt/Total Assets	0.9	0.8	0.7
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	7.1	4.2	2.8
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	8.1	5.2	3.8
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	5.4	3.0	1.9
(v) Debt/EBITDA Ratios	Total Debt/ Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	8.4	5.9	5.7
(vi) Profitability Ratios				
Gross Profit Margin	Revenue - Cost of Sales / Revenue	25.07%	26.59%	25.71%
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Revenue	0.70%	4.27%	2.92%
Net Profit Margin	Net Profit / Revenue	1.05%	4.93%	3.54%
Return on Assets	Net Profit / Total Assets	0.81%	4.47%	3.16%
Return on Equity	Net Profit / Total Stockholders' Equity	6.58%	23.35%	11.90%

BUSINESS OUTLOOK

The global environment remains unstable with certain cost pressures and consumers being more cautious with their spending. With these challenges, it becomes imperative to offer superior brand and product value to consumers.

In the U.S., there will be more focused innovation while increasing penetration in a number of high growth channels. We will grow our consumer-centric products including new brands JOYBA, Kitchen Basics and Take Root Organics.

The Group is also planning to substantially increase its MD2 fresh pineapple production to support higher exports of these premium products. To improve our margins, we will remain vigilant in managing our operating expenses which include packaging materials optimization; power and fuel initiatives; investments to improve efficiency, productivity and wastage reduction; and product bundling initiatives in distribution centers. DMPL is resolute on working capital improvements in FY2024, especially inventory reduction, to generate more cash flow and strengthen the balance sheet with lower debt. The Group will improve its capital structure with equity fund raising, subject to market conditions.

Barring unforeseen circumstances, the Group expects to generate a higher net profit in FY2024.

III. COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

Evaluation System for Compliance

The Company is committed to the highest standards of corporate governance and supports the principles of openness, integrity and accountability advocated by the SGX-ST, which are similarly upheld by the PSE and the SEC.

The Board of Directors (Board) and Management are also committed to use their best endeavors to align the Company's governance framework with the recommendations of the 2018 Code of Corporate Governance issued on 6 August 2018 by the Monetary Authority of Singapore (MAS) (2018 Code) and the SEC Code of Corporate Governance for Publicly Listed Companies which took effect on 1 January 2017 (SEC CG Code), as well as the Singapore Governance and Transparency Index (SGTI) and the ASEAN Corporate Governance Scorecard (ACGS).

The Company confirms that it has adhered to the principles and provisions set out in the 2018 Code and principles and recommendations set out in the SEC CG Code, where applicable, and has identified and explained areas of non-adherence in this report (Report).

This Report describes the Company’s corporate governance policies and practices with specific reference made to each of the principles and provisions of the 2018 Code in compliance with the Listing Manual of the SGX-ST.

Measures Undertaken to Comply with Leading Practices on Good Corporate Governance

The Company adheres to the principles and guidelines set out in the 2018 Code and the SEC CG Code, where applicable, and has identified and explained areas of non-compliance in its Annual Report, as well as in its Integrated Annual Corporate Governance Report. The Company’s Annual Report describes the Company’s corporate governance policies and practices with specific reference made to each of the principles of the 2018 Code (where stated) in compliance with the Listing Manual of the SGX-ST. (Please see Corporate Governance section excerpted from the FY2023 Annual Report.)

In addition, to improve the Company’s score in the SGTI and the ACGS, and in compliance with the SEC CG Code, the Company has undertaken the following measures, among others:

a) The Company has adopted a Manual on Corporate Governance which contains the framework of principles and guidelines, all the policies implemented by the Group, and terms of reference that govern the performance by the Board and Management of their responsibilities, in a manner that serve both the corporate objectives and long-term interests of the Company's shareholders and other stakeholders.

b) The Company implements a Board Diversity Policy which recognizes the importance of diversity. The Board believes that its effectiveness and decision-making will be enhanced as it harnesses the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of its own diverse Board. The NGC is responsible for administering this policy and for evaluating it annually.

c) The Board shall be responsible for approving the selection and assessing Management's performance led by the Chief Executive Officer, and control functions led by their respective heads, Chief Risk Officer and the Chief Compliance Officer.

d) The Board has adopted a policy on acquisitions which states that the Company shall make a full, fair, accurate and timely disclosure to the public of any event that has a material impact on the Company and its business, including, but not limited to, the acquisition or disposal of significant assets which could adversely affect the viability of the Company or the interest of its shareholders and other stakeholders.

e) The Board annually reviews the Company's vision and strategy.

f) The NGC undertakes the process of identifying the quality of directors aligned with the Company's strategic directions. The NGC evaluates the suitability of a prospective candidate based on his or her qualification and experience, ability to commit time and effort in the effective discharge of duties and responsibilities.

g) The Company's Chief Financial Officer acts as the Chief Risk Officer who leads the implementation of the Company's risk management system, and reports to the Board on identified risks and measures being undertaken by Management to mitigate these.

h) The Company has formalized a long established and practiced policy on conflict of interest whereby a Director with material interest in any transaction affecting the Company shall be barred from participating in any deliberation or voting on such transaction.

i) The Company has adopted and implemented, and continues to strengthen, its Securities Dealings Policy (which replaces and incorporates the guidelines set out in the Best Practices on Securities Transactions adopted by the Company in 2003) to govern dealings by the Directors, Key Management Personnel and certain designated employees in the Company's securities. With this policy, these individuals are required to seek the approval of the Chairman or the Board before dealing in the Company's shares. Directors and key executive officers are also required to report their dealings in the Company's shares at least three (3) business days from the date of transaction; and

j) For FY2023, the Company declared cash dividends to its holders of Ordinary Shares which were paid 36 days from the date of declaration.

k) The Company has published its Sustainability Report in line with the SGX-ST's Sustainability Guidelines and the Global Reporting Initiative (GRI) framework.

Deviation from Compliance

a) Consistent with previous practice, the NGC had undertaken a rigorous review of the independence of each Independent Director, including those whose tenure had exceeded nine years from the date of their first appointment. Led by the NGC Chairperson and facilitated by Boardroom Corporate & Advisory Services Pte. Ltd., the Company's external corporate secretarial service provider, the assessment was conducted by means of a confidential and incisive questionnaire completed by each Director and a declaration completed by each of the Independent Directors.

As part of this rigorous review, Board members were asked to share their observations on how the Independent Directors whose tenure had exceeded nine years, namely Messrs. Benedict Kwek Gim Song, Emil Q. Javier and Godfrey E. Scotchbrook, have demonstrated their independence on the Board. Board members were invited to cite, as appropriate, specific instances and examples.

The results were analyzed and discussed at the NGC and Board meetings. It was concluded that there is a strong sense of independence among all Board members. Management is constantly challenged and questioned on proposals that come before the Board with all Directors engaging in thorough and robust discussion and deliberation, taking into consideration the interest of the Group's stakeholders.

Based on the assessment, Messrs. Benedict Kwek Gim Song (first appointed on 30 April 2007), Emil Q. Javier (first appointed on 30 April 2007) and Godfrey E. Scotchbrook (first appointed on 28 December 2000) have demonstrated independent mindedness and conduct at Board and Board Committee meetings. The NGC is also of the firm view and opinion that these Directors continue to exercise independent judgement in the best interest of the Company in the discharge of their duties as Directors, and their more than nine years of exemplary service on the Board have not in any way affected their independence as throughout their tenure in office they had continually challenged and provided constructive feedback to Management.

b) The remuneration of Directors, the CEO and the immediate family member of the CEO are disclosed in bands of S$250,000/- with a maximum disclosure band of S$500,000/- and above.

The remuneration of the top five Key Management Personnel is similarly disclosed in bands of S$250,000/- with a maximum disclosure band of S$500,000/- and above.

Although the disclosure is not in compliance with provision 8.1 of 2018 Code and the SEC CG Code, the Board is of the view that it is in the best interest of the Company not to disclose such remuneration information in detail, given the confidentiality and commercial sensitivity (within the industry and within the Group itself) attached to remuneration matters and for personal security reasons, disclosure in bands of S$250,000/- in excess of S$500,000/- is not provided. As for personal security reasons, the names of, and the aggregate remuneration paid to, the Company's top five Key Management Personnel is not disclosed. Similarly, the aggregate remuneration paid to the Executive Directors is not disclosed.

c) While the Company Secretary is not a separate individual from the Chief Compliance Officer, the Company Secretary remains responsible to the Company and its shareholders, and not to the Chairman or the President. Having one person occupy these positions do not diminish the focus in discharging these offices' functions.

d) The Board does not have a Board Charter. The Company is of the view that its Manual of Corporate Governance, which was based on the Singapore and Philippine models of governance, serves the purpose and function of a Board Charter.

e) The SEC CG Code requires the establishment of a Corporate Governance Committee that should be composed of at least three members, all of whom should be independent directors, including the Chairman. Only a majority of the NGC members are independent. The Company, however, is of the view that the participation and contribution of its Executive Directors add value to, and complements the work of, the NGC.

f) The Company does not have a Related Party Transactions Committee as its functions are already served by the ARC which is composed of four members, all of whom, including the ARC Chairperson, are independent directors.

g) All Independent Directors meet the qualifications required; however, it is noted that Dr. Emil Javier, as requested by Management and the Board, provides advice to the Company's subsidiary on its plantation matters and development of agri-based initiatives.

Improvement on Corporate Governance Practices

To improve its corporate governance practices, the Company will carry out the following:

a) To implement its Board diversity policy, the Board aims to finalize measurable objectives that would further improve the diversity among its directors and consequently enhance decision making by the Board.
b) The Board will continue to review the Company's vision and strategy on a regular basis.
c) The Board will continue to review the effectiveness of the Group's succession planning program for directors, key officers and Management.
d) The Company will endeavor to upload the minutes of the general meetings within five (5) business days from date of meeting.
e) The Company undertakes to review and update, as necessary, its current policy on Interested Person Transactions to ensure compliance with the rules prescribed under SEC Memorandum Circular No. 10 (2019) on material related party transactions.

COVER SHEET

S.E.C. Registration Number

D E L M O N T E P A C I F I C L I M I T E D

(Company's Full Name)

c / o J Y C a m p o s C e n t r e

9 t h A v e n u e c o r n e r 3 0 t h S t r e e t

B o n i f a c i o G l o b a l C i t y

T a g u i g C i t y

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

Antonio E.S. Ungson

Contact Person

+65 2 856 2556

Company Telephone Number

SEC Form

Month *Day*

1 7 - A

FORM TYPE

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

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.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SECTION 141 OF THE CORPORATION CODE

1. For the fiscal year ended **30 April 2023**

2. SEC Identification Number **N/A** 3. BIR Tax Identification No. **N/A**

4. Exact name of issuer as specified in its charter **Del Monte Pacific Limited**

5. **British Virgin Islands**
Province, Country or other jurisdiction of incorporation or organization

6. [ ] (SEC Use Only)
Industry Classification Code:

7. **Craigmuir Chambers, PO Box 71 Road Town, Tortola, British Virgin Islands**
Address of principal office Postal Code

8. **+65 6324 6822**
Issuer's telephone number, including area code

9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Ordinary Shares	**1,943,960,024**

11. Are any or all of these securities listed on a Stock Exchange.

Yes [✓] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:

Singapore Exchange Securities Trading Limited – Ordinary Shares
Philippine Stock Exchange – Ordinary Shares

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [✓] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days.

Yes [✓] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant.

The aggregate market value of the voting stock held by non-affiliates is US$85,521,256 as at May 31, 2023.

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Not Applicable

DOCUMENTS INCORPORATED BY REFERENCE

If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

a) Any annual report to security holders; **None**

b) Any proxy or information statement filed pursuant to SRC Rule 20 and 17.1(b); **None**

c) Any prospectus filed pursuant to SRC Rule 8.1-1 **None**

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of MAKATI CITY on JUL 05 2023

By:

Joselito D. Campos, Jr. Chief Executive Officer	**Parag Sachdeva** Chief Financial Officer
Luis F. Alejandro Chief Operating Officer	**Antonio E. S. Ungson** Company Secretary

SUBSCRIBED AND SWORN to before me this JUL 05 2023 affiant(s) exhibiting to me his/their Residence Certificates, as follows:

NAMES	PASSPORT NO.	DATE/PLACE OF ISSUE
Joselito D. Campos, Jr.	P7796935B	7 Oct 2021 / DFA-Manila
Luis F. Alejandro	P8267848B	24 Nov 2021 / DFA-Manila
Parag Sachdeva	Z4816522	16 May 2018 / Manila
Antonio E. S. Ungson	P2425790B	3 July 2019 / DFA - NCR East

Doc No. 289
Page No. 59
Book No. 63
Series of 2023.

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2023
Appointment No. - 172 (2022-2023)
PTR NO. 9563521 Jan. 3, 2023 Makati City
IBP No. 1062634 - Jan. 3, 2018
MCLE NO. VI-0023417 Roll No. 27932
26 Amorsolo Street Legaspi Village
Makati City

TABLE OF CONTENTS

Part I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

Overview

Del Monte Pacific Limited (the "Company") was incorporated as an international business company in the British Virgin Islands on 27 May 1999 under the International Business Companies Act (Cap. 291) of the British Virgin Islands. It was automatically re-registered as a company on 1 January 2007 when the International Business Companies Act was repealed and replaced by the Business Companies Act 2004 of the British Virgin Islands. The registered office of the Company is located at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in growing, processing, and selling packaged fruits, vegetable and tomato, sauces, condiments, pasta, broth and juices, mainly under the brand names of "Del Monte", "S&W", "Today's", "Contadina", "College Inn" and other brands and fresh pineapples under "S&W" and other brands pursuant to relevant agreements. The Company's subsidiaries also produce and distribute private label food products.

The immediate holding company is NutriAsia Pacific Limited ("NAPL"), and the indirect shareholders of which are NutriAsia Inc. ("NAI") and Well Grounded Limited ("WGL"), which at 30 April 2023, 2022 and 2021, each held 57.8% and 42.2% interests in NAPL, respectively, through their intermediary company, NutriAsia Holdings Limited. NAPL, NAI and WGL were incorporated in the British Virgin Islands. The ultimate holding company is HSBC International Trustee Limited.

On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Ordinary Shares of the Company were also listed on the Philippine Stock Exchange Inc. ("PSE") on 10 June 2013. The first tranche of the Company's Preference Shares (Series A-1) was listed on 7 April 2017 and the second tranche (Series A-2) on 15 December 2017. The Company redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares on 7 April 2022, and all of the outstanding 10,000,000 Series A-2 Preference Shares on 15 December 2022 (see Note 16).

On 6 August 2010, the Company established DM Pacific Limited-ROHQ ("ROHQ"), the regional operating headquarters of the Company in the Philippines. The ROHQ is registered with and licensed by the Philippine Securities and Exchange Commission ("SEC") to engage in general administration and planning, business planning and coordination, sourcing and procurement of raw materials and components, corporate financial advisory, marketing control and sales promotion, training and personnel management, logistics services, research and product development, technical support and maintenance, data processing and communication, and business development. The ROHQ commenced its operations in October 2015.

Subsidiaries

The details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2023 %	30 April 2022 %
Held by the Company				
Del Monte Pacific Resources Limited ("DMPRL") [6]	Investment holding	British Virgin Islands	100.00	100.00
DMPL India Pte Ltd ("DMPLI") [3]	Investment holding	Singapore	100.00	100.00

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2023 %	30 April 2022 %
DMPL Management Services Pte Ltd [3]	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00
GTL Limited [4]	Inactive	Federal Territory of Labuan, Malaysia	100.00	100.00
S&W Fine Foods International Limited ("S&W") [6]	Selling processed food products under the "S&W" trademark; Owner of the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa	British Virgin Islands	100.00	100.00
DMPL Foods Limited ("DMPLFL") [7] [9]	Investment holding	British Virgin Islands	93.57	93.57
Held by DMPRL				
Central American Resources, Inc. ("CARI")[6]	Investment holding	Panama	100.00	100.00
Dewey Limited ("Dewey") [7]	Mainly investment holding	Bermuda	100.00	100.00
Held by CARI				
DMPI [1] [2]	Growing, processing and distribution of food products mainly under the brand name "Del Monte"	Philippines	87.00	87.00
South Bukidnon Fresh Trading Inc ("SBFTI") [1]	Inactive	Philippines	100.00	100.00
Held by DMPI				
Philippine Packing Management Services Corporation ("PPMSC") [1]	Intellectual property holding and licensing, management, logistics and support services	Philippines	87.00	87.00
Del Monte Txanton Distribution Inc ("DMTDI") [a] [1] [2]	Inactive	Philippines	34.80	34.80
Held by Dewey				

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2023 %	30 April 2022 %
Dewey Sdn. Bhd. [4]	Inactive	Malaysia	100.00	100.00
Held by DMPLI				
DMPL India Limited [7]	Investment holding	Mauritius	95.52	95.13
Held by S&W				
S&W Japan Limited [7]	Support and marketing services	Japan	100.00	100.00
Held by DMPLFL				
Del Monte Foods Holdings Limited ("DMFHL") [1] [9]	Investment holding	British Virgin Islands	93.57	93.57
Held by DMFHL				
Del Monte Foods Holdings II, Inc. ("DMFHII") [5] [9]	Investment holding	State of Delaware, U.S.A.	93.57	93.57
Held by DMFHII				
Del Monte Foods Holdings Inc. ("DMFHI") [5] [9]	Investment holding	State of Delaware, U.S.A.	93.57	93.57
Held by DMFHI				
Del Monte Foods, Inc. ("DMFI") [5] [9]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A.	93.57	93.57
Held by DMFI				
Sager Creek Foods, Inc. (formerly Vegetable Acquisition Corp.) [5] [9]	Real estate holding	State of Delaware, U.S.A.	93.57	93.57
Del Monte Andina C.A. ("Del Monte Andina") [8] [9]	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	–	–
Del Monte Colombiana S.A. [4] [9]	Manufacturing, processing and distributing food, beverages and other related products	Colombia	76.35	76.35
Industrias Citricolas de Montemorelos, S.A. de C.V. ("ICMOSA") [4] [9]	Manufacturing, processing and distributing food,	Mexico	93.57	93.57

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2023 %	30 April 2022 %
	beverages and other related products			
Del Monte Peru S.A.C. [7] [9]	Distribution of food, beverages and other related products	Peru	93.57	93.57
Del Monte Ecuador DME C.A. [7] [9]	Distribution of food, beverages and other related products	Ecuador	93.57	93.57
Hi-Continental Corp. [7] [9]	Distributor of non-Del Monte products	State of California, U.S.A.	93.57	93.57
College Inn Foods [7] [9]	Distributor of College Inn brand products	State of California, U.S.A.	93.57	93.57
Contadina Foods, Inc. [7] [9]	Distributor of Contadina brand products	State of Delaware, U.S.A.	93.57	93.57
S&W Fine Foods, Inc. [7] [9]	Distributor of S&W Fine Foods, Inc,	State of Delaware, U.S.A.	93.57	93.57
Del Monte Ventures, LLC ("DM Ventures") [b] [9]	Holding company	State of Delaware, U.S.A.	93.57	93.57
Joyba, Inc.	Distributor of Joyba brand products	State of California, U.S.A.	93.57	–
Kitchen Basics, Inc.	Distributor of Kitchen Basics brand products	State of California, U.S.A.	93.57	–
Green Thumb Foods, Inc.	Distributor of Green Thumb Foods brand products	State of California, U.S.A.	93.57	–
Held by DM Ventures				
Del Monte Chilled Fruit Snacks, LLC [b] [9]	Development, production, marketing, sale and distribution of processed refrigerated fruit products	State of Delaware, U.S.A.	47.72	47.72
Held by Del Monte Andina				
Del Monte Argentina S.A. [7]	Inactive	Argentina	–	–

[a] DMTDI is consolidated as the Group has de facto control over the entity. Even with less than the majority voting rights, the Group concluded that DMTDI is a subsidiary and that it has power to direct the relevant activities of DMTDI due to DMPI having majority seats in the Board through a shareholders agreement with the other shareholders of

DMTDI. The key management personnel (i.e., President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Treasurer and Corporate Secretary) of DMPI also serve in the same positions in DMTDI. In its special meeting held on 22 April 2019, DMTDI's Board approved the dissolution and liquidation of DMTDI by shortening its corporate term. As at 30 April 2023, the application for the dissolution and liquidation is yet to be submitted with the SEC due to certain regulatory and documentary requirements.

[b] The Group incorporated its subsidiary, Del Monte Ventures, LLC on 21 June 2017 which acquired interests in four joint venture entities which were all incorporated in the state of Delaware, USA. These joint ventures will pursue sales of expanded refrigerated offerings across all distribution and sales channels, and will establish a new retail food and beverage concept. These joint ventures will initially focus on the U.S. market, with the potential for expansion into other territories. These joint venture entities are in their pre-operating stages and have no material assets or liabilities as of 30 April 2023 and 2022.

[1] Audited by SyCip Gorres Velayo & Co. ("SGV"), member firm of Ernst & Young Global.

[2] On 20 May 2020, CARI completed the sale of 12% stake in DMPI to SEA Diner. Conditions of the sale were already met as of 30 April 2020, as confirmed by both parties.

On 16 December 2020, CARI sold additional 27,973,200 common shares of DMPI to SEA Diner for US$10 million, which increased the ownership of SEA Diner in DMPI to 13%.

[3] Audited by Ernst and Young LLP ("EY") Singapore.

[4] Audited by Ernst & Young Global member firms in the respective countries.

[5] Not required to be audited in the country of incorporation. Audited by SGV for the purpose of group reporting.

[6] Not required to be audited in the country of incorporation. Audited by EY Singapore for the purpose of group reporting.

[7] Not required to be audited in the country of incorporation.

[8] Not required to be audited in the country of incorporation. The Venezuelan entity was deconsolidated in 2015. The Venezuelan exchange control regulations have resulted in an other-than-temporary lack of exchangeability between the Venezuelan Bolivar and US dollar. This has restricted the Venezuelan entity's ability to pay dividends and obligations denominated in US dollars. The exchange regulations, combined with other recent Venezuelan regulations, have constrained the Venezuelan entity's ability to maintain normal production. Due to the Group's inability to effectively control the operations of the Venezuelan entity, the Group deconsolidated its subsidiary effective February 2015. This determination requires significant judgment. The equity interest in this entity is determined to be the cost of investment of the entity at the date of deconsolidation. The investment is carried at cost less impairment losses.

6. Investments in subsidiaries (cont'd)

[9] On 15 May 2020, DMFHII issued 64.546 shares of capital stock to DMFHL. On the same date, DMFHL issued 0.64546 shares of capital stock to DMPLFL and DMPLFL issued 645.46 shares of capital stock to the Company as full payment of the US$228.4 million loan to finance purchases of the Second Lien Term Loans. Upon issuance of the capital stock to the Company, DMFHL was unconditionally released of all liabilities for principal and interest through 30 April 2020 relating to the purchase of the Second Lien Term Loans. On 15 May 2020, DMFHL recorded US$229.5 million of additional paid-in capital related to this transaction. In addition, the Company and DMPLFL entered into a supplemental agreement dated 11 August 2020 for the issuance of additional 3.23 ordinary shares by DMPLFL to cover the additional accrued interest through 15 May 2020 which amounted to $1.1 million. On 15 May 2020, DMFHL issued 0.42395 of ordinary shares to DMPLFL and DMPLFL issued 423.95 shares of preferred stock to the Company in exchange for US$150.0 million of additional paid-in capital. As a result, DMFHL recorded US$150.0 million of additional paid-in capital related to this transaction.

Information relating to the Group's subsidiaries with shareholder(s) with material non-controlling interests are disclosed in Note 38 to the Audited Consolidated Financial Statements as of 30 April 2023 and 2022.

The Company regularly reassesses whether it controls an investee when facts and circumstances indicate that there are changes to one or more of the three elements of control listed in Note 4. The Company determined that it exercised control on all its subsidiaries as it has all elements of control.

Risk Factors relating to the Business

Risk Management Framework

The Del Monte Pacific Group (DMPL) has an established enterprise-wide risk management framework that sets out the governance structure to proactively manage risks, including financial, operational, information technology, compliance and sustainability risks in all levels of the organization, and mitigate the potential impact on people, the environment, corporate governance and performance.

The framework provides the following considerations for the Board with respect to its risk oversight responsibilities: strategy and goal setting, performance and value creation, governance and policies, culture and practices, communication and reporting.

Risk Management Approach

The Board, with the assistance of the Audit and Risk Committee (ARC), is responsible for the risk governance of the Group. The Board reviews the adequacy and effectiveness of the Group's risk management and internal controls system to safeguard shareholders' interests and the Group's assets. Internal controls are discussed under Principle 9, while the terms of reference of the ARC are outlined under Principle 10 of the Corporate Governance section of the Annual Report.

The Board reviews the principal risks as well as emerging risks. Based on their potential impact and probability, the top risks are mapped and categorized as critical, urgent or pre-emptive and are reviewed accordingly. The assessment of risks includes actions taken to date and further steps to mitigate the risks based on objectives, goals, strategies and measures, management concerned, timeline, an estimate of the potential impact, and an evaluation of whether the risks are rising or declining.

Risk assessment and mitigation are aligned with strategy and form an integral part of the annual planning and budgeting process. Risks are identified and managed to reduce the uncertainty associated with executing business strategies and to maximize opportunities that may arise. The Board believes that risk management provides the framework for management to assess risk and embrace a mindset of mitigation and resilience.

Risk Management and Internal Controls

The Group maintains an effective system of risk management and internal controls addressing financial, operational, compliance and information technology (IT) controls, and risk management policies and systems established by Management. These controls are designed to provide reasonable assurance as to the adequacy, effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

The adequacy and effectiveness of these controls are subject to a periodic review by the Group's Internal Audit department and monitored by the ARC. In addition, the Group's external auditors also review the effectiveness of the Group's key internal controls as part of their audit for the year with respect to financial reporting. Significant non-compliance in internal controls, if any, together with recommendations for improvement, is reported to the ARC. A copy of this report is also issued to the relevant department for follow-up action.

Financial Authority Limits

The Board has adopted a set of internal guidelines specifying matters requiring Board approval. These include approval of annual budgets and major investment proposals. Management is also given clear directions on matters, including set thresholds for certain operational matters relating to subsidiaries that require the Board's approval. Certain material corporate actions or material transactions that require the Board's approval include major transactions and investments exceeding certain thresholds and capital expenditure exceeding certain material limits, among others.

Code of Business Ethics

Del Monte Pacific Limited has a Code of Business Ethics in place which sets out the principles and policies upon which businesses are conducted. It asks that the Group conduct its businesses in a manner which, in all reasonable circumstances, is above reproach. In line with this, the Company expects from all officers and employees the highest standards of business and personal ethics. Company employees must act with the utmost fairness and according to the highest moral principles when dealing with the Company's stakeholders – co-employees, customers, suppliers, shareholders, the government and surrounding communities. Employees are asked not to engage in activities that could conflict with those of the Company and have to answer a Conflict of Interest questionnaire annually. The Company abhors any form of corruption and bribery by its employees and suppliers. The policy is available on DMPL's website. (https://www.delmontepacific.com/corporate-governance/code-of-business-ethics)

The Group has a Human Rights Policy which embodies the responsibility of business to respect human rights in all aspects of its operations. DMPL expects its employees, suppliers and contractors to adhere to the same human rights principles. The Group does not tolerate human rights abuses and violations and shall enforce this zero tolerance policy for any human rights violations that its operations might come across. Del Monte recognizes an opportunity to promote human rights in the various areas where it makes positive contributions to society. The Group respects the legitimate role of civil society organizations and human rights defenders in promoting rights, and in working with businesses to prevent and mitigate human rights abuses.

Whistleblower Policy

The Company has a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices without fear of retaliation or reprisal and has designated the ARC to oversee whistleblowing reports that are investigated by Internal Audit and other relevant departments. A Whistleblower Policy has been in place since 2004 to promote the highest standards of business and personal ethics in the conduct of the Group's affairs. As representatives of the Group, officers and employees must uphold honesty and integrity, and strictly comply with all applicable laws, rules and regulations.

The said policy, with respect to which the ARC is responsible for oversight and monitoring, aims to deter and uncover corrupt, illegal, unethical, fraudulent practices or other conduct detrimental to the interest of the Group committed by officers and employees, as well as third parties, such as, but not limited to, suppliers and contractors. The Group encourages its officers, employees, suppliers and contractors to provide information about unsafe, unlawful, unethical, fraudulent or wasteful practices. The ARC and the officers who administer the policy do not disregard anonymous complaints.

This policy enables the Group to effectively deal with reports from whistleblowers in a manner that will protect the identity of the whistleblower and provide for the appropriate use of the information provided. It also establishes policies for protecting whistleblowers against reprisal by any person internal or external to the Company, and provides for the appropriate infrastructure, including the appointment of a Whistleblower Protection Officer and a Whistleblower Investigations Officer, as well as alternative means of reporting.

The Board, together with the ARC Chairman, has appointed the Group CFO as the Protection Officer and the Head of Internal Audit as the Investigations Officer to administer the Company's Whistleblower program.

For more information, please refer to the Corporate Governance section Principle 10 of this report.

Risk Appetite

The risk appetite framework ensures that the Group's risk profile remains within tolerable boundaries as it maximizes opportunities. The risk appetite sets out the nature and extent of risks the Group is willing to take and capable to manage as it seeks to achieve its strategic and business objectives.

- The Group is committed to delivering value to our shareholders through sustainable growth
- Markets where it has brand ownership and competitive advantage are the main focus of expansion
- Innovation initiatives and new investments are in line with the Group's vision and strategic objectives
- Due diligence is undertaken for new investments to prevent potential losses that may have a significant impact
- Market, operational and technological risks are minimized
- Actions that may negatively affect reputation and brand image are avoided
- Compliance with laws and regulations, including those with respect to health and safety of people, the environment and good corporate governance, is a core principle
- Shareholder value creation is pursued while financial prudence is exercised

The risk appetite framework recognizes the importance of balancing risks and rewards to achieve the optimal level of risk that the Group can tolerate in its pursuit of its strategic, business and sustainability objectives.

The following are the principal risks and mitigation measures of the Group.

Principal Risk	Specific Risk We Face	Mitigation
Cost Increases and Inflationary Pressures	Del Monte Pacific Group's subsidiaries have experienced cost increases in raw materials, packaging and other inputs, including tin plate, raw produce, fuel and labor. Geo-political conflict, inflation, and supply chain challenges put pressure on the company's margins and working capital.	● Cost reduction initiatives, productivity improvements and price adjustment ● Socialize inflationary cost increases with customers and private labels to mitigate the risk on price actions to address inflation ● Expand plant direct shipment to minimize freight cost and explore giving incentives for customers who can pick-up their orders ● Expand the global sourcing strategy ● Collaborate value engineering initiatives with cross-functional teams ● Renegotiate supplier contracts, vendor bidding and contracts by collaborating with a cross functional team and prioritize strategic sourcing ● Rationalize trade spending where gross margins are not in accordance with strategy ● Reduce conversion cost year-on-year ● Optimize packaging base weight

Principal Risk	Specific Risk We Face	Mitigation
		• Minimize increases in overhead spending
Leverage and Liquidity	The Group has availed loan facilities, resulting in a leveraged balance sheet. Risks arise if the Group is unable to service its interest and principal obligations in full and on time affecting its liquidity. This will also impact the Group's performance, cash flow and may breach the financial covenants set under the relevant loan facility.	• Improve cash flows through the following: – Improve working capital by reducing inventory – Monitor sales and selling, production levels, productivity enhancements and operational efficiencies – Move out of over-packed and surplus items – Generate more cash flow – Conduct monthly working capital and cash flow review / forecast – Pay down debt • Work with agent bank to increase the amount available to borrow under the Asset-Based Line of credit • Raise capital to repay debt
Supply Chain Optimization and Excellence	The Group entered into supply agreements with third-party co-manufacturers which are subject to a number of regulations.	• Put in place new plant management with strong leadership and transformation skills in most locations • Implement a robust transformation program that instills ownership and

Principal Risk	Specific Risk We Face	Mitigation
	Unanticipated and unbudgeted cost increases on material, labor factory overheads, transportation, raw produce and tin plate cost exacerbate the risks. Lower cost may not be realized due to organization culture, resources and capabilities of co-manufacturers.	accountability across the supply chain and support function to deliver the plans ● Standardize and simplify processes and procedures where appropriate, and embed new processes and procedures to control supply and costs ● Seek strategic partnerships with co-manufacturers to maximize production, introduce new capabilities, increase speed to market and find less seasonal options ● Improve planning, forecasting and communication with Demand Planning and Sales to ensure products are at the distribution centers to meet customer demand ● Address gaps during consolidation of production facilities and distribution centers ● Optimize transportation rates through third parties ● Maximize rail transportation to realize savings

Principal Risk	Specific Risk We Face	Mitigation
		● Improve transportation planning and cross functional interaction between departments to optimize ocean freight ● Monitor line losses, bill of material variances, and recovery yields ● Conduct regular contract review to seek cost saving opportunities and assess creative ways to ensure labor availability during the pack season ● Improve coordination and align deployment plans ● Put in place a process with clear performance expectations and targets, and benchmarking per plant
Cybersecurity and Optimization of Systems and Automation	Cyberattacks can disrupt operations by exploiting weaknesses in network devices and servers, corrupting information and stealing confidential data which can lead to financial losses, among others. New systems and systems enhancements are complex and resource intensive. Inability to realize return on investment on these new systems and system enhancements, security upgrades and management processes may hamper the Group's digitization and transformation.	● Address and monitor malicious activities identified by tools and routines that have been deployed by a dedicated Security Incident Monitoring and Operations Group ● Provide alerts from applications and network hardware and put in place cadence and tools for security information and event monitoring ● Conduct regular security patching for Windows, servers and computers ● Put in place an incident response plan and team

Principal Risk	Specific Risk We Face	Mitigation
		• Build and stabilize a high performance Information Technology organization and assess systems, processes, risks, and develop people resources • Initiate an IT Steering Committee to provide oversight • Implement weekly working sessions with business partner to improve coordination • Establish IT Governance to rationalize and prioritize systems enhancements and project demand funnel to focus on business value, protect the overall IT environment, and simplify and harmonize business processes • Implement digitization and transformation Initiatives and priorities: warehouse management system, sales and promotion planning, supply and demand planning, materials resource planning, procurement processes, raw produce and growers payables, supply chain metrics, and cybersecurity, among others
Efficient and Effective Processes	Efficient and effective processes ensure the Group makes sound business decisions, overcomes challenges and disruptions and sustains its growth and profitability. Certain processes are not reviewed and may be inconsistent and/or not optimized.	• Effective leaders were put in place in Sales, Operations, Information Technology, Supply Chain, Finance and plant management to drive results and improvements • Implement a more rigorous review process along with performance rating alignment to incentivize and reward results

Principal Risk	Specific Risk We Face	Mitigation
		● Include cost reduction and improvement initiatives in employees' key objectives ● Fix the basics, enhance process improvements and include functional goals in several departments ● Adjust work flows to address changes in the organization ● Use Information Technology and ERP functionality to drive process improvements ● Reduce variations through a revised packaging strategy and assessment to eliminate complexity and waste ● Update policies and responsibility assignment matrix
Product Supply	Insufficient product inventory to meet consumer demand may affect the Group's revenue and profitability. Permanent loss of shelf space and non-acceptance of new products are possible consequences. Adverse weather conditions and competing crops could limit raw product supply and increase prices.	● Improve long run demand and supply planning capability ● Improve weeks of supply to targeted levels ● Supplement fresh pack supplies of certain vegetables with Individually Quick Frozen (IQF)

Principal Risk	Specific Risk We Face	Mitigation
	Pineapple tonnage brought about by climate change, pests and plant disease may affect our ability to meet our targets.	● Develop alternate raw product sourcing and implement a global sourcing strategy ● Extend the growing season to improve plant capacity and utilization ● Identify alert pineapple fields ● Intensify soil conservation measures ● Sustain better root health thru Integrated Pest Management (IPM) Program ● Install grubs traps and fast-track alternative safe chemicals to control pest and disease ● Implement plans to mitigate climate change and weather disturbances such as El Nino and La Nina
Evolving Market Trends and Parameters of Commercial Excellence	The Group's results depend highly on the performance of our products in the categories where we compete. Inability to meet the plan may result to impairment of goodwill and the Group's ability to fund operations, manage	● Monitor and manage price gaps by tracking competitive price points ● Implement SKU rationalization through brand recognition and quality

Principal Risk	Specific Risk We Face	Mitigation
	obligations, and maintain its reputation. Volume loss due to price increases, reduced promotional and marketing activities, category growth assumptions, acceptance of new products, private labels, customer service and project execution are market challenges the Group needs to hurdle to deliver the objectives. Consumer preferences and purchasing habits have evolved after the pandemic. Dining trends are shifting to fresh, convenient products away from the center of store. Consumers have strong preference to healthy, nutritious and sustainably grown or produced products, especially the younger generation. E-commerce continues to grow even after the COVID-19 pandemic.	to improve profitability and increase market share ● Limit private labels to select strategic customers only in areas of excess capacity ● Establish new capabilities to expand the Group's presence in growing channels such as e-commerce through online retail sites and convenience stores ● Enhance relevance of existing portfolio and brands through consumer communication and marketing strategy ● Increase trade funding to reinstate price gaps ● Pursue profitable high margin bids ● Enhance sales processes to improve forecasting and a new profit mindset to increase gross margin ● Improve new products forecast accuracy from added knowledge from customers, velocities and marketing support needed

Principal Risk	Specific Risk We Face	Mitigation
		• Monitor market trends and vaccine distribution leading to reopening of schools, offices and food service businesses • Implement a quarterly customer business review with executive management to address challenges • Identify categories and products that perform well • Minimize customer service issues • Drive distribution in new channels
Workforce Management – **Pack Planning** – **Employee Turnover**	In the U.S., seasonal labor is scarce and the minimum wage is high, especially in certain states. Capabilities and skills need to be sustainable. Wages including overtime and training cost increases need to be addressed. While there is an increase in the number of workers re-entering the workforce, challenges abound in keeping seasonal employees and work on the scheduled pack season. In some plants, the high turnover rate impacts the facility's ability to	• Provide standardized pack season incentives and help share recruiting resources • Implement seasonal labor wage increase and close the wage gap between certain facilities • Use of technology as part of pre-pack planning by sending out communication to engage with recall candidates and inform them of upcoming recall events • Explore housing options for seasonal employees instead of providing hotel rooms and monthly stipend

Principal Risk	Specific Risk We Face	Mitigation
	fully staff the operations especially during peak seasons.	● Collaborate with Talent Acquisition in holding recall events through various job fairs ● Use of technology solution for a wider reach of candidates in addition to the in-house teams ● Redesign the onboarding experience for seasonal employees ● Put in place a retention strategy to address employee experience and create a Great Place to Work culture ● Provide a structured training program ● Automate packaging process, reallocate headcount to another production process to optimize productivity ● Modify the production plan and use the demand to ensure productive continuity of the manufacturing facilities and ensure work is available all year round
Recruitment and Retention of Talent	The Group's capability to recruit and retain diverse talents has an impact on the execution of the strategic plan and is critical in enhancing organization success. Employees' demand for flexible work arrangements and work-life balance are key considerations especially with the Gen Z's. Organizational changes can cause employee fatigue, increase workload and job uncertainty.	● Recruit and retain talents who can execute corporate strategies: – Continue to pull the New Employee Value Proposition through all internal and external channels – Rebrand Careers Website as well as Talent Network to generate candidate pipelines

Principal Risk	Specific Risk We Face	Mitigation
		– Reduce usage of external recruitment search partners and agencies – Enforce and monitor measurable functional goals ● Continue the positive momentum on corporate inclusion and diversity – Increase frequency of Diversity, Equity and Inclusion events and recognitions through the employee resource groups – Execute current Great Place to Work action plans, launch a new survey, communicate results and update action plans – Create awareness, and improve work culture and retention – Increase focus on recognition platforms – Showcase employee resource groups in the careers website to encourage diverse candidates to apply – Strengthen relationships to broadcast job openings to

Principal Risk	Specific Risk We Face	Mitigation
		diversity groups and diversity job boards – Launched the alumni page to encourage boomerang employees and promote an inclusive culture – Maintain 100 score and ranking as a "Best Place to Work for LGBTQ+" in Human Rights Foundation's Corporate Equality Index ● Manage the effects of the Great Resignation and gig economy impact – Register as an employer in additional states to find the right talent – Consider Gen Z's preference for flexible work arrangements and work-life balance consideration
Third Party Risks	The Group has strategic relationships with a number of key third parties, including certain large suppliers and trade customers, among others. The frequency and scale of use and sale by the company raises regulatory expectations as to how	● Ensure secondary or back-up suppliers are in place or pursued where business continuity or relationship risks have a material impact to the Group ● Negotiate a win-win approach for long-term relationship

Principal Risk	Specific Risk We Face	Mitigation
	organizations manage third party risks. These third parties include packaging suppliers, co-manufacturers and co-packers, global sourcing partners, accounting and IT partners and outsourced transportation. The Group may not have the tools, guidance and time to effectively manage and monitor third-party risks. Ongoing monitoring, risk assessment and communication may not be effective to elevate third-party risks to the leadership.	● Conduct regular contract review for opportunities to save on cost ● Perform a risk assessment of key strategic partners and communicate the risks and action plans ● Implement a robust due diligence process for new or significant third parties ● Consider a third party due diligence vendor for broader and deeper due diligence process ● Conduct quarterly business reviews with clear key performance indicators addressing our priorities ● Implement regular benchmarking to measure competitiveness
Operations	As an integrated producer of packaged, frozen and fresh fruit products for the world market, the Group's earnings are inevitably subject to certain other risk factors, which include general economic, market and business conditions, change in business strategy or development plans, international business operations, production efficiencies, input costs and availability, disruption of logistics and transportation facilities, obsolescence, litigious counterparties, insurgent activities, virulent disease, and changes in	● Execute a long-term strategic plan and Annual Operating Plan with clear targets and accountabilities, supported by a BCP, risk management and a corporate sustainability program ● Enhance relevance of existing products across key brands and segments through marketing strategy and consumer communication ● Implement price adjustments to cover cost inflation

Principal Risk	Specific Risk We Face	Mitigation
	government regulations, including environmental regulations.	• Rationalize low margin products • Optimize packing operations, procurement, logistics and transportation cost • Pursue productivity-enhancing and efficiency-generating work practices and capital projects • Continue to comply with new legislations on the environment, taxation and labor that affect operations and proactively develop strategies to reduce the impact of these regulations • Manage security risks in operating units by strengthening security measures and improving stakeholder relations in local communities
Environmental Risks	Production output is subject to certain risk factors relating to weather conditions, calamities, crop yields, crop diseases, contract growers and service providers' performance, leasehold arrangements and changes in regulations. There is no assurance that climate change and/or weather	• The Group develops and executes a long-term strategic plan and Annual Operating Plan, supported by risk mitigation measures • The Group also has disaster recovery plans and a Business Continuity Plan in place • The Group has Good Agricultural Practices and Rainforest Alliance

Principal Risk	Specific Risk We Face	Mitigation
	disturbances will not materially disrupt the Group's business operations in the future or that the Group is fully capable to deal with these situations with respect to all the damages and economic losses resulting from these risks. New regulations in packaging format, recyclability of materials or packaging taxes may increase product cost.	certification, and complies with agricultural standards ● Develop initiatives to mitigate climate change, weather disturbances and changing weather patterns ● Implement carbon emissions reduction strategies and projects – Increase renewable energy projects by implementing solar power – Conduct soil conservation initiatives – Adopt regenerative, and sustainable farming and manufacturing practices – Harness technology to increase farm yields, productivity and safety – Reduce practices that could adversely affect the environment and biodiversity ● Develop a strategic plan to address possible changes in regulations on sustainable packaging

Principal Risk	Specific Risk We Face	Mitigation
		• Implement phase-out program for hazardous materials through replacement with alternative sustainable materials • Conduct safety training drills and chemical handling training which covers earthquake, firefighting , evacuation, medical response and chemical response drills • Work with insurance brokers to assess the risk exposure and secure adequate insurance coverage, if cost effective
Innovation Challenges	The Group's branded business in the US, the Philippines and the Indian subcontinent through Del Monte and other brands, and in Asia and the Middle East through the S&W brand, is affected by evolving consumer preferences and trends. Product innovation is one of the Group's strategic pillars. The success of new product launches is a major driver to achieve the Group's strategic plan.	• Develop new products that capitalize on category trends, especially health and wellness, and generate sales • Ensure new product launches and platform criteria are met to improve likelihood of new product success and breakthrough by implementing the following measures: – Shift to branded, value-added and packaged products and limit private label business – Leverage brand heritage for growth and position new products

Principal Risk	Specific Risk We Face	Mitigation
		that address consumer needs and preferences – Fast track innovation projects that have oversight from the Executive Leadership Team – Prioritize effective execution and project management to improve margins, profitability and cash flow
Occupational Health and Safety	Lost work days due to accidents in the workplace can have a huge impact on the business. DMPL may experience loss of productivity, reduction of sales, low staff morale and loss of reputation. The effects of medical outbreaks of infectious diseases, such as the coronavirus, could affect business and results of operations. The Group may experience volatility in demand for and supply of our products due to supply chain challenges, lockdown restrictions, closing of businesses and unemployment, among others. Accidents and infectious diseases pose a risk to our employees' health and well-being and may reduce employee productivity due to lost work days, illness and government restrictions.	● Comply with the Department of Labor and Employment regulation on Occupational Health and Safety of employees by promoting health and safety programs to prevent accidents in the workplace – Monitor recordable injuries, work-related illnesses, high-consequence injuries, and fatalities especially those who are considered as high risks – Conduct safety training to all workers and ensure safety officers are on site to monitor any incidence of unsafe acts or unsafe conditions in the workplace – Comply with government regulation on setting-up a properly equipped medical clinic based on

Principal Risk	Specific Risk We Face	Mitigation
		the number of employees in a facility – Procure the services of a third-party nurse and/or doctor who can provide first-aid and attend to employees' medical emergencies and condition – Provide first aid training to key personnel ● Implement safeguards and protocols to minimize operational disruption, due to infectious diseases while adhering to government regulations on health and safety: – Implement guidelines of global and national health agencies, including the Department of Health (DOH) and Department of Labor and Employment (DOLE) to protect our employees – Mandate annual physical examination for all employees – Partner with third party medical providers to conduct health examinations and monitor employee health

Principal Risk	Specific Risk We Face	Mitigation
		– Monitor new and emerging infectious disease and its health risks – In case of medical outbreaks, implement various health and safety protocols as required by the DOH and/or the DOLE – Provide hybrid work arrangement and technology support for employees to have continuous access to the ERP network, videoconferencing facilities, online applications, emails and files ● Promote health, wellness and nutrition to employees to provide added health protection, increase resistance and immunity when medical outbreaks occur – Conduct learning sessions and training programs for employees to attain a healthy lifestyle – Encourage consumption of a healthy and nutritious diet

Item 2. Properties

The list of the Group's properties are as follows:

Description	Location/Address	Condition	Book Value (In US$ MM)
Bugo Production and Processing Facility			**46.42**
Administrative (Main) Office	Bugo, Cagayan de Oro City	Good	1.48
Can Plant	Bugo, Cagayan de Oro City	Good	4.71
Cannery Clothes and Shoes Changing	Bugo, Cagayan de Oro City	Good	0.02
Central Maintenance	Bugo, Cagayan de Oro City	Good	0.95
Coal-Fired Boiler Plant	Bugo, Cagayan de Oro City	Good	1.20
Compound & Yard	Bugo, Cagayan de Oro City	Good	19.43
Concentrate Plant	Bugo, Cagayan de Oro City	Good	0.50
DM Bugo Clinic	Bugo, Cagayan de Oro City	Good	0.07
Engineering & Design	Bugo, Cagayan de Oro City	Good	0.01
Factory Offices	Bugo, Cagayan de Oro City	Good	0.08
General Products Plant	Bugo, Cagayan de Oro City	Good	0.00
GPSL/PCL/GL Plant	Bugo, Cagayan de Oro City	Good	2.38
Labeling & Warehousing	Bugo, Cagayan de Oro City	Good	2.35
Machine Shop	Bugo, Cagayan de Oro City	Good	0.01
Mixed Fruit Plant	Bugo, Cagayan de Oro City	Good	0.41
Preparation Plant	Bugo, Cagayan de Oro City	Good	1.82
Processing Plant	Bugo, Cagayan de Oro City	Good	3.24
Quality Control	Bugo, Cagayan de Oro City	Good	0.08
Steam & Power Plant	Bugo, Cagayan de Oro City	Good	1.05
Sugar Recovery Plant	Bugo, Cagayan de Oro City	Good	0.40
Tetra Plant	Bugo, Cagayan de Oro City	Good	1.95
Waste Water Treatment Plant	Bugo, Cagayan de Oro City	Good	4.28
Plantation Operations			**33.38**
Baungon	Baungon, Bukidnon	Good	0.20
Camp 1 (JMC)	Manolo Fortich, Bukidnon	Good	
Camp 14	Manolo Fortich, Bukidnon	Good	0.24
Camp 9	Manolo Fortich, Bukidnon	Good	0.58
Camp Fabia	Manolo Fortich, Bukidnon	Good	0.21
Camp Phillips	Manolo Fortich, Bukidnon	Good	11.80
Cawayanon	Manolo Fortich, Bukidnon	Good	0.30
CLAVERIA	Claveria, Misamis Oriental	Good	0.11
Dalwangan	Malaybalay City, Bukidnon	Good	0.05
Damilag	Manolo Fortich, Bukidnon	Good	0.01
DEHYDRO FREEZING PLANT	Manolo Fortich, Bukidnon	Good	10.59
El Salvador, Mis. Or.	El Salvador, Misamis Oriental	Good	0.00
FF Packing Shed	Manolo Fortich, Bukidnon	Good	1.57
HARVESTER SHOP	Manolo Fortich, Bukidnon	Good	0.00
Hospital	Manolo Fortich, Bukidnon	Good	0.06
Impasug-ong	Impasug-ong, Bukidnon	Good	0.24

Description	Location/Address	Condition	Book Value (In US$ MM)
Kiantig Quezon, Buk.	Quezon, Bukidnon	Good	0.02
LAND PREPARATION ASSEMBLY AREA	Manolo Fortich, Bukidnon	Good	0.00
Livestock & Cut-meat	Manolo Fortich, Bukidnon	Good	0.41
Montemar Industries	Manolo Fortich, Bukidnon	Good	0.00
Patpat	Malaybalay City, Bukidnon	Good	0.04
PHILLIPS SOCIAL HALL	Manolo Fortich, Bukidnon	Good	0.00
South Bukidnon	Quezon, Bukidnon	Good	1.92
Sumilao	Sumilao, Bukidnon	Good	0.12
Taliwan	Taliwan, Misamis Oriental	Good	0.02
Others			**9.00**
Customers Area	Various locations	Good	0.20
Forwarding Warehouses	Various locations	Good	1.93
Kalawaan Office	Pasig City	Good	0.22
Las Pinas Warehouse	Las Piñas City	Good	0.01
NutriAsia Plant (Cabuyao Laguna)	Cabuyao, Laguna	Good	0.01
PET Plant (Cabuyao, Laguna)	Cabuyao, Laguna	Good	3.62
Taguig Office	Taguig City	Good	2.75
Tollpacker - Dairy Zest	Valenzuela City	Good	0.00
Tollpacker - Innovative Packaging	Valenzuela City	Good	0.05
Tropical Asset Fruit Corp. (TFAC)	Malolos, Bulacan	Good	0.04
FG Warehouse-MITIMCO	Baloy, Tablon, Cagayan de Oro	Good	0.00
MDC	Tagoloan, Misamis Oriental	Good	0.14
Iloilo Warehouse	Iloilo City	Good	0.03
DMFI Facilities			
Production facilities	Continental United States and Mexico	Good	235.82
Grand Total			**324.62**

Item 3. Legal Proceedings

Legal cases

The Group is the subject of, or a party to, various suits and pending or threatened litigation. While it is not feasible to predict or determine the ultimate outcome of these matters, the Group believes that none of these legal proceedings will have a material adverse effect on its financial position.

Item 4. Submission of Matters to a Vote of Security Holders

Except for the matters taken up during the Annual General Meeting of Stockholders last 26 August 2022, there was no other matter submitted to a vote of security holders during the period covered by this report.

Part II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

The Company has been listed on the SGX-ST for over 20 years since 1999. The Company also listed its Ordinary- Shares on the PSE in 2013, making DMPL the first entity to be dual-listed on the SGX-ST and the PSE.

The Company's share price highlights for its Ordinary Shares for the past years are as follows:

Year	Quarter	PSE (PHP)		SGX (SGD)	
		High	Low	High	Low
2023	1Q 2023	14.18	11.20	0.335	0.235
2022	4Q 2022	14.20	12.10	0.345	0.280
	3Q 2022	14.80	13.24	0.380	0.310
	2Q 2022	14.78	13.00	0.385	0.345
	1Q 2022	16.16	13.52	0.420	0.345
2021	4Q 2021	16.48	14.10	0.405	0.355
	3Q 2021	17.98	12.48	0.445	0.335
	2Q 2021	16.68	9.08	0.465	0.260
	1Q 2021	9.80	7.21	0.265	0.194
2020	4Q 2020	8.10	4.61	0.225	0.122
	3Q 2020	6.21	4.00	0.142	0.097
	2Q 2020	4.50	3.40	0.114	0.090
	1Q 2020	5.40	2.50	0.148	0.079
2019	4Q 2019	6.05	4.82	0.144	0.121
	3Q 2019	6.40	5.40	0.157	0.129
	2Q 2019	6.18	5.30	0.15	0.12
	1Q 2019	6.85	6.00	0.15	0.12
2018	4Q 2018	7.45	6.32	0.19	0.12
	3Q 2018	8.27	6.56	0.20	0.17
	2Q 2018	10.48	7.62	0.24	0.16
	1Q 2018	11.20	10.00	0.29	0.24
2017	4Q 2017	11.80	10.80	0.31	0.28
	3Q 2017	12.00	11.18	0.33	0.29
	2Q 2017	12.40	11.20	0.35	0.32
	1Q 2017	12.80	11.74	0.36	0.33
2016	4Q 2016	13.18	11.74	0.37	0.33
	3Q 2016	13.04	11.46	0.38	0.34
	2Q 2016	12.50	10.60	0.37	0.29
	1Q 2016	13.40	11.00	0.40	0.30
2015	4Q 2015	13.44	9.49	0.45	0.29
	3Q 2015	13.00	9.94	0.42	0.30
	2Q 2015	13.98	11.50	0.47	0.34
	1Q 2015	15.09	11.28	0.47	0.31
2014	4Q 2014	17.60	13.80	0.55	0.46

	3Q 2014	20.75	17.40	0.56	0.51
	2Q 2014	23.70	20.50	0.63	0.52
	1Q 2014	24.00	21.75	0.65	0.59
2013	4Q 2013	33.45	22.50	0.96	0.58
	3Q 2013	29.95	25.00	0.94	0.74
	2Q 2013	27.20	23.00	0.95	0.69
	1Q 2013	-	-	0.96	0.64

On 7 April 2017 and 15 December 2017, the Company listed its Series A-1 and Series A-2 Preference Shares, respectively on the PSE. The Company's share price highlights for its Preference Shares are as follows:

<u>Series A-1 Preference Shares:</u>

Year	**Quarter**	**PSE (USD)**	
		High	**Low**
2022	1Q 2022	10.20	9.40
2021	4Q 2021	10.30	9.40
	3Q 2021	10.28	10.02
	2Q 2021	10.28	9.94
	1Q 2021	10.50	9.50
2020	4Q 2020	10.44	9.90
	3Q 2020	10.40	9.50
	2Q 2020	10.30	9.60
	1Q 2020	10.30	10.00
2019	4Q 2019	10.40	10.00
	3Q 2019	10.40	10.10
	2Q 2019	10.40	10.00
	1Q 2019	10.40	10.00
2018	4Q 2018	10.70	10.00
	3Q 2018	10.32	10.00
	2Q 2018	10.30	10.00
	1Q 2018	10.50	10.10
2017	4Q 2017	11.10	10.00
	3Q 2017	11.00	10.50
	2Q 2017	10.90	10.00
	1Q 2017	-	-

Series A-2 Preference Shares:

Year	Quarter	PSE (USD)	
		High	**Low**
2022	4Q 2022	10.06	9.71
	3Q 2022	10.10	10.00
	2Q 2022	10.18	9.93
	1Q 2022	10.80	9.92
2021	4Q 2021	10.30	9.95
	3Q 2021	10.50	10.00
	2Q 2021	10.50	10.02
	1Q 2021	10.60	9.95
2020	4Q 2020	10.30	10.00
	3Q 2020	10.50	9.88
	2Q 2020	10.28	9.60
	1Q 2020	10.30	9.70
2019	4Q 2019	10.30	9.90
	3Q 2019	10.50	10.00
	2Q 2019	10.40	10.00
	1Q 2019	10.20	10.00
2018	4Q 2018	10.26	9.70
	3Q 2018	10.26	9.80
	2Q 2018	10.28	10.00
	1Q 2018	10.40	10.00
2017	4Q 2017	10.30	10.00

The Company has an authorized capital stock of US $630.0 million consisting of 3,000,000,000 Ordinary Shares, each with a par value of US $0.01 and 600,000,000 Preference Shares, each with a par value of US $1.00. Out of the authorized capital stock, the Company has (i) 1,943,960,024 Ordinary Shares.

The number of Ordinary Shares outstanding excludes 975,802 Ordinary Shares held by the Company as treasury shares. The Company has a total of 1,944,935,826 issued Ordinary Shares, including treasury shares.

On 7 April 2022, the Company had redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares and on 15 December 2022, all of the outstanding 10,000,000 Series A-2 Preference Shares. The redeemed preferred shares shall be cancelled but shall remain part of the Company’s authorized capital and shall be available to be reissued by resolution of the board.

The top 20 shareholders of the Company's Ordinary Shares as of 30 June 2023 are as follows:

Rank	Name	No. of Shares	%
1	NUTRIASIA PACIFIC LIMITED	1,196,539,958	61.55
2	BLUEBELL GROUP HOLDINGS LIMITED	189,736,540	9.76
3	LEE PINEAPPLE COMPANY PTE LTD	106,854,000	5.50
4	BNP PARIBAS NOMS SPORE PL	54,393,432	2.80
5	RAFFLES NOMINEES(PTE) LIMITED	51,711,794	2.66
6	DBS NOMINEES PTE LTD	21,317,243	1.10
7	CITIBANK NOMS SPORE PTE LTD	19,889,739	1.02
8	WEE POH CHAN PHYLLIS	16,650,000	0.86
9	GOVERNMENT SERVICE INSURANCE SYSTEM	15,957,937	0.82
10	MAYBANK SECURITIES PTE. LTD.	10,715,595	0.55
11	BDO SECURITIES CORPORATION	10,127,182	0.52
12	UNITED OVERSEAS BANK NOMINEES P L	9,016,280	0.46
13	JOSELITO JR DEE CAMPOS	7,621,466	0.39
14	ABN AMRO CLEARING BANK N.V.	6,317,700	0.32
15	PHILLIP SECURITIES PTE LTD	6,192,004	0.32
16	COL Financial Group, Inc.	5,366,278	0.28
17	BANCO DE ORO - TRUST BANKING GROUP	4,845,876	0.25
18	TIGER BROKERS (SINGAPORE) PTE. LTD.	4,671,000	0.24
19	G.D. TAN & COMPANY, INC.	4,373,975	0.23
20	IGC SECURITIES INC.	4,358,784	0.22
	Subtotal (Top 20 Stockholders)	**1,746,656,783**	**89.85**
	Others	197,303,241	10.15
	Total Outstanding	**1,943,960,024**	**100.00**

DIVIDENDS

Under the Company's Articles of Association and the terms of the Company's Preference Shares, the Company may, by a resolution of directors, declare and pay dividends on Ordinary Shares provided there are adequate and available funds for dividends on Preference Shares which have priority over Ordinary Shares.

Dividends shall only be declared and paid out of surplus. No dividends shall be declared and paid, unless the Directors determine that, immediately after the payment of the dividends: (a) the Company will be able to satisfy its liabilities as they become due in the ordinary course of its business; and (b) the realizable value of the assets of the Company will not be less than the sum of its total liabilities, other than its deferred taxes, as shown in its books of accounts, and its capital.

	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2021 US$'000
Declared and paid during the financial year:			
Dividends on ordinary shares			
2023: US$0.0170 (2022: US$0.0120; 2021: US$0.0154)	33,251	23,310	30,055
Dividends on preference shares			
A-1 preference shares for 2023: nil: 2022 and 2021: US$0.6625 per share	-	13,250	13,250
A-2 preference shares for 2023: US$0.4478 (2022 and 2021: US$0.6500 per share	4,478	6,500	6,500
	4,478	19,750	19,750
	37,729	43,060	49,805
Proposed but not recognized as a liability as at reporting date:			
Dividends on ordinary shares			
2023: US$0.0013 (2022: US$0.0170; 2021: US$0.0120)	2,527	33,047	23,328

Dividends on Ordinary Shares

The Company's dividend payment policy for Ordinary Shares has been to distribute a minimum of 33% of full year profit. The holders of Ordinary Shares are entitled to receive dividends, as declared from time to time, after dividends of Preference Shares are paid.

On 20 June 2023, the Company declared dividends of US$0.0013 per share to ordinary shareholders on record as at 11 July 2023. The special dividend was paid on 25 July 2023.

On 23 June 2022, the Company declared dividends of US$0.0170 per share to ordinary shareholders on record as at 13 July 2022. The special dividend was paid on 27 July 2022.

On 23 June 2021, the Company declared dividends of US$0.0120 per share to ordinary shareholders on record as at 13 July 2021. The special dividend was paid on 27 July 2021.

Dividends on Preference Shares

The holders of Preference Shares are entitled to cash dividends based on the issue price, at the dividend rate per annum from the issue date, payable every 7 October and 7 April of each year following the issue date, upon declaration by the Company.

On 15 December 2022, the redemption date of the Series A-2 Preference Shares, the Company paid the accrued cash dividends at the fixed rate of 6.5% per annum, or equivalent to US$0.12278 per Series A-2 Preference Share for the period from 8 October 2022 to 15 December 2022.

On 9 September 2022, the Company declared dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per Series A-2 Preference Share for the six-month period from 8 April 2022 to 7 October 2022. The final dividends were paid on 7 October 2022.

On 11 March 2022, the Company declared dividends to holders of Series A-1 Preference Shares, at the fixed rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference Share for the six-month period from 8 October 2021 to 7 April 2022. The Company also declared dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per Series A-2 Preference Share for the six-month period from 8 October 2021 to 7 April 2022. The final dividends were paid on 7 April 2022.

On 10 September 2021, the Company declared dividends to the holders of the Series A-1 Preference Shares at the fixed rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference and Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per series A-2 Preference Shares for the six-month period from 8 April 2021 to 7 October 2021. The final dividends were paid on 7 October 2021.

On 10 March 2021, the Company declared dividends to holders of Series A-1 Preference Shares, at the fixed rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference Share for the six-month period from 8 October 2020 to 7 April 2021. The Company also declared dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per Series A-2 Preference Share for the six-month period from 8 October 2020 to 7 April 2021. The final dividends were paid on 7 April 2021.

The cumulative undeclared dividends on the preference shares amounted to US$0.4 million as of 30 April 2022. None as of 30 April 2023 as all preference shares were already redeemed.

Item 6. Management's Discussion and Analysis or Plan of Operation

As of the fiscal year ended 30 April 2023

The financial statements of the Group as of 30 April 2023 are attached and incorporated herein by reference.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Review of Operating Performance for FY2023 vs FY2022

Summary

For the year ended FY2023, DMPL grew sales by 3% to US$2.4 billion on higher USA and international sales. However, gross profit and EBITDA were lower by 3% and 6% to US$607.0m and US$329.7 million, respectively, on higher costs.

Net income declined to US$16.9 million from US$100.0 million largely due to one-off costs of US$55.2 million as DMFI refinanced its loan earlier with a long-term credit facility that has lower interest rates. Without these one-off costs, DMPL EBITDA and net income would have been US$337.2 million and US$72.2 million, lower by 4% and 28%, respectively.

Sales

DMPL generated sales of US$2.4 billion, up 3% versus prior year driven by higher sales in the U.S. and international markets. Excluding Kitchen Basics, Group sales were higher by 2%.

USA

The Group's U.S. subsidiary, Del Monte Foods, Inc, (DMFI), generated US$1.7 billion of sales or about 72% of Group sales, higher by 5% driven by sustained growth across almost all categories, attributed to pricing adjustments to mitigate inflation, distribution gains for vegetable club and Joyba bubble tea, increased sales of fruit cups, as well as incremental sales of US$35.1 million from Kitchen Basics.

Branded retail which accounted for 75% of DMFI's sales grew by 8%. Other channels of mass merchandizers, e-commerce and foodservice also expanded. Latin America which generated sales of US$49.7 million was also up 12%.

In August 2022, DMFI acquired the intellectual property of the Kitchen Basics brand and its extensive inventory of conventional and organic stocks and broths from McCormick & Company for US$99.0 million (of which US$17 million was inventory with market value of US$25-27 million). The consideration was established through an auction process and negotiations between the parties. The acquisition was financed through available credit facilities. No property, plant and/or equipment were acquired.

Kitchen Basics products are distributed nationally in the United States. The brand was founded in 1996 as the pioneer in liquid stock and remains an industry leader in the U.S. today. The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics complements DMFI's College Inn broth business and creates an immediate national footprint within the broth and stock category.

DMFI continues to pursue its innovation efforts and expand on new product offerings. It launched Take Root Organics, its new organics brand, which includes six tomato products grown throughout California's Central Valley. The launch of Take Root Organics provides DMFI with an exciting and competitive new brand to reach the growing consumer base that seeks high-quality and accessibly-priced organic food. It also launched Del Monte specialty vegetable items Artichoke and Mushrooms.

New products sales reached US$134.3 million and contributed 7.6% to DMFI's total sales in FY2023.

DMFI continues to hold leading market share positions across its core business. Canned vegetable, canned tomato and fruit cup snacks achieved higher shares on the back of strong commercial execution, increased distribution of core products, and new product expansion, all supported by improved supply chain service.

Market Position in Key Categories in the USA

Products	Market Position	Market Share	Change vs. prior year	Brands
Canned Vegetable	#1	21.9%	+0.3 ppt	Del Monte
Canned Fruit	#1	21.4%	0.0 ppt	Del Monte
Fruit Cup Snacks	#2	27.7%	+1.1 ppts	Del Monte
Canned Tomato	#3	6.1%*	+0.3 ppt	Del Monte, S&W, Contadina
Broth	#2	9.4%	0.0 ppt	College Inn, Kitchen Basics

Canned market shares are for branded only, ex-private labels
*Combined share for Del Monte, S&W and Contadina brands
Source: Nielsen RMS / Scantrack DMFI Custom DBs, Equivalent Volume share, Total xAOC, 12M ending 29 April 2023

Foodservice sales in the U.S. improved by 12% to US$99.2 million bringing it to 5.7% of total DMFI sales. This was achieved by building strong partnerships and targeting both commercial and non-commercial segments which demand high quality branded fruits and vegetables. Del Monte has placed its Joyba bubble tea in over 20 college campuses and has started selling its pineapple juice to Bloomin Brands' which operates Outback and Fleming's Steakhouse, among others. Joyba Bubble Tea is the Company's new brand targeting Millennials and Gen Z with a line of boba shop-inspired beverages made with real brewed tea infused with vibrant fruit flavors and popping boba. Del Monte's new foodservice peach salsa with morita chiles is receiving positive feedback and has gained new distribution in the healthcare sector.

Philippines

Sales in the Philippines in FY2023 of US$361.6 million grew by 7% in peso terms but declined by 4% in U.S. dollar terms due to the peso depreciation.

Peso sales increased on higher culinary, beverage and new product sales. This performance was driven by the combined impact of compelling communication campaigns that built relevance for Del Monte products in family meals, low-cash outlay SKUs and multipacks value offers to help consumers cope with high inflation, and improved distributor operations.

However, mixed fruit was negatively affected by lower dessert consumption which consumers deprioritized. 100% Pineapple Juice also declined as consumers shifted preference to more indulgence drinks, with sales of multi-flavored juice drink large packs growing. A new campaign on 100% Pineapple Juice was launched highlighting immunity with bromelain and antioxidants. The classic line of Del Monte Fit 'n Right was also relaunched at a lower price with the same efficacy and taste.

Innovations grew strongly due to higher sales of Mr. Milk, Potato Crisp and Munchsters in the snacking segment. As schools in the Philippines shifted to in-person classes from online, Del Monte activated its milk sampling activities in a number of schools, and also tied up with a leading book store chain and toy store chain to promote its dairy product. Mr. Milk added the popular orange flavor to its offering while Potato Crisp launched smaller packs.

New products launched in the past three years, including dairy and snacks, contributed 6.5% to total Philippine market sales in FY2023.

Del Monte continues to enjoy strong market share leadership across all its major categories, with higher shares in packaged pineapple behind consumption-building efforts. Del Monte spaghetti sauce also grew share by staying ahead of competition amidst a declining category.

However, RTD juices lost share due to the aggressive growth of the PET segment, which offers low-priced products with broadened distribution and on-the-go convenience. Canned mixed fruit and tomato sauce shares were impacted by price brands. But in the fourth quarter of FY2023, RTD juices and canned mixed fruit registered higher shares versus the prior year quarter behind juice drinks, canned pineapple juice and the re-entry of Fit 'n Right classic line, while tomato sauce maintained its share with the support of its Saucy Meals campaign, spurring brand and category offtake.

Market Leader in Various Categories in the Philippines				
Products	**Market Position**	**Market Share**	**Change vs. prior year**	**Brands**
Packaged Pineapple	#1	95.5%	+2.2 ppts	Del Monte
Canned Mixed Fruit[1]	#1	75.4%	-0.5 ppt	Del Monte, Today's
RTD Juices ex-foil pouches	#1	40.9%	-2.3 ppts	Del Monte
Tomato Sauce	#1	84.6%	-1.0 ppt	Del Monte
Spaghetti Sauce[2]	#1	37.8%	+0.5 ppt	Del Monte, Today's, Contadina

[1]Combined share for Del Monte and Today's brands
[2]Combined share for Del Monte, Today's and Contadina brands
Source: The Nielsen Company - Retail Audit Data, 12M to April 2023

Foodservice sales increased by 18% behind the accelerating business of quick service restaurants (QSRs), while convenience store sales jumped 39% as schools and transport sectors opened up. 9,917 foodservice outlets are now open at 92% of pre-pandemic level, while 3,995 convenience stores are now open at 120% of pre-pandemic level.

Del Monte continues to supply ketchups in large chain accounts such as Burger King and Shakey's while gaining new businesses with Landers, Peri-Peri, Domino's and Ikea; pineapple tidbits to Domino's; and juices to Tapa King and Mactan Cebu International airport.

International/Exports

International markets, composed of fresh produce and packaged goods, generated sales of US$330.5 million, up 12%. Packaged sales accounted for US$181.4 million, higher by 11% while fresh sales accounted for US$149.1 million, up 14%. S&W branded business achieved sales of US$136.2 million, higher by 14%.

Fresh sales rose driven by stronger demand particularly in North Asia, better pricing and improved supply. The Company's new naturally-ripened extra sweet S&W Deluxe premium fresh pineapple in China, Japan and South Korea continued to gain momentum in China's retail segment. Fresh sales benefitted from favorable consumer and trade response to this variety.

The Group's high quality, premium MD2 pineapple makes it the largest fresh pineapple exporter to China with a 53% share and one of the three biggest exporters to Japan, South Korea and the Middle East.

Sales of packaged products grew behind higher sales of pineapple, mixed fruit and various retail and industrial juice formats. In the U.S., a major QSR launched new summer drinks, one of which - Pineapple Passionfruit Refreshers – uses the Company's pineapple product.

The Group's frozen fruit product uses Nice Tech's revolutionary technology. Extra sweet and golden yellow pineapples from fully ripened fruits are cut into spears then frozen without breaking the cellular structure of the fruit. This technology is superior to Individually Quick-Frozen (IQF) technology.

With the rising global trend on healthy snacks, the Group's Nice Tech frozen pineapple spears and chunks healthy snack/dessert has gained traction, now sold in more foodservice channels such as KFC in the UK, 7-Eleven in Japan and McDonald's in the Middle East, Balkans and Canada.

The Group's frozen fruit product uses Nice Fruit's revolutionary technology. Extra sweet and golden yellow pineapples from fully ripened fruits are cut into spears then frozen without breaking the cellular structure of the fruit. This technology is superior to Individually Quick-Frozen (IQF) technology.

With the rising global trend on healthy snacks, the Group's Nice Fruit frozen pineapple spears and chunks healthy snack/dessert has gained traction, now sold in more foodservice channels such as KFC in the UK, 7-Eleven in Japan and McDonald's in the Middle East, Balkans and Canada.

India

Sales at our joint venture Del Monte Foods Private Limited in India (formerly FieldFresh Foods), which are equity accounted and not consolidated, were US$66.3 million, flat versus prior year in U.S. dollar terms but up 8% in rupee terms. There was overall growth across all channels of B2B, B2C, modern trade and e-commerce. B2B business delivered strongly driven by increase in foodservice sales coming off a lower base last year due to the pandemic.

Del Monte introduced a 600-gram Chocolate Syrup in September 2022, with 50% more cocoa than that of leading competitor. After a successful launch, Del Monte came up with a smaller 100-gram spout pack to recruit new consumers. This added to the Company's existing low price point pack portfolio and helped the business gain more retail outlets and consumers.

Del Monte also launched the Royal Arabian Dates, entering a US$36 million market and seizing an opportunity for a premium branded player in a sea of unbranded players.

The Company also relaunched its mayonnaise bottle range in wide mouth PET jars, which form the bulk of the mayonnaise category in India, bringing its offering more in line with consumer usage.

DMPL's share in India was a US$0.1 million profit from a US$3.2 million loss in the prior year.

GROSS PROFIT AND MARGIN

DMPL's gross profit decreased by 3% to US$607.0 million while gross margin declined to 25.1% from 26.6% due to higher raw material, packaging, manufacturing and logistics costs coupled with unfavorable sales mix.

DMFI generated a gross profit of US$400.3 million, slightly higher versus last year's US$396.1 million, on higher sales; however, gross margin was lower at 23.1% from 23.9%. Price increases were insufficient to cover higher costs of raw produce, packaging materials, labor and logistics.

DMPL ex-DMFI delivered gross profit of US$201.4 million, 13% lower than US$230.7 million in the prior year. Gross margin declined to 26.3% from 30.7% as price increases to manage inflation were offset by higher product costs driven by commodity headwinds, lower productivity both in plantation and production which resulted in higher cost of growing, harvesting and processing.

DEL MONTE FOODS REFINANCING

In May 2022, DMFI raised US$600 million through a 7-year Term Loan B facility maturing in 2029 at Adjusted Secured Overnight Financing Rate (SOFR), with a floor of 0.5% plus 4.25% p.a. Proceeds were used to primarily redeem the US$500 million Senior Secured Notes plus redemption fees and accrued interest. The said Notes had an interest rate of 11.875% p.a. and were due to mature in 2025. The new Term Loan B had a hedged interest rate of 8.1% as of end April 2023. The early redemption of the Notes incurred a one-off cost of US$71.9 million or US$50.2 million post tax and non-controlling interest. US$26.3 million of the US$71.9 million was non-cash.

DMFI Non-Recurring Expenses (in US$m)	FY2023	FY2022	Booked under
Early redemption fee for US$500m Notes	45.5	-	Interest Expense
Write-off of deferred financing costs (non-cash)	26.3	-	Interest Expense
Excess of net realizable value over inventory cost related to the Kitchen Basics acquisition	5.0	-	Other Income/Expense
Settlement of legal claims	2.5	-	Other Income/Expense
Total (pre-tax basis)	**79.3**	**-**	
Tax impact	(20.3)	-	
Non-controlling interest	(3.8)	-	
Total (post tax and NCI)	**55.2**	**-**	

REDEMPTION OF PREFERENCE SHARES

In April 2022 of fiscal year 2022, DMPL redeemed US$200 million of its Series A-1 Preference Shares which had a dividend rate of 6.625% p.a. In December 2022 of fiscal year 2023, DMPL redeemed US$100 million of its Series A-2 Preference Shares which had a dividend rate of 6.5% p.a.

The redemption was refinanced by a combination of fixed rate Senior Notes and floating rate loans with an average interest rate of 5.52% in FY2023.

There are no more outstanding Preference Shares as at 30 April 2023.

EBITDA AND NET PROFIT

The Group generated an EBITDA of US$329.7 million, 6% lower than prior year's US$351.5 million.

DMFI delivered an EBITDA of US$206.0 million, 4% lower than prior year's US$213.6 million driven by lower margins as discussed. Contributing to the lower EBITDA were losses from consolidation of distribution centers and discontinuation of pocket pies amounting to US$6.6 million and US$2.8 million, respectively.

DMPL ex-DMFI generated an EBITDA of US$118.2 million, lower by 21%, also driven by lower margins as discussed.

The Group registered a net profit of US$16.9 million, lower than last year's US$100.0 million. This was mainly driven by the one-off costs of US$55.2 million, as discussed above, and the impact of cost increases due to inflation across all business segments and higher interest expense. The Group's profitability was impacted by the additional US$14.4 million of interest expense for the new loans taken to redeem the Preference Shares. The latter's cost was previously accounted for in the balance sheet in the form of dividend payments against equity, i.e. outside the income statement, whereas the interest expense for the new loans is booked in the income statement, i.e. impacting net profit.

Without the one-off costs, DMPL's net profit would have been US$72.2 million, lower by 28% from prior year's US$100.0 million, while EBITDA would have been US$337.2 million, down 4%.

As a result of the one-off costs, and also higher costs, DMFI incurred a net loss of US$2.8 million versus the net profit of US$54.3 million in the prior year. Excluding one-off costs, DMFI's net profit would have been US$52.5 million, slightly lower by 3% versus the net profit of US$54.3 million in the prior year. Excluding one-off costs, DMFI's EBITDA would have been US$213.5 million, same as last year's.

INVENTORIES

DMPL's inventories increased to US$1.1 billion as at 30 April 2023, from US$686.0 million as at 30 April 2022, primarily due to DMFI driven by the inflationary impact on overall cost of inventories, increase in certain segments to support customer service levels and higher growth projections for FY2024 and Kitchen Basics acquisition.

CAPEX

Capital expenditures were US$237.9 million in FY2023, higher than US$202.7 million in FY2022. DMFI accounted for US$55.4 million of Group capex in FY2023, higher than US$32.1 million in FY2022 due to higher additions to CIP for various process and improvements. DMPL ex-DMFI's capex accounted for US$182.5 million in FY2023 from US$170.6 million in FY2022 driven by higher additions to biological assets. DMPL ex-DMFI capex was comprised mostly of biological assets at US$147.0 million, with the balance of US$35.5 million for building, CIP, machinery and equipment.

CASH FLOW AND DEBT

The Group's cash flow from operations was negative US$2.8 million for FY2023 from positive US$280.7 million in the prior year mainly due to higher inventories and lower profit as explained above.

The Group's working capital decreased to US$205.3 million net liability in FY2023 from US$168.4 million net asset in the prior year. The negative working capital was due to the shift to current from non-current liability for long-term loans maturing in the next 12 months, and the new loans taken to redeem the Preference Shares.

The Group's net debt (borrowings less cash and bank balances) amounted to US$2.25 billion as at 30 April 2023, higher than US$1.5 billion as at 30 April 2022. Out of the total net debt of US$2.25 billion, DMFI accounted for US$1.16 billion while DMPL ex-DMFI accounted for US$1.09 billion.

The Group's net debt to EBITDA increased to 6.8x from 4.4x while net debt to equity rose to 5.8x from 3.1x due to higher loans as a result of the redemption of DMPL's Preference Shares, DMFI's Senior

Secured Notes refinancing in May 2022, DMFI's ABL (working capital) loans which includes the US$100 million acquisition of Kitchen Basics, and lower equity due to net losses arising from refinancing costs.

Although debt levels had gone up, the refinancing of the Preference Shares with bank loans at an average interest rate of 5.52% versus the Preference Share coupon of 10% on a step-up basis, if not redeemed, saved the company about US$10 million during the year.

A major priority of the Group is to reduce leverage, strengthen its capital structure and bring down interest expense in the coming year.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the year ended 30 April		
	FY2023	**FY2022**	**Explanatory Notes**
Cost of Goods Sold	**74.9**	73.4	Increase in sales was more than offset by higher production cost.
Distribution and Selling Expenses	**9.5**	9.5	Higher transfer and ocean freight cost in DMFI and DMPI offset by lower advertising costs
G&A Expenses	**5.0**	5.5	Driven by lower people cost from DMFI
Other Operating Expenses (Income)	**0.5**	0.2	Other expense this quarter was mainly from write-off of excess of NRV over cost of inventory of the newly acquired KB brand and cleanup/transition costs of Modesto DC

REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

In US$'000	For the year ended 30 April			
	FY2023	**FY2022**	**%**	**Explanatory Notes**
Depreciation and amortization	**(194,378)**	(193,499)	(0.5)	Higher depreciation of bearer plants from DMPI due to higher harvested tons
Reversal/ (Provision) for inventory obsolescence	**(2,998)**	97	n.m.	Driven by higher obsolescence on DMPI's finished goods
Reversal/ (Provision) for doubtful debts	**214**	(1,059)	120.2	Reversal of bad debt provision for trade receivables
Net gain/(loss) on disposal of fixed assets	**539**	(789)	168.3	Gain on disposal of DMFI's capital assets
Foreign exchange gain/(loss)-net	**4,772**	1,523	213.3	Driven by forex gain from ICMOSA
Interest income	**912**	771	18.3	Driven by DMPI, higher interest income from lease advances
Interest expense	**(207,252)**	(109,800)	(88.8)	Driven by redemption cost and write-off of deferrred financing cost related to refinancing as well as redemption of preferred shares which incurred interest this year (vs dividend payout last year)
Share in net loss of JV	**(1,486)**	(4,954)	70.0	Same as 4Q
Taxation benefit (expense)	**(17,167)**	(39,300)	56.3	Lower taxable income from DMPI and DMFI (due to one-off refinancing costs)

REVIEW OF GROUP ASSETS AND LIABILITIES

Balance Sheet	April 2023 (Unaudited)	April 2022 (Audited)	April 2021 (Audited)	% Variance vs April FY22	Explanatory Notes
In US$'000					
ASSETS					
Property, plant and equipment - net	**658,991**	577,647	544,776	14.1	Due to freehold land revaluation from DMPI and DMFI
Right-of-use (ROU) assets	**100,566**	123,539	135,208	(18.6)	Mainly due to amortizations on ROU assets
Investment in joint ventures	**20,161**	17,172	22,530	17.4	Additional investments during the period
Intangible assets and goodwill	**753,841**	688,047	694,697	9.6	Increase driven by acquistion of Kitchen Basics Brand
Other noncurrent assets	**42,250**	30,411	25,325	38.9	Driven by new equity investment to NTH and reclass of the noncurrent portion of derivative assets
Deferred tax assets - net	**118,060**	116,745	130,538	1.1	nm
Pension assets	**10,630**	9,799	7,889	8.5	Driven by remeasurement gain
Biological assets	**47,859**	50,081	47,568	(4.4)	nm
Inventories	**1,076,772**	685,958	557,602	57.0	Mainly driven by higher volume and higher cost of production
Trade and other receivables	**231,036**	214,553	185,049	7.7	Timing of collection of sales
Prepaid expenses and other current assets	**59,667**	49,052	37,286	21.6	Driven by higher prepaid trade and prepaid parts and supplies from DMFI
Cash and cash equivalents	**19,836**	21,853	29,435	(9.2)	Timing of cash flow from operating activities
EQUITY					
Share capital	**19,449**	29,449	49,449	(34.0)	Redemption of A-2 preference shares
Share premium	**208,339**	298,339	478,339	(30.2)	Redemption of A-2 preference shares
Retained earnings	**119,540**	140,320	83,349	(14.8)	Driven by dividend distribution
Reserves	**(28,511)**	(42,541)	(29,953)	33.0	Driven by revaluation gain on freehold land
Non-controlling interest	**66,941**	69,138	61,312	(3.2)	nm
LIABILITIES					
Loans and borrowings	**2,273,353**	1,567,366	1,285,743	45.0	Driven by DMFI refinancing, refinancing of preference capital and higher short term loans for working capital requirements
Lease liabilities	**100,096**	121,320	128,803	(17.5)	Driven by lease payments
Other noncurrent liabilities	**16,826**	23,023	18,697	(26.9)	Driven by lower derivative liabilities from DMFI
Employee benefits	**45,574**	61,300	70,141	(25.7)	Driven by DMFI due to payout of benefits
Environmental remediation liabilities	**-**	203	7,429	(100.0)	Settlement of enviornmental remediation liabilities
Deferred tax liabilities - net	**11,630**	12,421	6,599	(6.4)	Higher deferred tax liabilties on revaluation of freehold land
Trade and other current liabilities	**304,940**	302,833	254,729	0.7	nm
Current tax liabilities	**1,492**	1,686	3,266	(11.5)	Timing of tax payment for DMPI

Key Performance Indicators

The following sets forth the explanation why certain performance ratios (i.e. current ratio, debt to equity ratio, net profit margin, return on asset, and return on equity) do not fall within the benchmarks indicated by the Securities and Exchange Commission of the Philippines (the "**SEC**").

A. Current Ratio

	30-Apr-23	30-Apr-22	Benchmark
Current Ratio	0.8746	1.1980	Minimum of 1.2

Lower current ratio driven by higher current liabilities from reclassification of current portion of long-term loans maturing next year.

B. Debt to Equity Ratio

	30-Apr-23	30-Apr-22	Benchmark
Total Debt/Total Stockholders' Equity	7.1390	4.2250	Maximum of 2.5

Higher gearing driven by redemption of A-2 preference shares, financed by new loans.

C. Net Profit Margin

	30-Apr-23	30-Apr-22	Benchmark
Net Profit/(Loss) Margin attributable to owners of the company	0.70%	4.27%	Minimum of 3%

Lower net profit margin driven by one-off costs incurred to redeem the high-yielding senior notes of DMFI.

D. Return on Asset

	30-Apr-23	30-Apr-22	Benchmark
Return on Asset	0.81%	4.47%	Minimum of 1.21

Lower net profit margin driven by one-off costs incurred to redeem the high-yielding senior notes of DMFI.

E. Return on Equity

	30-Apr-23	30-Apr-22	Benchmark
Return on Equity	6.58%	23.35%	Minimum of 8%

Lower net profit margin driven by one-off costs incurred to redeem the high-yielding senior notes of DMFI.

Material Changes in Accounts

A. Inventories
Primarily due to DMFI driven by the inflationary impact on overall cost of inventories, increase in certain segments to support customer service levels and higher growth projections for FY2024, and Kitchen Basics acquisition

B. Property, plant and equipment
Driven mainly by DMFI's higher additions to CIP for various process and improvements and Base Business' higher additions to biological assets.

C. Prepaid expenses and other current assets
Driven by higher prepaid trade and prepaid parts and supplies from DMFI.

D. Other noncurrent assets
Driven by new equity investment to NTH and reclass of the noncurrent portion of derivative assets.

E. Loans and borrowings
Driven by DMFI refinancing, refinancing of preference capital and higher short-term loans for working capital requirements.

F. Share Capital and Share Premium
Redemption of A-2 preference shares.

Review of Operating Performance for FY2022 vs FY2021

Summary

Amidst the ongoing challenges of a pandemic and high global inflation, Del Monte Pacific achieved a commendable performance in FY2022, delivering strong operating results with operating profit up 26% to a record US$267.3 million from US$211.9 million. Net profit soared 58% to US$100.0 million, its highest ever, from US$63.3 million in the prior year. The Group improved its sales mix and margins from higher sales of higher-margin branded segments and active cost management.

The Group's U.S. subsidiary, Del Monte Foods, Inc. (DMFI), more than tripled its net profit to US$54.3 million from US$15.1 million from higher sales and better revenue mix, continued benefits from asset-light strategy (where it closed seven plants from FY2016-2020) and other cost reduction initiatives coupled with select price increases to help offset higher costs.

The Group's second largest subsidiary, Del Monte Philippines, Inc. (DMPI), achieved record sales of US$729.5 million, up 6% in peso terms versus the prior year, and generated a record net profit of US$97.7 million, up 6% in peso terms. More than half of DMPI's sales are in the Philippines, with the balance in the international market.

Sales

DMPL generated its highest sales ever of US$2.3 billion in FY2022, up 8% on higher revenue in the USA and international markets, offsetting the decline in the Philippines.

USA

Del Monte Foods, Inc. generated 12% higher sales of US$1.65 billion or about 70% of Group sales, with sustained sales growth across all major segments primarily core branded retail driven by canned vegetables and fruits following improvement in supply and distribution gains which more than offset the planned reduced sales of private labels. DMFI achieved record market share growth in the core vegetable and fruit categories as branded retail sales rose 13%. It successfully expanded into new categories of beverage and frozen, and accelerated growth in key sales channels of dollar stores, convenience stores, e-commerce and foodservice. Its foodservice channel grew significantly by 36% compared to prior year driven by a surge in fruit sales as demand continued to increase post pandemic from schools, hotels and restaurants.

DMFI's innovation pipeline continued to offer exciting products to consumers. In the snacking area, it launched Del Monte Fruit Infusions and Joyba Bubble Tea. Fruit Infusions are energizing fruit cup snacks infused with antioxidants and other healthy functional ingredients. Joyba Bubble Tea is a new brand targeting Millennials and Gen Z with a line of boba shop-inspired beverages made with real brewed tea infused with vibrant fruit flavors and "popping" boba. In the Meals area, DMFI continued its Frozen Foods expansion with the launch of Del Monte Veggieful Riced Veggies, a line of flavorful vegetables replacing the higher calorie and carbohydrate regular rice.

New product sales reached US$90 million and contributed 5.3% to DMFI's total sales in FY2022.
DMFI won the "Product of the Year" award for the fourth straight year. Product of the Year is the world's largest consumer-voted award. Winners were determined by the votes of 40,000 consumers in a national survey conducted by Kantar, a global leader in consumer research. DMFI won two awards for Del Monte Fruit Infusions in the fruit snack category and Joyba Bubble Tea in the coffee and tea category. These latest wins build on past awards for Del Monte Deluxe Gold Pineapple and Del Monte Veggieful Pocket Pies (2021) Del Monte Veggie Bowls, Fruit Crunch Parfait and Pizzettas (2020), Fruit & Oats (2019), and Fruit Refreshers (2017) in recognition of DMFI's strong innovation pipeline.

DMFI is in the Top 3 position for canned vegetable, fruit, tomato, fruit cup snacks and broth. Del Monte canned vegetable, which had the highest contribution to branded retail sales, saw a 4.6-ppt increase in market share to 22% on the back of strong commercial execution, increased distribution of core products, and new product expansion, all supported by superior supply chain service. It reached a five-year high of 24% market share in November. Canned fruit, canned tomato and fruit cup snacks also achieved higher shares.

Market Position in Key Categories in the USA				
Products	**Market Position**	**Market Share**	**Change vs prior year**	**Brands**
Canned Vegetable	#1	22.0%	+4.6 ppts	
Canned Fruit	#2	21.5%	+2.3 ppts	
Fruit Cup Snacks	#2	26.5%	+1.3 ppts	
Canned Tomato	#3	5.8%*	+0.4 ppt	
Broth	#2	6.5%	-0.2 ppt	

Canned market shares are for branded only, ex-private labels
**Combined share for Del Monte, S&W and Contadina brands*
Source: Nielsen RMS / Scantrack DMFI Custom DBs, Equivalent Volume share, Total xAOC, 12M ending 30 April 2022

The U.S. foodservice sales improved by 36% to US$89 million bringing it to 5% of total DMFI sales. This was achieved by building strong distributor partnerships and targeting both commercial and non-commercial segments which demand high quality branded fruits and vegetables. The U.S. foodservice business continued to show strong recovery and it is positioned well to continue to deliver strong growth as its customers build back their businesses.

In FY2022, an e-commerce team was established for DMFI, making it a priority for the company. The e-commerce business grew by 20%, with focus on deeply penetrating the e-commerce account base as well as focusing on foundational, e-commerce principles that can be scaled across the businesses.

Cross-selling

As part of DMPL's growth and globalization initiative, the distribution of products from the Philippines has extended its reach beyond traditional Asian retail channels to a broader ethnic market to mainstream grocery channels within the U.S. As mentioned earlier, canned premium pineapple Del Monte Deluxe Gold from Del Monte Philippines is sold in mainstream channels in USA. Meanwhile, DMFI exports certain Del Monte, S&W and Contadina products to Asia.

Philippines

Sales in the Philippines in FY2022 slightly declined by 1% in peso terms and 4% in US dollar terms to US$377.9 million as seasonal and special occasion items were unfavorably affected by an inflationary environment plus a high base last year from pandemic buying. However, compared to two years ago, sales in the Philippines rose 9%, while retail sales improved by 12%.

While there was a decline in volume, Del Monte's packaged pineapple grew to record-high market shares from new marketing programs promoting Del Monte's new Chunks 200-gram value pouch in everyday meal recipes. This was coupled with expanding its distribution into 200+ additional supermarkets and 2,000+ mom and pop stores.

Packaged fruit and spaghetti sauce category consumption was down due to shifting consumer priorities in the face of food inflation. Spaghetti sauce lost share from low-priced brands. Del Monte continues to promote the "Iba ang Sarap Del Monte" (Del Monte's Distinct Taste) campaign, and focus behind its special Carbonara sauce now available in a larger family-sized pack.

After over two years of pandemic, consumers are looking beyond having healthy juice drinks and are looking for enjoyable experiences which will address their need to feel good about themselves. Consumers are now looking for more variety and/or affordable options. In the summer of 2021, the company launched new variants for Del Monte Juice Drinks - refreshing Melon Cucumber and Tropical Punch. It also launched 100% Tipco Kiwi and Lychee flavors. It continues to support key brands to drive regular consumption behind health and enjoyment.

Del Monte continues to enjoy strong market share leadership across all its major categories, with higher shares in packaged pineapple behind consumption-building efforts. However, RTD juices lost share due to aggressive growth of a competitor, which offers a low-priced product with broadened distribution downline. Canned mixed fruit, tomato and spaghetti sauce shares were impacted by price brands. Notably, spaghetti share loss has slowed down, in fact achieving 41.5% share in the last quarter, gaining +2.2 pts by focusing on product quality.

Market Leader in Various Categories in the Philippines

Products	**Market Position**	**Market Share**	**Change vs prior year**	**Brands**
Packaged Pineapple	#1	93.3%	+3.7 ppts	Del Monte
Canned Mixed Fruit[1]	#1	75.9%	-0.9 ppt	Del Monte, Today's
RTD Juices ex-foil pouches	#1	43.3%	-6.4 ppts	Del Monte
Tomato Sauce	#1	85.8%	-1.1 ppts	Del Monte
Spaghetti Sauce[2]	#1	37.4%	-0.7 ppt	Del Monte, Today's, Contadina

[1]*Combined share for Del Monte and Today's brands*
[2]*Combined share for Del Monte, Today's and Contadina brands*
Source: The Nielsen Company - Retail Audit Data, 12M to April 2022

Following the entry into the snacking category in FY2021 with baked biscuit Del Monte Potato Crisp, Del Monte further expanded to the next largest biscuits segment: crème-filled cookies. Del Monte Fruity Munchsters are cookies with delicious fruit flavors leveraging on Del Monte's equity on fruit and health.

On 16 August 2021, Del Monte Philippines, Inc. (DMPI) forged a strategic alliance with Vietnam Dairy Products JSC (Vinamilk), a leading regional dairy company. DMPI and Vinamilk entered into a joint venture (JV) to expand further into the dairy sector in the Philippines, synergizing Vinamilk's strength in dairy manufacturing and technology with Del Monte's strength in marketing and distribution in the Philippines. The JV imports products from Vietnam, and markets them under a co-branded label through DMPI, leveraging the trust and affinity built for the Del Monte brand among Filipino consumers, as well as DMPI's extensive distribution network and long-standing relationships with leading retailers and distributors throughout the country. The JV presents a growth opportunity for both partners as Vinamilk enters a new market and Del Monte expands into a new category with products consumed in Filipino households on a daily basis. The JV launched new products which have generated incremental revenue. These include Del Monte-Vinamilk Fresh Milk, Del Monte-Vinamilk IQ Smart Flavored Milk, Del Monte-Vinamilk YoGurt Drink and Del Monte-Vinamilk Tea Bliss Milk Tea.

New innovations consisting of Mr. Milk drink, Potato Crisp and Fruity Munchsters snacks, and the new Del Monte-Vinamilk dairy products contributed 6.5% of total Philippine sales in FY2022.

Del Monte's foodservice channel achieved much higher sales, up 27%, as it capitalized on increased restaurant foot traffic as consumers stepped out of their homes more, with menu features and partner tie-ups. Sales are now at 88% of pre-pandemic level. 14,775 outlets are now open at 78% of pre-pandemic level, with key accounts at 94% and general trade at 76% index. Del Monte generated new businesses as primary supplier of Jollibee for pineapple juice, Shakey's for 12oz ketchup bottle, Ikea for 3kg foil ketchup, Burger King, Domino's Pizza, S&R, Landers Superstore and Peri Peri Charcoal Chicken for 10g ketchup sachets.

Foodservice gross margin increased by 2.6 ppts vs. prior year, while operating profit rose 56% due to improved sales and margin. The company expects FY2023 to be a recovery year and to return to pre-pandemic volume going into FY2024.

E-commerce is a key emerging channel that will be a critical part of the Philippine economy. Over the past two years, Del Monte Philippines has grown its e-commerce 13x focusing on online marketplaces. Del Monte was one of the top performing grocery brands in Shopee and Lazada in FY2022. Del Monte's e-commerce efforts were also recognized by Asia eCommerce Awards which bestowed on the company three awards.

The company will develop its competitive advantage by leveraging its consumer recipe engagement program **Kitchenomics.com**, building on its online cooking education platform by adding e-commerce capability. Del Monte has also strengthened its internal e-commerce capability, reinforced by its partnership with e-commerce experts.

DMPI recently hired new sales operations heads for modern trade, general trade and e-commerce with extensive FMCG experience, to strengthen sales and commercial capabilities.

S&W in Asia and the Middle East

International sales of S&W fresh and packaged products rose 13% to US$119.4 million on higher sales of fresh pineapple, canned pineapple and juice. Fresh pineapple accounted for 70% while packaged products contributed 30% of total S&W sales.

Sales in the fresh segment, majority of which are branded S&W, grew by 10% to US$131.1 million with strong sales in China and South Korea, largely due to expansion in tier 2 and 3 cities in China. Goodme and ChaBaiDao fruit tea shops also used S&W pineapple in their offerings. The Group's pineapples are ranked number 1 in the imported pineapple category of Pinduoduo.com while S&W fresh cut pineapple is the best-selling among fresh cut pineapple products on South Korea's largest e-commerce platform, Coupang.

Building on the success of S&W Sweet 16 fresh pineapple, the Company launched S&W Deluxe Premium, a naturally-ripened extra sweet pineapple, in November 2021 in China, Japan and South Korea with favorable market feedback. Majority are sold in China through the company's distributors, and this premium fresh variety is gaining traction in China's retail segment.
The Group's high quality, premium MD2 pineapple makes it the largest fresh pineapple exporter to China with a 53% share and one of the three biggest exporters to Japan, South Korea and the Middle East.

Sales of canned pineapples did well in China while the Group continued to sell the premium canned pineapple Del Monte Deluxe Gold in the USA. The Company also started supplying 100% pineapple juice to Jollibee Malaysia, supporting their key outlet with an S&W-labelled juice dispenser.

The Group's frozen fruit product uses Nice Fruit's revolutionary technology. Extra sweet and golden yellow pineapples from fully ripened fruits are cut into spears then frozen without breaking the cellular structure of the fruit. This technology is superior to Individually Quick-Frozen (IQF) technology.

With the rising global trend on healthy snacks, the Group's frozen pineapple is now in foodservice channels such as Quick Service Restaurants. The Group recently sealed a deal with McDonald's Canada. This is a big win riding on the momentum built over the years, following its success with KFC in the UK and McDonald's in the Middle East.

Individually packaged frozen Pineapple Stick and frozen chunks called Golden Pineapple have been sold in 7-Eleven Japan since 2018, positioned as an on-the-go healthy snack in the store's chiller section. These are also sold in UK, Spain, Andorra, China, Hong Kong and South Korea.

India

Sales at our joint venture Del Monte Foods Private Limited in India (formerly FieldFresh Foods), which are equity accounted and not consolidated, were US$65.9 million in FY2022 from US$67.4 million, down 2% in both U.S. dollar and rupee terms versus prior year. The decline was due to the discontinuation of the fresh business, while the Del Monte-branded packaged segment performed well with sales of US$60.2 million, higher by 6%. Business continued to recover driven by focus on retail including strong growth in e-commerce on the back of manifold growth on local platforms such as Bigbasket and Flipkart.

Del Monte launched India's first ever "King Coconut Water" on e-commerce. King Coconut Water is unique to Sri Lanka and is known to be naturally sweeter than other coconut water, but still remains a low sugar, low calorie beverage great for hydration. It was among the top five brands on Amazon within two months of launch.

DMPL's share in Del Monte Foods in India was unfavorable at US$3.2 million loss, higher than US$1.0 million loss last year, as higher packaged business sales were offset by one-off losses from the discontinued low-margin fresh business.

Gross Profit and Margin

DMPL's gross profit rose 12% to US$622.7 million while gross margin increased by 90 basis points to 26.6% driven by DMFI in the U.S. DMFI expanded its gross margin by 130 basis points to 23.9% from 22.6% on higher volume, better sales mix from improved sales of higher-margin retail branded products, savings generated by plant closures two years ago with the company's asset-light strategy, cost reduction initiatives coupled with select price increases to help offset higher pack costs and transportation headwinds driven by port congestions particularly in the second half.

DMPL ex-DMFI sustained its gross margin at 30.7% from 30.6% as selective inflationary price increases were partly offset by higher product costs driven by commodity headwinds particularly tin plates, sugar and tomato paste, and unfavorable sales mix primarily in the Philippines.

EBITDA and Net Profit

The Group generated its highest ever EBITDA of US$351.5 million, 14% higher versus prior year's US$309.0 million, and a record net profit of US$100.0 million, 58% higher versus last year's US$63.3 million, mainly driven by the strong performance of DMFI and the international markets.

DMFI delivered an EBITDA of US$213.6 million, significantly up by 25% versus the US$170.5 million in the prior year, due to higher gross profit as explained above, as well as lower administrative expenses. DMFI more than tripled its net profit to US$54.3 million from US$15.1 million last year.

As part of the Group's Asset Light strategy to improve operational excellence, reduce fixed costs and increase competitiveness, DMFI closed/sold four of its facilities two years ago. These divestitures enabled DMFI to significantly improve capacity utilization at the remaining plants in its production network and lowered fixed costs.

DMPL ex-DMFI generated an EBITDA of US$149.2 million, higher by 5% and a net profit of US$82.5 million, higher by 12% versus US$73.6 million last year with improved sales and operating profit, lower interest expense and reduced tax.

The Group's second largest subsidiary, Del Monte Philippines, achieved its best ever sales of US$729.5 million, up 3% in US dollar terms and 6% in peso terms on higher exports of S&W branded fresh and packaged pineapple. DMPI generated a record EBITDA of US$154.2 million, up 1% and 4%, and a record net profit of US$97.7 million, up 3% and 6% in US dollar and peso terms, respectively. More than half of DMPI's sales are in the Philippines, with the balance in the international market.

INVENTORIES

DMPL's inventories increased to US$686.0 million as at 30 April 2022, from US$557.6million as at 30 April 2021 as a result of higher volume and production cost.

CAPEX

Capital expenditures were US$205.2 million in FY2022, higher than US$166.1 million in FY2021. DMFI accounted for US$38.8 million of Group capex in FY2022, higher than US$28.3 million in FY2021 due to higher additions to CIP for various process and improvements. DMPL ex-DMFI's capex accounted for US$166.3 million in FY2022, up from US$137.8 million in FY2021 driven by higher additions to biological assets and completion of various projects for machinery and equipment. DMPL ex-DMFI capex was comprised mostly of biological assets at US$133.6 million, with the balance of US$32.7 million for building, CIP, machinery and equipment.

SENIOR NOTES ISSUANCE

In December 2021, DMPL successfully issued 3-year unrated Senior Notes amounting to US$90 million with a coupon rate of 3.75% per annum. This transaction marked DMPL's inaugural issuance in the international debt capital markets, establishing a new source of funding.

REDEMPTION OF SERIES A-1 PREFERENCE SHARES

In April 2022, DMPL redeemed US$200 million of its Series A-1 Preference Shares which had a dividend rate of 6.625% p.a. This was refinanced by a combination of the fixed rate Senior Notes mentioned above and floating rate loans with a current average rate of 3.8% p.a.

DEL MONTE FOODS REFINANCING

In May 2022, DMFI raised US$600 million through a 7-year Term Loan B facility at Adjusted SOFR, with a floor of 0.5% plus 4.25% p.a., to primarily redeem the US$500 million Senior Secured Notes which had an interest rate of 11.875% p.a. The much lower interest rate is expected to result in about US$20-30 million interest savings per year. The redemption of the Notes incurred one-off transaction costs of about US$70 million which will be booked in FY2023. US$26 million of the US$70 million is non-cash.

DMFI achieved a credit rating upgrade to “B2” from “B3” from Moody’s and an upgrade to Positive Outlook from S&P. This reflects DMFI’s strengthening operating performance following prior year’s recapitalization and major operational restructuring which has improved liquidity and leverage.

CASH FLOW AND DEBT

The Group’s cash flow from operations in FY2022 was US$280.7 million, lower versus prior year’s cash flow of US$315.3 million mainly from higher inventories as a result of higher sales volume and production cost.

The Group’s working capital in FY2022 decreased to US$168.4 million from US$200.4 million. This was driven by short-term loans obtained to finance the redemption of US$200 million Series A-1 preference shares.

The Group’s net debt (borrowings less cash and bank balances) amounted to US$1.5 billion as at 30 April 2022, higher than US$1.3 billion as at 30 April 2021. Out of the total net debt of US$1.5 billion, DMFI accounted for US$612.4 million while DMPL ex-DMFI accounted for US$933.1 million.

The Group net debt to equity ratio increased to 312.4% from 195.5% while net debt to EBITDA rose to 4.4x from 4.1x.

Although total loans and gearing ratios of the Group increased as a result of the redemption of the preference shares, the cash flow impact will be favorable with the lower interest rate of the loans versus the preferred dividends.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the year ended 30 April		
	FY2022	**FY2021**	**Explanatory Notes**
Cost of Goods Sold	**73.4**	74.3	Overall, increase in costs was more than covered by higher sales
Distribution and Selling Expenses	**9.5**	9.3	Higher ocean freight cost in DMFI and DMPI
G&A Expenses	**5.5**	6.7	Lower administrative expenses in DMFI driven by lower computer costs and miscellaneous overhead.
Other Operating Expenses (Income)	**0.2**	0.0	Driven by impairment loss on Del Monte Foods (previously named FieldFresh). Last year was offset by gain on disposal of assets in the US

REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

In US$'000	For the year ended 30 April			
	FY2022	**FY2021**	**%**	**Explanatory Notes**
Depreciation and amortization	**(193,499)**	(187,320)	(3.3)	Higher depreciation of bearer plants from DMPI due to higher harvested tons
Reversal/ (Provision) for inventory obsolescence	**97**	(800)	112.1	Driven by reversal of obsolescence on DMPI's finished goods
Reversal/ (Provision) for doubtful debts	**(1,059)**	(141)	(651.1)	Additional bad debt provision for trade receivables of DMPI
Net gain/(loss) on disposal of fixed assets	**(789)**	1,333	(159.2)	Loss from disposal of assets in the US
Foreign exchange gain/(loss)- net	**1,523**	3,921	(61.2)	Higher gain last year driven by ICMOSA
Interest income	**771**	547	41.0	Driven by DMPI from interest income on receivable from sale and leaseback of land
Interest expense	**(109,800)**	(111,044)	1.1	Lower market interest rates in the Philippines
Share in net loss of JV	**(4,954)**	(1,531)	(223.6)	Advertising expenses for the new venture, Del Monte-Vinamilk, as well as one-off cost in on Del Monte Foods (previously named FieldFresh) for the discontinued low-margin fresh business.
Taxation benefit (expense)	**(39,300)**	(27,273)	(44.1)	Higher taxes as a result of higher income from DMFI compared to last year

REVIEW OF GROUP ASSETS AND LIABILITIES

Balance Sheet	30 Apr 2022 (Audited)	30 Apr 2021 (Audited)	30 Apr 2020 (Audited)	% Variance vs April FY21	Explanatory Notes
In US$'000					
ASSETS					
Property, plant and equipment - net	**577,647**	544,776	517,585	6.0	Increase mainly due to additions to bearer plants in the Philippines and higher CIP in the US
Right-of-use (ROU) assets	**123,539**	135,208	166,085	(8.6)	Mainly due to amortizations on ROU assets
Investment in joint ventures	**17,172**	22,530	25,317	(23.8)	Decrease driven by joint venture losses, inclusive of impairment loss
Intangible assets and goodwill	**688,047**	694,697	701,347	(1.0)	nm
Other noncurrent assets	**30,411**	25,325	26,181	20.1	Driven by DMPI from higher advance rentals and deposits to growers and landowners; as well as downpayments for capital expenditures
Deferred tax assets - net	**116,745**	130,538	144,974	(10.6)	Reduction on tax loss carryforward for DMFI as it continues to generate profit
Pension assets	**9,799**	7,889	6,675	24.2	nm
Biological assets	**50,081**	47,568	63,278	5.3	Increase mainly due to additions to growing crops
Inventories	**685,958**	557,602	482,463	23.0	Mainly due to higher cost of production as well as higher volumes
Trade and other receivables	**214,553**	185,049	320,603	15.9	Timing of collection of sales
Prepaid expenses and other current assets	**49,052**	37,286	66,380	31.6	Driven by higher downpayments to suppliers
Cash and cash equivalents	**21,853**	29,435	33,465	(25.8)	Cash outflow mainly from redemption of preference shares and capital expenditures
EQUITY					
Share capital	**29,449**	49,449	49,449	(40.4)	Redemption of A-1 preference shares
Share premium	**298,339**	478,339	478,339	(37.6)	Redemption of A-1 preference shares
Retained earnings	**140,320**	83,349	60,763	68.4	Net profit partially offset by dividends declared
Reserves	**(42,541)**	(29,953)	(77,474)	(42.0)	Driven by translation adjustment
Non-controlling interest	**69,138**	61,312	54,820	12.8	Share in net profit partially offset by dividends received
LIABILITIES					
Loans and borrowings	**1,567,366**	1,285,743	1,396,029	21.9	Driven by loan drawdowns of DMPL to finance preference redemption
Lease liabilities	**121,320**	128,803	158,525	(5.8)	Driven by lease payments
Other noncurrent liabilities	**23,023**	18,697	23,380	23.1	Decrease in liability related to DMFI's worker's compensation due to settlement from closed plants and reversal of over accrual
Employee benefits	**61,300**	70,141	105,345	(12.6)	Driven by remeasurement gain on retirement plans in DMFI
Environmental remediation liabilities	**203**	7,429	9,587	(97.3)	Settlement related to closed Mendota plant
Deferred tax liabilities - net	**12,421**	6,599	12,447	88.2	Driven by increase in deferred taxes related to final tax on intercompany dividends
Trade and other current liabilities	**302,833**	254,729	276,893	18.9	Driven by higher trade payables
Current tax liabilities	**1,686**	3,266	6,250	(48.4)	Timing of tax payment for DMPI

Key Performance Indicators

The following sets forth the explanation why certain performance ratios (i.e. current ratio, debt to equity ratio, net profit margin, return on asset, and return on equity) do not fall within the benchmarks indicated by the Securities and Exchange Commission of the Philippines (the "**SEC**").

A. Current Ratio

	30-Apr-22	30-Apr-21	Benchmark
Current Ratio	**1.2**	**1.3**	**Minimum of 1.2**

Lower current ratio driven by higher current liabilities from short-term loans obtained to finance redemption of preference shares.

B. Debt to Equity

	30-Apr-22	30-Apr-21	Benchmark
Total Debt/Total Stockholders' Equity	**4.2**	**2.8**	**Maximum of 2.5**

Higher debt to equity ratio was due to redemption of A-1 preference shares, financed by new loans.

C. Net Profit Margin

	30-Apr-22	30-Apr-21	Benchmark
Net Profit/(Loss) Margin attributable to owners of the company	**4.27%**	**2.92%**	**Minimum of 3%**

Higher net profit margin driven by higher gross margin, lower general and administrative expenses and interest expense.

D. Return on Asset

	30-Apr-22	30-Apr-21	Benchmark
Return on Asset	**4.47%**	**3.16%**	**Minimum of 1.21**

Higher profit this year driven by higher sales, lower general and administrative expenses and lower interest expense.

E. Return on Equity

	30-Apr-22	30-Apr-21	Benchmark
Return on Equity	**23.35%**	**11.90%**	**Minimum of 8%**

Higher net profit this year and also lower equity from redemption of A-1 preference shares.

Material Changes in Accounts

A. Inventories

Mainly due to higher cost of production as well as higher volumes.

B. Property, plant and equipment

Increase mainly due to additions to bearer plants in the Philippines and higher CIP in the US.

C. Trade and other receivables

Timing of collection of sales.

D. Trade and other current liabilities

Driven by higher trade payables.

E. Loans and borrowings

Driven by loan drawdowns of DMPL to finance preference redemption.

F. Share Capital and Share Premium

Redemption of A-1 preference shares.

G. Retained Earnings

Net profit partially offset by dividends declared

Financial Ratios

Supplementary Schedule of Financial Soundness Indicator

Ratio	Formula	30 April 2023	30 April 2022	30 April 2021
(i) Liquidity Analysis Ratios:				
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	0.9	1.2	1.3
Quick Ratio	(Current Assets - Inventories - Prepaid expenses and other current assets - Biological Assets – Noncurrent assets held for sale) / Current Liabilities	0.2	0.3	0.3
(ii) Solvency Ratio	Total Assets / Total Liabilities	1.1	1.2	1.4
Financial Leverage Ratios:				
Debt Ratio	Total Debt/Total Assets	0.9	0.8	0.7
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	7.1	4.2	2.8
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	8.1	5.2	3.8
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	5.4	3.0	1.9
(v) Debt/EBITDA Ratios	Total Debt/ Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	8.4	5.9	5.7
(vi) Profitability Ratios				
Gross Profit Margin	Revenue - Cost of Sales / Revenue	25.07%	26.59%	25.71%
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Revenue	0.70%	4.27%	2.92%
Net Profit Margin	Net Profit / Revenue	1.05%	4.93%	3.54%
Return on Assets	Net Profit / Total Assets	0.81%	4.47%	3.16%
Return on Equity	Net Profit / Total Stockholders' Equity	6.58%	23.35%	11.90%

BUSINESS OUTLOOK

The global environment remains unstable with certain cost pressures and consumers being more cautious with their spending. With these challenges, it becomes imperative to offer superior brand and product value to consumers.

In the U.S., there will be more focused innovation while increasing penetration in a number of high growth channels. We will grow our consumer-centric products including new brands JOYBA, Kitchen Basics and Take Root Organics.

The Group is also planning to substantially increase its MD2 fresh pineapple production to support higher exports of these premium products. To improve our margins, we will remain vigilant in managing our operating expenses which include packaging materials optimization; power and fuel initiatives; investments to improve efficiency, productivity and wastage reduction; and product bundling initiatives in distribution centers. DMPL is resolute on working capital improvements in FY2024, especially inventory reduction, to generate more cash flow and strengthen the balance sheet with lower debt. The Group will improve its capital structure with equity fund raising, subject to market conditions.

Barring unforeseen circumstances, the Group expects to generate a higher net profit in FY2024.

Item 7. Financial Statements (FS) and Other Documents Required to be filed with the FS under SRC Rule 68, as Amended

The FY 2023 Audited Financial Statements of the Company is attached hereto as Annex "A". The additional components of the FS are hereto attached as follows:

Index to Supplementary Schedules

Tabular schedule of standards and interpretations as of reporting date, and a Map of the group of companies showing the relationships between and among the company and its ultimate parent company, middle parent, subsidiaries or co- subsidiaries, and associates

Item 8. Independent Public Accountant and External Audit Fees

(a) The external auditor of the Company for the most recently completed fiscal year was Ernst and Young LLP ("EY Singapore"), which is the same accounting firm tabled for reappointment for the current fiscal year at the AGM of shareholders. Sycip Gorres Velayo & Co. ("EY Philippines"), the Group's auditors in the Philippines for the most recently completed fiscal year, is likewise tabled for reappointment for the current fiscal year at the AGM.

(b) Mr. Philip Ling Soon Hwa is the partner-in-charge from EY Singapore for the audited financial statements of the Company and the Group for the fiscal year ended 30 April 2023. Representatives of EY Singapore are expected to be present during the AGM. The representatives may make statements, if they desire to do so, and will be available to respond to appropriate questions raised by the shareholders at the AGM. Mr. Johnny F. Ang is the partner-in-charge from EY Philippines.

(c) The aggregate annual external audit fees billed for each of the last two (2) fiscal years for the audit of the Group and the Company's annual financial statements or services that are normally provided by the external auditor are as follows:

	Group		Company	
	FY2023 U.S.$	**FY2022 U.S.$**	**FY2023 U.S.$**	**FY2022 U.S.$**
1. Audit Fees				
EY Singapore	172	95	136	60
SGV	1,438	1,297	251	450
Affiliates of auditors of the Company	50	43	–	–
Other auditor	6	6	–	–
2. Non-Audit Fees				
SGV	160	-	111	–
Other auditors	80	80	2	2

During the Company's two (2) most recent fiscal years or any subsequent interim period:

1) No independent accountant who was previously engaged as the principal accountant to audit the Group's financial statements, or an independent accountant on whom the principal accountant expressed reliance in its report regarding a significant subsidiary, has resigned or was dismissed; and

2) There were no disagreements with the former accountant on any matter of accounting principles or policies, financial disclosures, or auditing procedure.

(d) EY Singapore was appointed as the external auditors of the Group at the AGM of the Company held on 23 August 2021. EY Philippines was also appointed at the said AGM as the Group's auditors in the Philippines. They were the auditors of the Group for the most recently completed fiscal year.

(e) The Audit and Risk Committee (the "**ARC**") reviews the scope and results of the audit and its cost effectiveness. It also ensures the independence and objectivity of the external auditors. Likewise, it reviews the non-audit services provided by the Company's external auditors. In the year in review, the ARC had reviewed the audit and non-audit services of the external auditors and was satisfied that the auditors continue to be independent.

Part III – CONTROL AND COMPENSATION INFORMATION
Item 9. Directors and Executive Officers of the Registrant

Board of Directors and Senior Management

The following comprises the Company's Board of Directors:

Name	Age	Citizenship	Position
Rolando C. Gapud	81	Filipino	Executive Chairman
Joselito D. Campos, Jr.	72	Filipino	Managing Director & CEO
Edgardo M. Cruz, Jr.	68	Filipino	Executive Director
Benedict Kwek Gim Song	76	Singaporean	Lead Independent Director
Godfrey E. Scotchbrook	77	British	Independent Director
Emil Q. Javier	82	Filipino	Independent Director
Yvonne Goh	70	Singaporean	Independent Director

The following comprises the Group's Senior Management:

Name	Age	Citizenship	Position
Joselito D. Campos, Jr.	72	Filipino	Managing Director and CEO
Luis F. Alejandro	69	Filipino	Chief Operating Officer
Ignacio C. O. Sison	59	Filipino	Chief Corporate Officer
Parag Sachdeva	53	Indian	Chief Financial Officer
Antonio E. S. Ungson	51	Filipino	Chief Legal Counsel and Chief Compliance Officer; Company Secretary
Ruiz G. Salazar	59	Filipino	Chief Human Resource Officer

The following is a brief description of the business experience of the Company's Board of Directors and Senior Management for the past five (5) years.

Mr Rolando C Gapud
Executive Chairman, 81
Appointed on 20 January 2006 and last re-elected on 17 September 2020

Mr Rolando C Gapud has over 45 years of experience in banking, finance and general management, having worked as CEO of several Philippine companies, notably Security Bank and Trust Company, Oriental Petroleum and Minerals Corp and Greenfield Development Corp. He was also the COO of the joint venture operations of Bankers Trust and American Express in the Philippines. He has served in the Boards of various major Philippine companies, including the Development Bank of the Philippines, the development finance arm of the Philippine Government. Mr Gapud is the Chairman of the Board of Del Monte Foods, Inc, DMPL's US subsidiary, and Executive Chairman of Del Monte Philippines, Inc, DMPL's Philippine subsidiary. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of DMPL with the Bharti Group of India. He holds a Master of Science in Industrial Management degree from the Massachusetts Institute of Technology. He is a member of the Asian Executive Board of the Sloan School of MIT and the Board of Governors of the Asia School of Business, a joint venture between the Sloan School of MIT and Bank Negara, the Central Bank of Malaysia.

Mr Joselito D Campos, Jr
Executive Director, 72
Appointed on 20 January 2006 and last elected on 28 April 2006

Mr Joselito D Campos, Jr is Chairman and CEO of the NutriAsia Group of Companies, a major food conglomerate in the Philippines. He is also Chairman of Fort Bonifacio Development Corp and Chairman of Ayala-Greenfield Development Corp, two major Philippines property developers. He is a Director of San Miguel Corporation, one of the largest and oldest business conglomerates in the Philippines. Mr Campos is the Vice Chairman of Del Monte Foods, Inc, DMPL's US subsidiary, and a Director of Del Monte Philippines, Inc, DMPL's Philippine subsidiary. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of the Company with the Bharti Group of India. He was formerly Chairman and CEO of United Laboratories, Inc and its regional subsidiaries and affiliates. Unilab is the Philippines' largest pharmaceutical company with substantial operations in the Asian region. Mr Campos is the Consul General in the Philippines for the Republic of Seychelles. He is also Chairman of the Metropolitan Museum of Manila, Bonifacio Arts Foundation Inc, The Mind Museum and the Del Monte Foundation, Inc. He is a Trustee and Global Council Member of the Asia Society in the Philippines; a Trustee of the Philippines-China Business Council and the Philippines Center for Entrepreneurship; a National Advisory Council Member of the World Wildlife Fund-Philippines; and a Director of the Philippine Eagle Conservation Program Foundation, Inc. Mr Campos holds an MBA from Cornell University.

Mr Edgardo M Cruz, Jr
Executive Director, 69
Appointed on 2 May 2006 and last re-elected on 27 August 2021
Mr Edgardo M Cruz, Jr is a member of the Board of the NutriAsia Group of Companies. Mr Cruz is a Director of Del Monte Foods, Inc, DMPL's US subsidiary, and an Executive Director of Del Monte Philippines, Inc, DMPL's Philippine subsidiary. He is the Chairman of the Board of Bonifacio Gas Corporation, Bonifacio Water Corporation, Bonifacio Transport Corporation and Crescent West Development Corporation. He is a member of the Board of Evergreen Holdings Inc, Fort Bonifacio Development Corporation and the BG Group of Companies. He is also a Board member and Chief Financial Officer of Bonifacio Land Corporation. He sits on the Boards of Ayala Greenfield Development Corporation and Ayala Greenfield Golf and Leisure Club Inc. He is a member of the Board of Trustees of Bonifacio Arts Foundation Inc, The Mind Museum and the Del Monte Foundation, Inc. Mr Cruz earned his MBA degree from the Asian Institute of Management after graduating from De La Salle University. He is a Certified Public Accountant.

Mr Benedict Kwek Gim Song
Lead Independent Director, 76
Appointed on 30 April 2007 and last re-appointed on 17 September 2020
Appointed as Lead Independent Director on 11 September 2013

Mr Benedict Kwek Gim Song is a Director of Del Monte Foods, Inc, DMPL's US subsidiary. Mr Kwek was Chairman of previously SGX-listed Pacific Shipping Trust from 2008 to 2012. He was also a Director and Chairman of the Audit Committee of listed companies including Ascendas REIT. He has over 30 years of banking experience, having served as the President and CEO of Keppel TatLee Bank. He has held various key positions at Citibank in the Philippines, Hong Kong, New York and Singapore. He holds a Bachelor of Social Science (Economics) degree from the then University of Singapore and attended a management development programme at Columbia University in the United States.

Mr Godfrey E Scotchbrook
Independent Director, 77
Appointed on 28 December 2000 and last re-appointed on 27 August 2021

Mr Godfrey E Scotchbrook is an independent practitioner in corporate communications, issues management and investor relations with more than 40 years of experience in Asia. In 1990, he founded Scotchbrook Communications and his prior appointments included being an executive director of the then publicly listed Shui On Group. A proponent of good corporate governance, he is an Independent Director of Boustead Singapore Ltd and a Non-Executive Director of Hong Kong-listed Convenience Retail Asia. He is a Fellow of the Hong Kong Management Association and also of the British Chartered Institute of Public Relations. He is also a Director of Del Monte Foods, Inc, DMPL's US subsidiary. Mr Scotchbrook earned his DipCam PR having studied Media and Communications at City University, London.

Dr Emil Q Javier
Independent Director, 82
Appointed on 30 April 2007 and last re-appointed on 28 August 2019

Dr Emil Q Javier is a Filipino agronomist with a broad understanding of developing country agriculture. He was the first and only developing country scientist to Chair the Technical Advisory Committee of the prestigious Consultative Group for International Agricultural Research (CGIAR), a global consortium led by the World Bank and the Food and Agriculture Organization of the United Nations (FAO). He was Director General of the Asian Vegetable Research and Development Center (AVRDC) based in Taiwan and has served as Chairman of the Board of International Rice Research Institute (IRRI), and as Chairman and Acting Director of the Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA). In the Philippines at various periods, he had been President of the University of the Philippines, Minister for Science and Technology and President of the National Academy of Science and Technology, Philippines (NAST PHL). In May 2019, he was elected by his peers in NAST as a National Scientist, the highest honour conferred by the President of the Philippines to a Filipino in the field of science and technology. Dr Javier is an Independent Director of Del Monte Foods, Inc, DMPL's US subsidiary, and of Del Monte Philippines, Inc, DMPL's Philippine subsidiary, and is an Independent Director of Philippine-listed Centro Escolar University. He holds doctorate and master's degrees in plant breeding and agronomy from Cornell University and University of Illinois at Urbana-Champaign, respectively. He completed his bachelor's degree in agriculture at the University of the Philippines Los Baños.

Mrs Yvonne Goh
Independent Director, 70
Appointed on 4 September 2015 and last re-appointed on 28 August 2019

Mrs Goh is a Director of UNLV Singapore Limited, the Singapore campus of the University of Nevada Las Vegas (UNLV), USA. Mrs Goh is also a Director of EQUAL-ARK Singapore Ltd, a charity registered under the Charities Act and an Institution of a Public Character (IPC), assisting at-risk-kids and the elderly through equine-assisted learning and therapy. She also serves on the Board of Del Monte Foods, Inc, DMPL's US subsidiary. Mrs Goh was previously Managing Director of the KCS Group in Singapore, a professional services organisation and Managing Director of Boardroom Limited, a company listed on the SGX. Mrs Goh had served on the Board of WWF Singapore Limited, the Singapore chapter of WWF International, a leading global NGO. She was a Council Member and Vice Chairman of the Singapore Institute of Directors as well as Chairman of its Professional Development Committee. Mrs Goh was also a Director of the Accounting and Corporate Regulatory Authority (ACRA) and a past Chairman of the Singapore Association of the Institute of Chartered Secretaries and Administrators. Mrs Goh is a Fellow of the Singapore Institute of Directors and a Fellow of the Institute of Chartered Secretaries and Administrators, UK.

Luis F. Alejandro
Chief Operating Officer

Mr Luis F Alejandro has over 40 years of experience in consumer product operations and management. He started his career with Procter & Gamble where he spent 15 years in brand management before joining Kraft Foods Philippines Inc as President and General Manager. Later, he joined Southeast Asia Food Inc and Heinz UFC Philippines, Inc, two leading consumer packaged condiment companies of the NutriAsia Group, as President and Chief Operating Officer. He then became President and Chief Operating Officer of ABS-CBN Broadcasting Corporation, a leading media conglomerate in the Philippines. Mr Alejandro is a Director of Del Monte Foods, Inc, DMPL's US subsidiary, and Del Monte Philippines, Inc, DMPL's Philippine subsidiary. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of DMPL with the Bharti Group of India. He holds a Bachelor's degree in Economics from the Ateneo de Manila University and an MBA from the Asian Institute of Management.

Ignacio C. O. Sison
Chief Corporate Officer

Mr Ignacio C O Sison is DMPL's Chief Corporate Officer responsible for strategic planning, sustainability, risk management and investor relations. He has been with DMPL since 1999 and was the group's Chief Financial Officer for nine years. Mr Sison has nearly 30 years of experience spanning corporate and strategic planning, financial planning, treasury, controllership, corporate sustainability, risk management and investor relations. Before joining Del Monte Pacific, he was CFO of Macondray and Company, Inc, then DMPL's parent company, for three years. Amongst others, he also worked for Pepsi-Cola Products Philippines and SGV & Co, the largest audit firm in the Philippines. Mr Sison holds an MSc degree in Agricultural Economics from Oxford University; an MA, Major in Economics, from the International University of Japan; a BA in Economics, magna cum laude, from the University of the Philippines; and an International Baccalaureate from the Lester B Pearson United World College of the Pacific in Canada. In 2010, Mr Sison received the Best CFO award from the Singapore Corporate Awards.

Parag Sachdeva
Chief Financial Officer

Mr Parag Sachdeva has 25 years of management and finance experience spanning planning and controllership, performance management, mergers and acquisitions, treasury, IT and human resources. Before joining DMPL, he was with Carlsberg Asia for more than a year and supported efficiency and effectiveness programmes across the Asian and African regions. Prior to Carlsberg, he was with HJ Heinz for 20 years and held leadership positions in Asia Pacific regions in finance, IT and human resources. Mr Sachdeva graduated from the Aligarh Muslim University in India, Major in Accounting and Commerce. He also has an MBA degree, Major in Finance from the same university.

Antonio E. S. Ungson
Chief Legal Counsel, Chief Compliance Officer, and Company Secretary

Mr Antonio E S Ungson is Chief Legal Counsel, Chief Compliance Officer and Company Secretary of the Company. He is also Head of the Legal Department of Del Monte Philippines, Inc since March 2007. Prior to joining the Group in 2006, Mr Antonio E S Ungson was a Senior Associate in SyCip Salazar Hernandez & Gatmaitan in Manila, where he served various clients for eight years in assignments consisting mainly of corporate and transactional work including mergers and acquisitions, securities and government infrastructure projects. He also performed litigation work and company secretarial services. Mr Ungson was a lecturer on Obligations and Contracts and Business Law at the Ateneo de Manila University Loyola School of Management. He obtained his MBA from Kellogg HKUST, his Bachelor of Laws from the University of the Philippines College of Law and his undergraduate degree in Economics, cum laude and with a Departmental award at the Ateneo de Manila University.

Ruiz G. Salazar
Chief Human Resource Officer

Mr Ruiz G Salazar is a Human Resources and Organisation Development Leader with over 25 years of professional career focused on delivering strategic and effective solutions as a value-driven partner to business, most of which was spent with Johnson & Johnson (J&J). He was Regional Human Resources Director of J&J Asia Pacific, where he was responsible for talent management, organisation transformation, succession pipelining and capability development covering mostly J&J's Consumer Division across the region. Prior to J&J, he was also Group Head – Human Resources and Organisation Development of NutriAsia Food, Inc. Mr Salazar completed the J&J's Senior Management Program at the Asian Institute of Management in 1996, and the J&J's Advanced Management Program at the University of California in 1995. He obtained his Bachelor of Arts degree (Major in Economics) from the University of Santo Tomas.

Directorships in Other Listed Companies

The table below sets forth the directorships in other listed companies, both current and in the past three (3) years:

Name	**Position**	**Company**	**Date**
Joselito D Campos, Jr	Director	San Miguel Corporation	2010 – Present
Emil Q Javier	Independent Director	Centro Escolar University	2002 – Present
Godfrey E Scotchbrook	Non-Executive Director	Convenience Retail Asia (HK)	2002 – Present

None of the Company's Directors are Chairman in other listed companies.

Significant Employees

The Board and the Senior Management of the Company have been an integral part of its success. Their knowledge, experience, business relationships and expertise greatly contribute to the Company's operating efficiency and financial performance.

The Company maintains that it considers the collective efforts of the Board and all of its employees as instrumental to its overall success. The business of the Company is not dependent on any individual person. No employee is indispensable in the organization. The Company has institutionalized, through documentation, its processes and training to ensure continuity and scalability in the business without relying on any particular employee.

Family Relationships

Other than as provided below, there are no other family relationships known to the Company:

Ms. Jeanette Beatrice Campos Naughton is Vice President, Strategic Planning of the Company's U.S. subsidiary, Del Monte Foods, Inc ("**DMFI**"). She is the daughter of Mr. Joselito D Campos, Jr., the Company's Managing Director and CEO, and DMFI's Vice Chairman and Director.

Involvement in Certain Legal Proceedings

As to Directors, Executive Officers and Nominees for Election:

Except as set out below, the Company is not aware that any of the incumbent Directors and any nominee for election as director, executive officer or control person of the Company has been the subject of any: (a) bankruptcy petition; (b) conviction by final judgment in a criminal proceeding, domestic or foreign; (c) 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 his involvement in any type of business, securities, commodities or banking activities; and (d) judgment of violation of a securities or commodities law or regulation by a domestic or foreign court of competent jurisdiction, in a civil action, the Philippine SEC or a comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, which has not been reversed, suspended or vacated, for the past five (5) years up to the latest date that is material to the evaluation of his ability or integrity to hold the relevant position in the Company:

Mr. Luis F. Alejandro, the Group's Chief Operating Officer, is not involved in any criminal, bankruptcy or insolvency investigation or any other proceeding against him, except only the libel case pending between GMA Network, Inc and ABS-CBN Broadcasting Corp where he was impleaded eight years ago as co-accused in his capacity as then President and Chief Operating Officer of ABS-CBN Broadcasting Corp.

As to the Company and its Subsidiaries:

The Group is the subject of, or a party to, other various suits and pending or threatened litigation. While it is not feasible to predict or determine the ultimate outcome of these matters, the Company believes that none of these legal proceedings will have a material adverse effect on its financial position.

Item 10. Compensation of Directors and Executive Officers

The aggregate compensation paid or incurred during the last two fiscal years and estimated to be paid in the ensuing fiscal year to the CEO and senior executive officers of the Company are as follows:

Name and principal position	Year	Salary (in PhP)	Bonus (in PhP)
A. Chief Executive Officer and most highly compensated executive officers*	FY 2023 (Est)	263,486,948	278,052,973
	FY 2022	235,016,197	227,880,942
	FY 2021	218,353,898	175,178,647
B. All other officers and directors as a group unnamed	FY 2023 (Est)	173,220,007	49,840,446
	FY 2022	170,666,567	46,120,954
	FY 2021	171,141,238	45,157,724

**The CEO and executive officers of the Company are as follows: Managing Director & CEO, Mr. Joselito D Campos, Jr. and the executives (in alphabetical order): Luis F. Alejandro, Parag Sachdeva, Ignacio Carmelo O. Sison, and Antonio Eugenio S. Ungson.*

<u>Standard Arrangement</u>

The Directors receive a fixed remuneration annually based on the following fee structure:

a. Board Chairman: US$99,000 per annum;
b. Directors: US$54,000 per annum;
c. ARC Chairman: US$24,750 per annum;
d. RSOC Chairman: US$12,375 per annum;
e. NGC Chairman: US$12,375 per annum;
f. ARC Members: US$13,500 per annum;
g. RSOC Members: US$6,750 per annum; and
h. NGC Members: US$6,750 per annum.

The Directors do not receive any allowance for attending Board or Board committee meetings.

Other Arrangements

Dr. Emil Q. Javier has a consultancy agreement with the Company to act as a consultant, amongst other things, to provide guidance and support to the Group on its plantation operations and development of agri-based initiatives.

Except as described above, there are no other arrangements pursuant to which any of the Company's Directors and officers are compensated, or are to be compensated, directly or indirectly.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no arrangements for compensation to be received by any executive officer from the Company in the event of a resignation, or termination of the executive officer's employment or a change of control of the Company. The Company, however, provides retirement benefits to qualified employees, including Key Management Personnel.

Share Options

There are no outstanding share options as of 30 April 2023. All unexercised options which were granted pursuant to the Del Monte Pacific Executive Stock Option Plan 1999 had already lapsed on 6 March 2018.

Share Awards

All share awards granted to Directors had since 20 September 2017 been vested and released to Directors.

Except as disclosed [in the Company's Annual Report], no Director who held office at the end of the financial year had interests in shares, debentures, warrants, share options or share-based incentives of the Company or of related corporations, either at the beginning or at the end of the financial year.

Item 11. Security Ownership of Certain Beneficial Owners and Management

i) Security Ownership of Certain Record and Beneficial Owners of More Than 5%

The table below sets forth the security ownership of certain record and beneficial owners of more than 5% of the Company's voting securities as of the date of this Information Statement.

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 Common Shares Held	% of Total Outstanding Shares
Ordinary Shares	NutriAsia Pacific Limited ("**NAPL**") Trident Chambers Road Town, Tortola, British Virgin Islands Shareholder	NAPL is the beneficial and record owner of the shares indicated.*	British Virgin Islands	1,196,539,958 Ordinary Shares	61.55%

Ordinary Shares	HSBC (Singapore) Nom's Pte. Ltd. ("**HSBC**") 21 Collyer Quay #13-01 HSBC Building Singapore 049320 Shareholder	Bluebell Group Holdings Limited ("**Bluebell**") is the beneficial owner of the shares indicated.* The shares are held in nominee by HSBC.	British Virgin Islands	189,736,540 Ordinary Shares	9.76%
Ordinary Shares	Lee Pineapple Company Pte. Ltd. ("**Lee**") 65 Chulia St, #44-01 OCBC Centre Singapore 049513 Shareholder	Lee is the beneficial and record owner of the shares indicated.**	Singapore	106,854,000 Ordinary Shares	5.50%

Notes:
** NAPL and Bluebell are beneficially owned by Mr. Joselito D. Campos, Jr. and the Campos family of the Philippines.*
*** Lee is beneficially owned by the Lee Family of Malaysia.*

ii) Security Ownership of Management

The table below sets forth the security ownership of the Company's directors and executive officers as of the date of this Information Statement.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	Percent of Class
Ordinary	Joselito D. Campos, Jr.	7,621,466	Direct	Filipino	0.39%
Ordinary	Rolando C. Gapud	2,651,203	Direct	Filipino	0.14%
Ordinary	Edgardo M. Cruz, Jr.	2,984,632	Direct	Filipino	0.15%
Ordinary	Emil Q. Javier	611,828	Direct	Filipino	0.03%
Ordinary	Benedict Kwek Gim Song	117,092	Direct	Singaporean	0.01%
Ordinary	Godfrey E. Scotchbrook	117,092	Direct	British	0.01%
Ordinary	Luis F. Alejandro	3,381,000	Indirect	Filipino	0.19%
		299,400	Direct		
Ordinary	Ignacio C. O. Sison	1,079,736	Direct	Filipino	0.06%
Ordinary	Antonio E. S. Ungson	597,864	Direct	Filipino	0.03%

iii) Voting Trust Holders of 5% or More

There are no persons holding more than 5% of a class of shares of the Company under a voting trust or similar agreement as of the date of this Information Statement.

iv) Changes in Control

There are no arrangements which may result in a change in control of the Company as of the date of this Information Statement.

Item 12. Certain Relationships and Related Transactions

The Company and its subsidiaries, in the ordinary course of business, engage in transactions with affiliates. The Company's policy with respect to related transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

The Company and its subsidiaries (the "**Group**") have the following major transactions with related parties.

For purposes of this section, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related Party Transaction	**Relationship**	**Nature**	**FY2023 US$'000**	**FY2022 US$'000**	**FY2021 US$'000**
Del Monte Philippines, Inc (DMPI Retirement Fund)	Retirement fund of the Company's subsidiary	Rental to DMPI Retirement Fund	1,851	1,837	1,747
		Security Deposit to DMPI Retirement Fund	18	-	2
		Management fees from DMPI Retirement Fund	(4)	(4)	(4)
Del Monte Philippines, Inc (DMPI Provident Fund)	Retirement fund of the Company's subsidiary	Rental to DMPI Provident Fund	6	7	-
NutriAsia Inc (NAI)	Affiliate of the Company	Rental to NAI Retirement Fund	629	652	602
		Security deposit to NAI Retirement Fund	7	7	7
		Purchases of Production Materials	78	25	24
		Toll Pack Fees	-	12	-
		Utilities / Parking Space Rental	42	97	40
		Management fee	-	(49)	(65)
		Shared IT & Other Services from NAI	(98)	(112)	(185)
		Sale of other Raw Materials with NAI	-	48	(11)
		Sale of apple juice concentrate with NAI	(15)	(12)	(17)
		Cash Advances	-	-	(703)
NAPL	Affiliate of the Company	Cash Advances	-	(1,261)	-
TOTAL			**2,514**	**1,247**	**1,437**

Part IV – CORPORATE GOVERNANCE

Item 13. Annual Corporate Governance

Please refer to the 2022 Integrated Annual Corporate Governance Report (SEC Form i-ACGR) of DMPL, which was filed with the SEC and PSE, and posted in the Company's website www.delmontepacific.com, in compliance with SEC Memorandum Circular No. 15, Series of 2017.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of **Del Monte Pacific Limited and its Subsidiaries** (collectively referred to as the "**Company**") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at April 30, 2023, and 2022 and for each of the three years in the period ended April 30, 2023, 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 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 Company'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 Company or cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing and, in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature____________________
Rolando C. Gapud, Executive Chairman

Signature____________________
Joselito D. Campos, Jr., Managing Director & Chief Executive Officer

Signature____________________
Parag Sachdeva, Chief Financial Officer

Signed on the 7th day of July 2023.

REPUBLIC OF THE PHILIPPINES)
Las Piñas) S.S.

SUBCRIBED AND SWORN to before me this 7/26/23, in ________________, by the affiants who exhibited to me the following -

Name	Competent Evidence of Identity	Date/Place Issued
Joselito D. Campos, Jr.	Passport No. P7796935B	07 October 2021 / DFA-Manila
Parag Sachdeva	Passport No. Z4816522	16 May 2018 / Manila

known to me and to me known to be the same persons who executed the foregoing instrument, and acknowledged that the same is their true and voluntary act and deed.

WITNESS MY HAND AND SEAL on the date and at the place first above-written.

JUANITO H. VINCULADO
Notary Public Until Dec 31 2023
22 Avocado Drive Agro Homes 1 Talon 5 LPC
CP No 0916-420-3253 Landline 8806-2957
PTR 12266038 J Las Pinas City 1 4 22
IBP 184860 2 18 22 PPLM Roll No 41092
MCLE VII-0021842 Valid until 4 14 25
RTC LPC Notarial Appt. dated 7/28/22 No LP-22-016

Doc. No: 387
Page No: 76
Book No: 2
Series of 2023.

Del Monte Pacific Limited

3 August 2023

CORPORATE GOVERNANCE AND FINANCE DEPARTMENT
Securities & Exchange Commission
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City

Attention: **Rachel Esther J. Gumtang-Remalante**
Director

Re: **Request for Extension of Compliance with Notarization**

Gentlemen:

Del Monte Pacific Limited (the "Company"), through the undersigned, respectfully requests for an extension of the submission of the notarized signature of the Chairman of its Board of Directors, **Mr. Rolando C. Gapud**, for the Company's submission of the Statement of Management Responsibility (SMR), which forms part of the Company's Audited Financial Statements (AFS). We note that notarization of the SMR is a requirement for the submission of the AFS.

We have learned that there have been some difficulties in procuring the consularization of the signature of Mr. Gapud, who is already a senior citizen, not very mobile and currently resides in Bangkok, Thailand, where notarization and consularization of documents are not a straightforward process. For instance, this would entail interim steps such as applying for authentication with Thailand's Ministry of Foreign Affairs. Hence, we anticipate some delays in the consularization of Mr. Gapud's signature.

In view of the foregoing, we respectfully request for an extension of time for Mr. Gapud to submit his notarized signature for the SMR. While the Company will submit the AFS and SMR with his signature (without notarization yet) and the other signatories' notarized signatures, on or before the AFS's deadline, we shall submit the AFS with the Chairman's notarized signature by 6 September 2023.

We hope for your favorable consideration on this matter.

Very truly yours,

DEL MONTE PACIFIC LIMITED
By:

ANTONIO EUGENIO S. UNGSON
Company Secretary

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C O M P A N Y   N A M E

DEL MONTE PACIFIC LIMITED AND
SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

CRAIGMUIR CHAMBERS, PO BOX 71
ROAD TOWN, TORTOLA BRITISH
VIRGIN ISLANDS

Form Type	Department requiring the report	Secondary License Type, If Applicable
AAFS	CRMD	–

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
www.delmontepacific.com	**+65 6324 6822**	**–**
No. of Stockholders	**Annual Meeting (Month / Day)**	**Fiscal Year (Month / Day)**
7,396	**August 26**	**April 30**

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
Antonio E.S. Ungson	**UngsonAES@delmonte-phil.com**	**(02) 8856-2888**	**–**

CONTACT PERSON's ADDRESS

JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City

NOTE1 : *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.*

SGV
Building a better
working world

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 Stockholders and the Board of Directors
Del Monte Pacific Limited
Craigmuir Chambers
PO Box 71 Road Town, Tortola
British Virgin Islands

Opinion

We have audited the accompanying consolidated financial statements of Del Monte Pacific Limited and its Subsidiaries (the Group) and the separate financial statements of Del Monte Pacific Limited (the Company), which comprise the statements of financial position as at 30 April 2023 and 2022, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended 30 April 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group and the Company present fairly, in all material respects, the financial position of the Group and the Company as at 30 April 2023 and 2022, and their financial performance and their cash flows for each of the three years in the period ended 30 April 2023 in accordance with International Financial Reporting Standards (IFRSs).

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 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 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 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 financial statements.

Applicable to the audit of the consolidated financial statements of the Group

Fair value of biological assets

Why significant	**How our audit addressed the matter**
As at 30 April 2023, the Group has biological assets amounting to US$47.9 million. The valuation of biological assets was significant to our audit as the estimation process is complex, involves significant management estimate, and is based on assumptions that could be affected by natural phenomena. The key assumptions in determining the fair value of harvested produce include expected selling prices and gross margins. The key assumptions for the fair value of produce prior to harvest include its expected selling prices, gross margin, estimated tonnage of harvests and future growing costs. The Group's disclosures relating to biological assets and sources of estimation uncertainty are included in Notes 11 and 34 to the financial statements.	We obtained an understanding of management's fair value measurement methodology and their process in deriving the fair value of the biological assets. We assessed the appropriateness of the methodology used in estimating the fair value. We tested the key assumptions used in the valuation, which include expected selling prices and gross margin for harvested produce; and expected selling prices, gross margin, estimated tonnage of harvests and future growing costs for produce prior to harvest, by comparing them to external data such as selling prices in the principal market and historical information. We also assessed the adequacy of the related disclosures related to biological assets.

Impairment assessment of goodwill and indefinite life trademarks

Why significant	How our audit addressed the matter
As at 30 April 2023, the Group carries goodwill of US$203.4 million and indefinite life trademarks of US$472.4 million, representing 12% and 28% of the total noncurrent assets, respectively. a. *Goodwill and indefinite life trademarks allocated to Del Monte Foods, Inc. and its subsidiaries*	
The Group's goodwill is allocated to a Cash Generating Unit ("CGU"), Del Monte Foods, Inc., a subsidiary in the United States of America, and its subsidiaries (collectively, "DMFI"). Included within the CGU are the indefinite life America trademarks "Del Monte", "College Inn" and "Kitchen Basics" amounting to US$458.3 million. The Group uses the value in use calculation to estimate the recoverable amount of the CGU for purposes of assessing whether there is any impairment to be recognized. The annual impairment test is significant to our audit because the assessment process is complex, involves significant management judgement and is dependent on certain key estimates such as expected cash flow covering a four-year period and the long-term growth rate and discount rate of the CGU. The Group's disclosures relating to the goodwill and indefinite life America trademarks allocated to DMFI, sources of estimation uncertainty and sensitivity of the recoverable amounts are included in Note 8 to the financial statements.	We obtained an understanding of the Group's impairment assessment process and the related controls. We tested the reasonableness of the key assumptions, which include revenue growth rate, gross margin, earnings before interest, taxation, depreciation and amortization ("EBITDA") margin, discount rate and long-term growth rate against management plans, historical data and available market information in light of current market and economic conditions. We also performed independent sensitivity analysis on the key assumptions to consider the extent of reasonable change in these assumptions that individually or collectively would result in the impairment of these assets. We involved our internal specialist in evaluating certain key assumptions and methodology used. We also reviewed the Group's disclosures in Note 8 to the financial statements, about those assumptions to which the outcome of the impairment test was most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of the CGU.

Why significant	How our audit addressed the matter
b. Other indefinite life trademarks	
As at 30 April 2023, other indefinite life trademarks comprising of "Del Monte" in the Philippines and India, "S&W" in Asia, and "Todays" in the Philippines are carried at US$14.1 million. The annual impairment test is significant to our audit because the assessment process is complex, involves significant management judgment and is dependent on certain estimates that can be affected by future market and economic conditions as well as trademark and royalty rates in the market. The Group used the Relief-from-Royalty methodology in valuing its Philippines and S&W Asia trademarks. This approach relies on the forecasted revenue for the related brand or trademark and applies the royalty rates observed in the market. For the India trademark, the Group used the discounted cash flows of the related CGU. This method relies on forecasted financial results which uses significant assumptions such as revenue growth rates, EBITDA and long-term margins, terminal growth rates and discount rates. The Group's disclosures relating to its indefinite life trademarks, sources of estimation uncertainty and sensitivity of the recoverable amounts are included in Notes 7 and 8 to the financial statements.	We assessed the reasonableness of the forecasted revenue and royalty rates used to derive the recoverable amount of the brand and trademarks by comparing against available market and historical information. We also evaluated the significant assumptions used in the financial forecast of the CGU, which include revenue growth rates, EBITDA and long-term margins, terminal growth rates and discount rates, by comparing them against management plans, historical data and available market information in light of current market and economic conditions. We involved our internal specialist in evaluating certain key assumptions and methodologies used. We performed independent sensitivity analysis on the key assumptions to consider the extent of reasonable change in these assumptions that individually or collectively would result in impairment of these assets. We also reviewed the Group's disclosures in Notes 7 and 8 to the financial statements, about those assumptions to which the outcomes of the impairment tests were most sensitive, that is, those that have the most significant effect on the determination of the recoverable amounts of the CGUs.

Recognition of deferred tax assets

Why significant	How our audit addressed the matter
As at 30 April 2023, the Group has recognized net deferred tax assets of US$118.1 million, of which US$112.8 million was attributable to DMFI. The recognition of the deferred tax asset was significant to our audit because it entails estimation of the future taxable income which involves significant management judgment and is based on assumptions that are affected by future market or economic conditions. The key assumptions in the taxable income forecast include revenue growth rates and gross and EBITDA margins. The Group's disclosures relating to deferred tax and sources of estimation uncertainty are included in Note 9 to the financial statements.	We assessed the reasonableness of deferred tax assets recognized by comparing it to the taxable income forecast. We tested the key assumptions in estimating the taxable income forecast such as revenue growth rates and gross and EBITDA margins against available market information, management plans, historical performance and industry/market outlook in light of current market and economic conditions. We compared the consistency of management's taxable income forecasts with those included in the budget approved by the Board of Directors. We also evaluated the reasonableness of the timing of the reversal of future taxable and deductible temporary differences by considering the taxable income forecast and current tax laws. We assessed the robustness of management's forecasting process by comparing the actual results of the subsidiary against prior year forecast. We involved our internal tax specialist in reviewing the deductibility of the temporary differences. We also reviewed Group's disclosures in Note 9 to the financial statements, relating to deferred tax and sources of estimation uncertainty.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended 30 April 2023 but does not include the 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 30 April 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the 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 financial statements. We are responsible for the direction, supervision and performance of the group 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 those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter 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 Johnny F. Ang.

SYCIP GORRES VELAYO & CO.

Johnny F. Ang
Partner
CPA Certificate No. 0108257
Tax Identification No. 221-717-423
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 108257-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-101-2021, October 1, 2021, valid until September 30, 2024
PTR No. 9369770, January 3, 2023, Makati City

7 July 2023

Del Monte Pacific Limited and its Subsidiaries

Statements of financial position
As at 30 April 2023 and 2022
(In US$'000)

	Note	Group 30 April 2023	Group 30 April 2022	Company 30 April 2023	Company 30 April 2022
Non current assets					
Property, plant and equipment - net	5	**658,991**	577,647	**–**	–
Right-of-use assets	23	**100,566**	123,539	**77**	132
Investments in subsidiaries	6	**–**	–	**967,159**	980,008
Investments in joint ventures	7	**20,161**	17,172	**2,623**	2,836
Intangible assets and goodwill	8	**753,841**	688,047	**–**	–
Deferred tax assets - net	9	**118,060**	116,745	**–**	–
Biological assets	11	**3,007**	2,735	**–**	–
Pension assets - net	20	**10,630**	9,799	**60**	–
Other noncurrent assets	10	**42,250**	30,411	**5,023**	49
		1,707,506	1,566,095	**974,942**	983,025
Current assets					
Biological assets	11	**44,852**	47,346	**–**	–
Inventories	12	**1,076,772**	685,958	**–**	–
Trade and other receivables	13	**231,036**	214,553	**26,406**	84,832
Prepaid expenses and other current assets	14	**59,667**	49,052	**94**	931
Cash and cash equivalents	15	**19,836**	21,853	**554**	2,129
		1,432,163	1,018,762	**27,054**	87,892
Total assets		**3,139,669**	2,584,857	**1,001,996**	1,070,917
Equity					
Share capital	16	**19,449**	29,449	**19,449**	29,449
Share premium	17	**208,339**	298,339	**208,478**	298,478
Retained earnings	17	**119,540**	140,320	**119,540**	140,320
Reserves	17	**(28,511)**	(42,541)	**(28,511)**	(42,541)
Equity attributable to owners of the Company	38	**318,817**	425,567	**318,956**	425,706
Non-controlling interests	38	**66,941**	69,138	–	–
Total equity		**385,758**	494,705	**318,956**	425,706
Noncurrent liabilities					
Loans and borrowings	18	**994,477**	1,088,012	**241,959**	434,587
Employee benefits	20	**21,294**	24,342	**–**	12
Environmental remediation liabilities	21	**–**	203	**–**	–
Lease liabilities	23	**72,204**	91,771	**–**	–
Deferred tax liabilities - net	9	**11,630**	12,421	**49**	8
Other noncurrent liabilities	19	**16,826**	23,023	**–**	–
		1,116,431	1,239,772	**242,008**	434,607
Current liabilities					
Loans and borrowings	18	**1,278,876**	479,354	**324,898**	170,571
Employee benefits	20	**24,280**	36,958	**–**	–
Trade payables and other current liabilities	22	**304,940**	302,833	**116,134**	40,029
Lease liabilities	23	**27,892**	29,549	**–**	–
Current tax liabilities		**1,492**	1,686	**–**	4
		1,637,480	850,380	**441,032**	210,604
Total liabilities		**2,753,911**	2,090,152	**683,040**	645,211
Total equity and liabilities		**3,139,669**	2,584,857	**1,001,996**	1,070,917

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Del Monte Pacific Limited and its Subsidiaries

Income statements
For financial years ended 30 April 2023, 2022 and 2021
(In US$'000)

	Note	Group Year ended 30 April 2023	Group Year ended 30 April 2022	Group Year ended 30 April 2021	Company Year ended 30 April 2023	Company Year ended 30 April 2022	Company Year ended 30 April 2021
Revenue	24, 29	**2,421,313**	2,342,086	2,162,709	**–**	–	–
Cost of sales		**(1,814,320)**	(1,719,429)	(1,606,746)	**–**	–	–
Gross profit		**606,993**	622,657	555,963	**–**	–	–
Distribution and selling expenses		**(229,272)**	(221,798)	(200,417)	**–**	–	–
General and administrative expenses		**(120,334)**	(129,311)	(144,053)	**(13,980)**	(12,983)	(13,158)
Other (expenses) income - net		**(11,789)**	(4,258)	357	**1,836**	1,674	1,714
Results from operating activities		**245,598**	267,290	211,850	**(12,144)**	(11,309)	(11,444)
Finance income	26	**14,293**	5,201	7,534	**177**	145	851
Finance expense	26	**(215,861)**	(112,707)	(114,110)	**(32,337)**	(13,238)	(13,134)
Net finance expense		**(201,568)**	(107,506)	(106,576)	**(32,160)**	(13,093)	(12,283)
Share in net (loss) income of joint ventures and subsidiaries	6, 7	**(1,486)**	(4,954)	(1,531)	**61,304**	124,437	86,990
Profit before taxation	25	**42,544**	154,830	103,743	**17,000**	100,035	63,263
Tax expense - net	27	**(17,167)**	(39,300)	(27,273)	**(51)**	(4)	(7)
Profit for the year		**25,377**	115,530	76,470	**16,949**	100,031	63,256
Profit attributable to:							
Owners of the Company	28	**16,949**	100,031	63,256	**16,949**	100,031	63,256
Non-controlling interests		**8,428**	15,499	13,214	**–**	–	–
		25,377	115,530	76,470	**16,949**	100,031	63,256
Earnings per share							
Basic earnings per share (US cents)	28	**0.66**	4.17	2.24	**–**	–	–
Diluted earnings per share (US cents)	28	**0.66**	4.17	2.24	**–**	–	–

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Del Monte Pacific Limited and its Subsidiaries

Statements of comprehensive income
For financial years ended 30 April 2023, 2022 and 2021
(In US$'000)

Group	Note	Year ended 30 April 2023	Year ended 30 April 2022	Year ended 30 April 2021
Profit for the year		**25,377**	115,530	76,470
Other comprehensive income (loss)				
Items that will or may be reclassified subsequently to profit or loss:				
Currency translation difference		**(11,146)**	(15,302)	6,900
Effective portion of changes in fair value of cash flow hedges		**9,095**	(8,805)	4,283
Tax impact on share in cash flow hedges		**(2,274)**	2,193	(1,049)
		(4,325)	(21,914)	10,134
Items that will not be reclassified to profit or loss:				
Remeasurement of retirement plans		**3,416**	12,760	54,580
Tax impact on remeasurement of retirement plans	9	**(821)**	(3,255)	(13,880)
Gain on property revaluation	5	**22,121**	–	–
Tax impact on revaluation reserve	9	**(5,828)**	–	629
		18,888	9,505	41,329
Other comprehensive income (loss) for the year, net of tax		**14,563**	(12,409)	51,463
Total comprehensive income for the year		**39,940**	103,121	127,933
Total comprehensive income attributable to:				
Owners of the Company		**30,979**	89,196	110,777
Non-controlling interests		**8,961**	13,925	17,156
		39,940	103,121	127,933

Del Monte Pacific Limited and its Subsidiaries

Statements of comprehensive income
For financial years ended 30 April 2023, 2022 and 2021
(In US$'000)

Company	Year ended 30 April 2023	Year ended 30 April 2022	Year ended 30 April 2021
Profit for the year	**16,949**	100,031	63,256
Other comprehensive income (loss)			
Items that will or may be reclassified subsequently to profit or loss:			
Currency translation difference	**(9,698)**	(13,351)	6,026
Effective portion of changes in fair value of cash flow hedges	**8,471**	(8,239)	4,008
Tax impact on share in cash flow hedges	**(2,118)**	2,052	(982)
	(3,345)	(19,538)	9,052
Items that will not be reclassified to profit or loss:			
Remeasurement of retirement plans	**3,027**	11,685	50,856
Tax impact on remeasurement of retirement plans	**(728)**	(2,982)	(12,934)
Gain on property revaluation	**20,493**	–	–
Derecognition (impact) of tax on revaluation reserve	**(5,417)**	–	547
	17,375	8,703	38,469
Other comprehensive income (loss) for the year, net of tax	**14,030**	(10,835)	47,521
Total comprehensive income for the year	**30,979**	89,196	110,777

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Del Monte Pacific Limited and its Subsidiaries

Statement of changes in equity
For financial years ended 30 April 2023, 2022 and 2021
(In US$'000)

	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure-ment retirement plans	Hedging reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		<---------- Attributable to owners of the Company								---------->		
Group												
2023												
At 30 April 2022		29,449	298,339	(95,322)	14,278	43,752	(4,963)	(286)	140,320	425,567	69,138	494,705
Total comprehensive income for the year												
Profit for the year		–	–	–	–	–	–	–	16,949	16,949	8,428	25,377
Other comprehensive income (loss)												
Currency translation differences		–	–	(9,698)	–	–	–	–	–	(9,698)	(1,448)	(11,146)
Gain on property revaluation, net of tax		–	–	–	15,076	–	–	–	–	15,076	1,217	16,293
Remeasurement of retirement plans, net of tax	20	–	–	–	–	2,299	–	–	–	2,299	296	2,595
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	6,353	–	–	6,353	468	6,821
Total other comprehensive income (loss)		–	–	(9,698)	15,076	2,299	6,353	–	–	14,030	533	14,563
Total comprehensive income (loss) for the year		–	–	(9,698)	15,076	2,299	6,353	–	16,949	30,979	8,961	39,940
Transactions with owners of the Company recognized directly in equity												
Contributions by and distributions to owners of the Company												
Redemption of A-2 preference shares	16	(10,000)	(90,000)	–	–	–	–	–	–	(100,000)	–	(100,000)
Dividends	17	–	–	–	–	–	–	–	(37,729)	(37,729)	(11,158)	(48,887)
Total contributions by and distributions to Owners		(10,000)	(90,000)	–	–	–	–	–	(37,729)	(137,729)	(11,158)	(148,887)
At 30 April 2023	**16,17**	**19,449**	**208,339**	**(105,020)**	**29,354**	**46,051**	**1,390**	**(286)**	**119,540**	**318,817**	**66,941**	**385,758**

Del Monte Pacific Limited and its Subsidiaries

Statement of changes in equity
For financial years ended 30 April 2023, 2022 and 2021
(In US$'000)

	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure-ment retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		<---- Attributable to owners of the Company									---->		
Group													
2022													
At 30 April 2021		49,449	478,339	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,184	61,312	642,496
Total comprehensive income for the year													
Profit for the year		–	–	–	–	–	–	–	–	100,031	100,031	15,499	115,530
Other comprehensive income (loss)													
Currency translation differences		–	–	(13,351)	–	–	–	–	–	–	(13,351)	(1,951)	(15,302)
Remeasurement of retirement plans, net of tax	20	–	–	–	–	8,703	–	–	–	–	8,703	802	9,505
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	(6,187)	–	–	–	(6,187)	(425)	(6,612)
Total other comprehensive income (loss)		–	–	(13,351)	–	8,703	(6,187)	–	–	–	(10,835)	(1,574)	(12,409)
Total comprehensive income (loss) for the year		–	–	(13,351)	–	8,703	(6,187)	–	–	100,031	89,196	13,925	103,121
Transactions with owners of the Company recognized directly in equity													
Contributions by and distributions to owners of the Company													
Redemption of A-1 preference shares	16	(20,000)	(180,000)	–	–	–	–	–	–	–	(200,000)	–	(200,000)
Cancelled options	31	–	–	–	–	–	–	(1,753)	–	–	(1,753)	(207)	(1,960)
Dividends	17	–	–	–	–	–	–	–	–	(43,060)	(43,060)	(5,892)	(48,952)
Total contributions by and distributions to owners		(20,000)	(180,000)	–	–	–	–	(1,753)	–	(43,060)	(244,813)	(6,099)	(250,912)
At 30 April 2022	**16,17**	29,449	298,339	(95,322)	14,278	43,752	(4,963)	–	(286)	140,320	425,567	69,138	494,705

Del Monte Pacific Limited and its Subsidiaries

Statement of changes in equity
For financial years ended 30 April 2023, 2022 and 2021
(In US$'000)

	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure -ment of retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		<------ Attributable to owners of the Company ------>											
Group													
2021													
At 30 April 2020		49,449	478,339	(87,997)	13,731	(2,873)	(1,802)	1,753	(286)	60,763	511,077	54,820	565,897
Total comprehensive income for the year													
Profit for the year		–	–	–	–	–	–	–	–	63,256	63,256	13,214	76,470
Other comprehensive income													
Currency translation differences		–	–	6,026	–	–	–	–	–	–	6,026	874	6,900
Gain on property revaluation, net of tax		–	–	–	547	–	–	–	–	–	547	82	629
Remeasurement of retirement plans, net of tax	20	–	–	–	–	37,922	–	–	–	–	37,922	2,778	40,700
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	3,026	–	–	–	3,026	208	3,234
Total other comprehensive income		–	–	6,026	547	37,922	3,026	–	–	–	47,521	3,942	51,463
Total comprehensive income for the year		–	–	6,026	547	37,922	3,026	–	–	63,256	110,777	17,156	127,933
Transactions with owners of the Company recognized directly in equity													
Contributions by and distributions to owners of the Company													
Sale of shares of a subsidiary	6	–	–	–	–	–	–	–	–	9,135	9,135	2,201	11,336
Dividends	17	–	–	–	–	–	–	–	–	(49,805)	(49,805)	(12,865)	(62,670)
Total contributions by and distributions to owners		–	–	–	–	–	–	–	–	(40,670)	(40,670)	(10,664)	(51,334)
At 30 April 2021	**16, 17**	49,449	478,339	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,184	61,312	642,496

Del Monte Pacific Limited and its Subsidiaries

Statement of changes in equity
For financial years ended 30 April 2023, 2022 and 2021
(In US$'000)

	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Reserve for own shares	Retained earnings	Total
Company										
2023										
At 30 April 2022		29,449	298,478	(95,322)	14,278	43,752	(4,963)	(286)	140,320	425,706
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	–	–	16,949	16,949
Other comprehensive income (loss)										
Currency translation differences		–	–	(9,698)	–	–	–	–	–	(9,698)
Gain on property revaluation, net of tax		–	–	–	15,076	–	–	–	–	15,076
Remeasurement of retirement plans, net of tax	20	–	–	–	–	2,299	–	–	–	2,299
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	6,353	–	–	6,353
Total other comprehensive income (loss)		–	–	(9,698)	15,076	2,299	6,353	–	–	14,030
Total comprehensive income (loss) for the year		–	–	(9,698)	15,076	2,299	6,353	–	16,949	30,979
Transactions with owners of the Company recognized directly in equity										
Contributions by and distributions to owners of the Company										
Redemption of A-2 preference shares	16	(10,000)	(90,000)	–	–	–	–	–	–	(100,000)
Dividends	17	–	–	–	–	–	–	–	(37,729)	(37,729)
Total contributions by and distributions to owners		(10,000)	(90,000)	–	–	–	–	–	(37,729)	(137,729)
At 30 April 2023	16, 17	**19,449**	**208,478**	**(105,020)**	**29,354**	**46,051**	**1,390**	**(286)**	**119,540**	**318,956**

Del Monte Pacific Limited and its Subsidiaries

Statement of changes in equity
For financial years ended 30 April 2023, 2022 and 2021
(In US$'000)

	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total
Company											
2022											
At 30 April 2021		49,449	478,478	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,323
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	–	–	100,031	100,031
Other comprehensive income (loss)											
Currency translation differences		–	–	(13,351)	–	–	–	–	–	–	(13,351)
Remeasurement of retirement plans, net of tax	20	–	–	–	–	8,703	–	–	–	–	8,703
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	(6,187)	–	–	–	(6,187)
Total other comprehensive income (loss)		–	–	(13,351)	–	8,703	(6,187)	–	–	–	(10,835)
Total comprehensive income (loss) for the year		–	–	(13,351)	–	8,703	(6,187)	–	–	100,031	89,196
Transactions with owners of the Company recognized directly in equity											
Contributions by and distributions to owners of the Company											
Redemption of A-1 preference shares	16	(20,000)	(180,000)	–	–	–	–	–	–	–	(200,000)
Cancelled options	31	–	–	–	–	–	–	(1,753)	–	–	(1,753)
Dividends	17	–	–	–	–	–	–	–	–	(43,060)	(43,060)
Total contributions by and distributions to owners		(20,000)	(180,000)	–	–	–	–	(1,753)	–	(43,060)	(244,813)
At 30 April 2022	16, 17	29,449	298,478	(95,322)	14,278	43,752	(4,963)	–	(286)	140,320	425,706

Del Monte Pacific Limited and its Subsidiaries

Statement of changes in equity
For financial years ended 30 April 2023, 2022 and 2021
(In US$'000)

	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total
Company											
2021											
At 30 April 2020		49,449	478,478	(87,997)	13,731	(2,873)	(1,802)	1,753	(286)	60,763	511,216
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	–	–	63,256	63,256
Other comprehensive income											
Currency translation differences		–	–	6,026	–	–	–	–	–	–	6,026
Gain on property revaluation, net of tax		–	–	–	547	–	–	–	–	–	547
Remeasurement of retirement plans, net of tax	20	–	–	–	–	37,922	–	–	–	–	37,922
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	3,026	–	–	–	3,026
Total other comprehensive income		–	–	6,026	547	37,922	3,026	–	–	–	47,521
Total comprehensive income for the year		–	–	6,026	547	37,922	3,026	–	–	63,256	110,777
Transactions with owners of the Company recognized directly in equity											
Contributions by and distributions to owners of the Company											
Sale of shares of a subsidiary	6	–	–	–	–	–	–	–	–	9,135	9,135
Dividends	17	–	–	–	–	–	–	–	–	(49,805)	(49,805)
Total contributions by and distributions to owners		–	–	–	–	–	–	–	–	(40,670)	(40,670)
At 30 April 2021	16, 17	49,449	478,478	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,323

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows
For financial years ended 30 April 2023, 2022 and 2021
(In US$'000)

	Note	<---------------- Group	----------------	---------------->	<-------------- Company	--------------	-------------->
		Year ended 30 April 2023	**Year ended 30 April 2022**	**Year ended 30 April 2021**	**Year ended 30 April 2023**	**Year ended 30 April 2022**	**Year ended 30 April 2021**
Cash flows from operating activities							
Profit for the year		**25,377**	115,530	76,470	**16,949**	100,031	63,256
Adjustments to reconcile profit for the year to net cash flows:							
Depreciation of property, plant and equipment	25	**154,439**	146,480	139,950	**–**	–	–
Finance expense	26	**211,353**	111,986	113,615	**32,229**	12,977	13,116
Amortization of right-of-use assets	23	**32,972**	39,292	37,205	**93**	93	106
Tax expense – current	27	**26,759**	20,605	33,059	**71**	22	51
Tax credit – deferred	9, 27	**(9,592)**	18,695	(5,786)	**(19)**	(18)	(44)
Amortization of intangible assets	8	**6,967**	6,650	6,650	**–**	–	–
Share in losses (earnings) of joint ventures and subsidiaries	7	**1,486**	4,954	1,531	**(61,304)**	(124,437)	(86,990)
Allowance for inventory obsolescence	12	**9,542**	4,135	7,043		–	–
Finance income	26	**(13,751)**	(2,629)	(7,028)	**(177)**	(11)	(846)
Impairment loss in joint ventures	7	**–**	2,000	2,096	**–**	–	–
Equity-settled share-based payment transactions		**–**	(1,960)	–	**–**	–	–
Unrealized foreign exchange loss (gain)		**3,966**	(1,851)	(11)	**107**	127	13
Impairment (reversal) of trade and nontrade receivables	13	**(181)**	1,060	144	**–**	–	–
Loss (gain) on disposal of property, plant and equipment	25	**759**	789	(1,333)	**–**	–	–
		450,096	465,736	403,605	**(12,051)**	(11,216)	(11,338)
Changes in:							
Other assets		**(7,813)**	(9,039)	3,853	**–**	(49)	–
Inventories		**(396,413)**	(137,944)	(75,602)	**–**	–	–
Biological assets		**(632)**	(6,311)	18,716	**–**	–	–
Trade and other receivables		**(18,002)**	(40,020)	24,053	**(5,022)**	1	55
Prepaid expenses and other current assets		**(13,456)**	(9,334)	(3,161)	**920**	(110)	(868)
Employee benefits		**(15,902)**	1,809	18,345	**107**	192	90
Trade payables and other current liabilities		**20,695**	31,757	(43,071)	**(725)**	(494)	2,236
Operating cash flows		**18,573**	296,654	346,738	**(16,771)**	(11,676)	(9,825)
Taxes paid		**(21,336)**	(15,916)	(31,464)	**–**	(6)	(76)
Net cash flows generated from (used in) operating activities		**(2,763)**	280,738	315,274	**(16,771)**	(11,682)	(9,901)

Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows
For financial years ended 30 April 2023, 2022 and 2021
(In US$'000)

	Note	<---- Group	----	---->	<---- Company	----	---->
		Year ended 30 April 2023	Year ended 30 April 2022	Year ended 30 April 2021	Year ended 30 April 2023	Year ended 30 April 2022	Year ended 30 April 2021
Cash flows from investing activities							
Acquisitions of property, plant and equipment		**(237,922)**	(202,659)	(163,974)	**–**	–	–
Interest received		**4,434**	1,169	514	**8**	11	14
Additions to investments in joint ventures	7	**(4,090)**	(1,001)	–	**–**	–	–
Additional advances to joint ventures		**(185)**	(595)	(840)	**(185)**	(595)	(840)
Proceeds from disposal of property, plant and equipment		**210**	231	11,705	**–**	–	–
Collection of receivable from prior year sale of shares of subsidiary and settlement of transaction costs		**–**	–	106,520	**–**	–	–
Proceeds from additional sale of shares of subsidiary		**–**	–	8,954	**–**	–	–
Investments in subsidiaries		**–**	–	–	**–**	–	(150,000)
Acquisition of intangible assets, net of transaction costs	8	**(71,761)**	–	–	**–**	–	–
Advances to related company		**–**	–	–	**(110,384)**	(67,874)	(33,505)
Dividend received		**–**	–	–	**88,503**	33,519	242,721
Net cash flows (used in) from investing activities		**(309,314)**	(202,855)	(37,121)	**(22,058)**	(34,939)	58,390
Cash flows from financing activities							
Proceeds from borrowings	39	**4,746,953**	2,848,113	4,299,181	**128,500**	333,000	157,300
Repayment of borrowings	39	**(4,032,573)**	(2,547,034)	(4,380,653)	**(168,071)**	(89,810)	(158,911)
Redemption of preference share capital	16	**(100,000)**	(200,000)	–	**(100,000)**	(200,000)	–
Interest paid		**(144,006)**	(89,359)	(77,349)	**(29,165)**	(11,004)	(11,686)
Dividends paid to equity holders of the parent	17	**(37,729)**	(43,060)	(49,805)	**(37,729)**	(43,060)	(49,805)
Payments of lease liability	23	**(42,685)**	(38,870)	(43,377)	**–**	(52)	(107)
Dividends paid to non-controlling interests		**(11,158)**	(5,892)	(12,865)	**–**	–	–
Payment of debt related costs	18	**(20,295)**	(2,383)	(20,551)	**(218)**	(2,383)	(1,948)
Redemption cost on Senior Secured Notes	26	**(44,530)**	–	–	–	–	–
Net collections (repayments) of advances from related companies		–	–	–	**38,412**	20,941	(238,611)
Advances from related companies		–	–	–	**205,697**	39,034	256,597
Net cash flows from (used in) financing activities		**313,977**	(78,485)	(285,419)	**37,426**	46,666	(47,171)

Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows
For financial years ended 30 April 2023, 2022 and 2021
(In US$'000)

	Note	<----------------- Group ---------------->			<-------------- Company ------------->		
		Year ended 30 April 2023	**Year ended 30 April 2022**	**Year ended 30 April 2021**	**Year ended 30 April 2023**	**Year ended 30 April 2022**	**Year ended 30 April 2021**
Net increase (decrease) in cash and cash equivalents		**1,900**	(602)	(7,266)	**(1,403)**	45	1,318
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		**(3,917)**	(6,980)	3,236	**(172)**	(20)	20
Cash and cash equivalents at beginning of year		**21,853**	29,435	33,465	**2,129**	2,104	766
Cash and cash equivalents at end of year		**19,836**	21,853	29,435	**554**	2,129	2,104

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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The accompanying financial statements were approved and authorized for issuance by the Board of Directors (the "Board") on 7 July 2023.

1. Domicile and activities

Del Monte Pacific Limited (the "Company") was incorporated as an international business company in the British Virgin Islands on 27 May 1999 under the International Business Companies Act (Cap. 291) of the British Virgin Islands. It was automatically re-registered as a company on 1 January 2007 when the International Business Companies Act was repealed and replaced by the Business Companies Act 2004 of the British Virgin Islands.

The registered office of the Company is located at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in growing, processing, and selling packaged fruits, vegetable and tomato, sauces, condiments, pasta, broth and juices, mainly under the brand names of "Del Monte", "S&W", "Today's", "Contadina", "College Inn" and other brands and fresh pineapples under "S&W" and other brands pursuant to relevant agreements. The Company's subsidiaries also produce and distribute private label food products.

The immediate holding company is NutriAsia Pacific Limited ("NAPL"), and the indirect shareholders of which are NutriAsia Inc. ("NAI") and Well Grounded Limited ("WGL"), which at 30 April 2023, 2022 and 2021, each held 57.8% and 42.2% interests in NAPL, respectively, through their intermediary company, NutriAsia Holdings Limited. NAPL, NAI and WGL were incorporated in the British Virgin Islands. The ultimate holding company is HSBC International Trustee Limited.

On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Ordinary Shares of the Company were also listed on the Philippine Stock Exchange Inc. ("PSE") on 10 June 2013. The first tranche of the Company's Preference Shares (Series A-1) was listed on 7 April 2017 and the second tranche (Series A-2) on 15 December 2017. The Company redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares on 7 April 2022, and all of the outstanding 10,000,000 Series A-2 Preference Shares on 15 December 2022 (see Note 16).

On 6 August 2010, the Company established DM Pacific Limited-ROHQ ("ROHQ"), the regional operating headquarters of the Company in the Philippines. The ROHQ is registered with and licensed by the Philippine Securities and Exchange Commission ("SEC") to engage in general administration and planning, business planning and coordination, sourcing and procurement of raw materials and components, corporate financial advisory, marketing control and sales promotion, training and personnel management, logistics services, research and product development, technical support and maintenance, data processing and communication, and business development. The ROHQ commenced its operations in October 2015.

The financial statements of the Group as at 30 April 2023 and 2022 and for the three financial years ended 30 April 2023, 2022 and 2021 comprise the Company and its subsidiaries (collectively referred to as the "Group", and individually as "Group entities"), and the Group's interests in joint ventures.

2. Going concern

As of 30 April 2023, the Group's and the Company's current liabilities exceeded its current assets by US$205.3 million and US$414.0 million, respectively (2022: the Company's current liabilities exceeded its current assets by US$122.7 million). The negative working capital is attributable to the early redemption of preference shares in April and December 2022, and the maturity of long-term loans due within the next 12 months in the Company.

Management believes that the Company will be able to pay or refinance its liabilities as and when they fall due. Accordingly, the use of going concern assumption is appropriate taking into account the following:

- The Group continues to find new sources of funding to improve cash management:

  a. In 16 May 2022, Del Monte Foods, Inc. (DMFI) raised US$600 million through a 7-year Term Loan B facility maturing in 2029 at Adjusted Secured Overnight Financing Rate (SOFR), with a floor of 0.5%, plus 4.25% p.a. The proceeds were used to primarily redeem the US$500 million Senior Secured Notes plus redemption fees and accrued interest. The refinanced Notes had an interest rate of 11.875% p.a. and were due to mature in 2025. On 7 February 2023, DMFI obtained additional term loan commitments amounting to US$125.0 million, bearing the same interest and maturity date with initial term loans.

- The Group has sufficient credit lines available for drawdown and, as such, management believes that the Group will have sufficient working capital to enable the Group to meet its objectives and future financial obligations:

  a. On 11 May 2023, the Company refinanced its US$100 million facility with Bank of the Philippine Islands (BPI) that was due to mature on 15 May 2023 for an additional period of 18 months up to 15 November 2024.
  b. On 25 May 2023, the Company obtained a loan amounting to US$50.0 million from Union Bank of the Philippines. The loan matures on 25 May 2024.
  c. The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks. Currently, the Group excluding Del Monte Foods, Inc. (DMFI) is entitled to a total of US$1,639.9 million in credit lines, of which 17% remain available. The Group constantly maintain good relations with its banks, such that additional facilities, whether for short or long-term requirements, may be made available.
  d. The Group is able to increase the commitments under the ABL Facility, such that the aggregate principal amount of commitments dues do not exceed US$625.0 million. As at 30 April 2023, there were US$465.0 million of loans outstanding and US$24.3 million of letters of credit issued. The net availability to DMFI Group under the ABL Credit Agreement was US$135.7 million as at 30 April 2023.

2. Going concern (cont'd)

- The Group generated net operating cash flows of US$280.7 million for the year ended 30 April 2022 and remains vigilant in managing its costs and protecting its margins amidst a high inflationary environment. During the year, the Group's inventory increased by US$390.8 million driven by increased costs due to high inflation experienced globally, an operational direction to enhance customer service levels through increased inventory and also normalized offtake in certain categories post COVID-19 pandemic. Management had undertaken various measures to improve operating profits such as packaging materials optimization, investments in the Philippine cannery and all plants in the US to improve efficiency, productivity and minimize wastage, increased efficiency in distribution centers, and the implementation of certain price increases that would have assisted in offsetting the inflationary impact across all market segments. In addition, lowering inventory will be a big focus for the Group in fiscal years 2024 and 2025 which is expected to further improve cash flow and lower debt.

- The Company had continued to receive dividend payments from its subsidiaries and expects the same in the next 12 months. As DMFI's performance continues to improve, the Group also expects to get regular dividends which will help enable the Company to meet its ongoing obligations.

3. Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

3.2 Basis of measurement

The financial statements have been prepared on historical cost basis except as otherwise described in the succeeding notes below.

3.3 Functional and presentation currency

The financial statements are presented in United States Dollars (US$) which is the Company's functional currency. All financial information presented in US Dollars has been rounded to the nearest thousand, unless otherwise stated.

3.4 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

3. Basis of preparation (cont'd)

3.4 Use of estimates and judgments (cont'd)

Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are included in the following notes:

Note 6 – Recognition of Share Purchase Agreement as at 30 April 2020
Note 6 – Equity classification
Note 6 – Determination of control over subsidiaries
Note 6 – Non-consolidation of Del Monte Andina C.A.
Note 7 – Determination of joint control and the type of joint arrangement
Note 8 – Assessment of useful life of intangible assets with indefinite useful life
Note 23 – Determination of lease term of contracts with renewal options

Estimates and underlying assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment within the next financial year are included in the following notes:

Note 5 – Useful lives of property, plant and equipment, revaluation of freehold land, estimate of harvest for bearer plant's depreciation
Note 5 – Impairment of property, plant and equipment
Note 6 – Obligation to deliver additional Redeemable and Convertible Preferred Shares ("RCPS")
Note 6 – Obligation to purchase excess shares or sell shortfall shares
Note 6 – Fair value of derivative liability on the call option
Note 6 – Recoverability of investments in subsidiaries
Note 7 – Recoverability of investments in joint ventures
Note 8 – Impairment of goodwill and intangible assets
Note 8 – Useful lives of intangible assets
Note 9 – Recognition of deferred tax assets
Note 11 – Fair value of harvested agricultural produce
Note 11 – Future tonnage of harvests
Note 11 – Fair value of unharvested agricultural produce
Note 12 – Allowance for inventory obsolescence and net realizable value
Note 13 – Impairment of trade and nontrade receivables
Note 20 – Measurement of employee benefit obligations
Note 22 – Estimation of trade promotion accruals
Note 23 – Determination of incremental borrowing rate for lease liabilities
Note 27 – Measurement of income tax
Note 34 – Determination of fair values
Note 36 – Contingencies

3. Basis of preparation (cont'd)

3.5 Measurement of fair value

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(ii) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
(iii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
(iv) Level 3: unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements or a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics, and risks of the asset or liability and the level of fair value hierarchy as explained above.

3. Basis of preparation (cont'd)

3.6 Adoption of New or Revised Standards, Amendments to Standards and Interpretations

The accounting policies adopted are consistent with those of the previous fiscal year, except that the Group has adopted the following new accounting pronouncements starting 1 May 2022. Unless otherwise indicated, adoption of these new standards did not have any significant impact on the Group's consolidated financial statements.

- Amendments to IFRS 3*, Business Combinations*, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of International Accounting Standard (IAS) 37, *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to IAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to IAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to IFRSs* 2018-2020 Cycle

  - Amendments to IFRS 1, *First-time Adoption of International Financial Reporting Standards, Subsidiary as a First-time Adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

3. Basis of preparation (cont'd)

3.6 Adoption of New or Revised Standards, Amendments to Standards and Interpretations (cont'd)

- *Annual Improvements to IFRSs* 2018-2020 Cycle (cont'd)

  - Amendments to IFRS 9, *Financial Instruments*, *Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  - Amendments to IAS 41, *Agriculture, Taxation in Fair Value Measurements*

    The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

4. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 3.6, which addresses the changes in accounting policies.

4.1 Basis of consolidation

(i) Business combination

Business combinations are accounted for using the acquisition method in accordance with IFRS 3, *Business Combinations,* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group's goodwill is initially measured at cost, measures goodwill at the acquisition date as:

- the fair value of consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree.

Over the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognized immediately in the income statement.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in the income statement.

4. Significant accounting policies (cont'd)

4.1 Basis of consolidation (cont'd)

(i) Business combination (cont'd)

Any contingent consideration payable is recognized at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in the income statement.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other components of non-controlling interests are measured at acquisition-date fair value unless another measurement is required by another standard.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period it occurs, provisional amounts for the items for which the accounting is incomplete is reported in the financial statements. During the measurement period, which is not more than one year from acquisition date, the provisional amounts recognized are retrospectively adjusted, and any additional assets or liabilities recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Comparative information for prior periods are revised, as needed.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognized in the income statement. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

If the assets acquired are not a business, the Group shall account for the transaction or other event as an asset acquisition. The cost of the Group is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. These transactions or events do not give rise to goodwill.

4. Significant accounting policies (cont'd)

4.1 Basis of consolidation (cont'd)

(ii) Investments in subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- power over the investee (i.e., existing rights that give 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.

When the Company has less than majority of the voting rights or similar rights to an investee, the Company 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; and
- the Company's voting rights and potential voting rights.

The Company reassesses 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. Subsidiaries are fully consolidated from the date control is transferred to the Company and cease to be consolidated from the date control is lost. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the income statement from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the 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 into line with the Company's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

(iii) Acquisition under common control

The formation of the Group in 1999 was accounted for as a reorganization of companies under common control using merger accounting. The financial statements therefore reflect the combined financial statements of all companies that form the Group as if they were a Group for all periods presented. The assets and liabilities of Del Monte Pacific Resources Limited and its subsidiaries contributed to the Company have been reflected at predecessor cost in these financial statements.

4. Significant accounting policies (cont'd)

4.1 Basis of consolidation (cont'd)

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in the income statement.

(v) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and goodwill. For the measurement of goodwill on initial recognition, see Note 8.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of the joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the joint ventures.

Impairment of goodwill is discussed in Note 4.11.

(vi) Investments in joint ventures

Joint ventures are those entities in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint control is the contractually sharing of control of an arrangement, which exists only when decisions about the relevant activities require 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.

Investments in joint ventures are accounted for using the equity method. They are recognized initially at cost, which includes transaction costs.

Subsequent to the initial recognition, the financial statements include the Group's share of profit or loss and other comprehensive income of the joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of net losses exceeds its interest in joint ventures, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued, except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Impairment of investments in joint ventures is discussed in Note 4.11.

4. Significant accounting policies (cont'd)

4.1 Basis of consolidation (cont'd)

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated in preparing the financial statements. Unrealized gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(viii) Investments in subsidiaries and joint ventures in the separate financial statements

Interest in subsidiaries and joint ventures are accounted for using the equity method. It is initially recognized at cost, which includes transactions costs. Subsequent to the initial recognition, the financial statements include the Company's share of profit or loss and other comprehensive income of the equity-accounted investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

When the Company's share of losses exceeds its interest in subsidiaries and joint ventures, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has an obligation to fund the investee's operations or has made payments on behalf of the investee.

4.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognized in the income statement, except for differences which are recognized in OCI arising on the retranslation of qualifying cash flow hedges to the extent the hedge is effective.

4. Significant accounting policies (cont'd)

4.2 Foreign currency (cont'd)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to US Dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US Dollars using monthly average exchange rates.

Foreign currency differences are recognized in OCI and presented in the foreign currency translation reserve ("translation reserve") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, such that control, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the income statement.

When the settlement of a monetary item that is a receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in OCI, and presented in the translation reserve in equity.

4.3 Current versus Noncurrent Classification

The Group presents assets and liabilities in the statement of financial position based on current and noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as noncurrent. Deferred tax assets and deferred tax liabilities are classified as noncurrent assets and liabilities, respectively.

4. Significant accounting policies (cont'd)

4.4 Intangible assets

(i) Indefinite useful life intangible assets

Intangible assets are measured at cost less accumulated impairment losses.

The Group assess intangible assets as having indefinite useful life if there is no foreseeable limit to the period over which the assets are expected to generate cash inflows for the entity.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the income statement as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs. Other development expenditure is recognized in the income statement as incurred. Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

(iii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

(iv) *Subsequent expenditure*

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the income statement as incurred.

(v) Amortization

Amortization of intangible assets with finite lives is calculated based on the cost of the asset.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of these assets, other than goodwill and, from the date that they are available for use. The estimated useful lives for the current period and comparative years are as follows:

Trademarks	-	10 to 20 years
Customer relationships	-	20 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4. Significant accounting policies (cont'd)

4.5 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.

- Recognition and measurement

  Financial instruments are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

  A financial asset, unless it is a trade receivable without a financing component, or financial liability is initially measured at fair value plus, for an item not at financial assets at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price determined under IFRS 15, *Revenue from Contracts with Customers*.

- Classification and subsequent measurement

  Financial assets

  On initial recognition, the Group classifies its financial assets into the following categories: financial assets at amortized cost, financial assets at FVTPL, and financial assets at financial assets through other comprehensive income ("FVOCI"). The classification depends on the Group's business model for managing financial instruments and the contractual cash flow characteristics of the financial instruments. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case, all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

  A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL: (1) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and (2) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated at FVTPL: (1) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (2) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

4. Significant accounting policies (cont'd)

4.5 Financial instruments (cont'd)

- Classification and subsequent measurement (cont'd)

The Group's financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group has investments in unquoted equity instruments and club shares that are classified and measured at FVOCI.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method and are subject to impairment. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Impairment losses on trade receivables are recognized under distribution and selling expenses. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at amortized cost comprise cash in banks and cash equivalents, trade and other receivables, due from a subsidiary, refundable deposits and note receivables recognized under "Other noncurrent assets".

Business model assessment

The Group's business model refers to how an entity manages its financial assets in order to generate cash flows. It determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group makes an assessment of the objective of the business model in which financial assets held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

(a) the policies and objectives in managing the Group's financial assets for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets; how the performance of the portfolio is evaluated and reported to the Group's management;

(b) the risks that affect the performance of the business model and how those risks are managed;

(c) how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

(d) the frequency, volume and timing of sales of financial assets in prior period, the reasons for such sales and expectations about future sales activity.

4. Significant accounting policies (cont'd)

4.5 Financial instruments (cont'd)

- Classification and subsequent measurement (cont'd)

Assessment Whether Contractual Cash Flows are Solely Payments of Principal and Interest ("SPPI")

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

(i) contingent events that would change the amount or timing of cash flows;
(ii) terms that may adjust the contractual coupon rate, including variable-rate features;
(iii) prepayment and extension features; and
(iv) terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Financial liabilities at amortized cost comprise bank loans, trade and other payables.

4. Significant accounting policies (cont'd)

4.5 Financial instruments (cont'd)

- Classification and subsequent measurement (cont'd)

Classification of Financial Instruments between Debt and Equity

A financial instrument is classified as debt instrument if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity;
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or has expired. Repurchases of a portion of a financial liability result in the allocation of the original carrying value of the financial liability between the portion that continues to be recognized and the portion that was repurchased based on the relative fair values on the date of the repurchase. Any unamortized debt issue costs are derecognized along with the financial liability. Redemption costs incurred on purchase of a financial liability is recognized in profit or loss when incurred.

4. Significant accounting policies (cont'd)

4.5 Financial instruments (cont'd)

- Classification and subsequent measurement (cont'd)

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.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

4. Significant accounting policies (cont'd)

4.5 Financial instruments (cont'd)

- Classification and subsequent measurement (cont'd)

Derivative financial instruments, including hedge accounting

The Group uses derivative financial instruments for the purpose of managing risks associated with interest rates, currencies, transportation and certain commodities. The Group does not trade or use instruments with the objective of earning financial gains on fluctuations in the derivative instrument alone, nor does it use instruments where there are no underlying exposures. All derivative instruments are recorded in the statement of financial position at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether the instrument has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. For those derivative instruments that are not designated as hedging instruments, changes in fair value subsequent to initial recognition are recognized in the income statement. For those derivative instruments that are designated and qualify as hedging instruments, the Group designates the hedging instrument as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation based upon the exposure being hedged.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are generally expected to offset each other. To qualify for hedge accounting, the hedging relationship has to meet the following hedge 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 entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item; and

- the hedged item and the hedging instrument are not intentionally weighted to create hedge ineffectiveness, whether recognized or not, to achieve an accounting outcome that would be inconsistent with the purpose of hedge accounting.

Derivatives are recognized initially at fair value; any directly attributable transaction costs are recognized in the income statement as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value. Changes therein are recognized in OCI, generally for derivatives designated as effective hedges, or the consolidated income statement, for other derivatives.

4. Significant accounting policies (cont'd)

4.5 Financial instruments (cont'd)

- Classification and subsequent measurement (cont'd)

For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the income statement.

The amount accumulated in equity is retained in OCI and reclassified to the consolidated income statement in the same period or periods during which the hedged item affects the income statement, except when a hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, in which case the amount retained in OCI is included directly in the initial cost of the non-financial item when it is recognized.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in OCI remains in equity until, for hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period or periods as the hedged expected future cash flows affect the income statement. If a hedged forecast transaction is no longer expected to occur, then the amount accumulated in equity is immediately reclassified to the income statement.

4.6 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses except for freehold land, which are stated at its revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated impairment losses. Revaluation is carried out by independent professional values regularly such that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in the revaluation amount is recognized in OCI and presented in the revaluation reserve in equity unless it offsets a previous decrease in value of the same asset that was recognized in the income statement. A decrease in value is recognized in the income statement where it exceeds the increase previously recognized in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from OCI to retained earnings.

4. Significant accounting policies (cont'd)

4.6 Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

Bearer plants are measured at cost less accumulated amortization based on actual volume of harvest over total estimated volume of harvest. Costs to grow include purchase cost of various chemicals and fertilizers, land preparation expenses and direct expenses during the cultivation of the primary ratoon and, if needed, re-ratoon crops.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, estimated costs of dismantling and removing the items and restoring the site on which they are located (when the Group has an obligation to remove the asset or restore the site), and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Construction in-progress represents plant and properties under construction or development and is stated at cost. This includes cost of construction, plant and equipment, borrowing costs directly attributable to such asset during the construction period and other direct costs. Construction in-progress is not depreciated until such time when the relevant assets are substantially completed and available for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item, and is recognized net within other income/other expenses in the income statement.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the income statement as incurred.

4. Significant accounting policies (cont'd)

4.6 Property, plant and equipment (cont'd)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation (except bearer plants) is recognized in the income statement on a straight-line basis over their estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Freehold land is not depreciated.

Depreciation is recognized from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current period and comparative years are as follows:

Buildings, land improvements and leasehold improvements	-	3 to 50 years or lease term, whichever is shorter
Machineries and equipment	-	3 to 30 years

For bearer plants, units of production method is used. Depreciation is charged according to the cost of fruits harvested at plant crop and ratoon crop harvest months.

Bearer plants are depreciated based on the ratio of actual quantity of harvest over the estimated yield for both plant crop and ratoon crop harvests. Plant crop harvest usually occurs within 16 to 18 months after planting while ratoon crop harvest occurs at the 32nd to 34th month after planting. Depreciation is determined on a per field basis.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Borrowing costs

Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds.

4. Significant accounting policies (cont'd)

4.6 Property, plant and equipment (cont'd)

(iv) Borrowing costs (cont'd)

Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period.

Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when all the activities necessary to prepare the asset for its intended use or sale are substantially complete. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized.

4.7 Biological assets

The Group's biological assets include: (a) agricultural produce consisting of pineapple and papaya; (b) breeding and dairy herd; (c) growing herd; and (d) cattle for slaughter. Agricultural produce include: (a) harvested and unharvested pineapple and papaya fruits from the Group's bearer plants; and (b) cut meat from the cattle for slaughter.

The Group's biological assets are accounted for as follows:

Breeding and Dairy Herd

The breeding and dairy herd are measured at cost. The breeding and dairy herd have useful lives of 3 ½ to 6 years. The cost method was used since fair value cannot be measured reliably. The breeding and dairy herd have no active markets and no similar assets are available in the relevant markets. In addition, existing sector benchmarks are irrelevant and estimates necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result in a reliable basis for determining the fair value. Breeding and dairy herd are classified as noncurrent assets in the statement of financial position of the Group.

Growing Herd

Growing herd is measured at cost. The cost method was used since the fair value cannot be measured reliably. Growing herd has no defined active market since it has not yet been identified if this will be for breeding or for slaughter. Growing herd is classified as noncurrent assets in the statement of financial position of the Group.

4. Significant accounting policies (cont'd)

4.7 Biological assets (cont'd)

The Group's agricultural produce are accounted for as follows:

Agricultural Produce

The Group's growing or unharvested produce are measured at their fair value from the time of maturity of the bearer plant until harvest. The Group estimates the fair value of unharvested agricultural produce using estimated tonnage of harvest, estimated future selling prices and gross margin of finished goods less estimated future growing cost and adjusted for margin related to production. The fair value is multiplied to the estimated tonnage of harvested pineapple fruit at the end of the period based on the age of the crops after planting date. The Group's harvested produce are measured at fair value at the point of harvest based on the estimated selling prices reduced by cost to sell and adjusted for margin related to production. The fair value is multiplied to actual harvest for the period. Gains and losses arising from changes in fair values are included in profit or loss under "Changes in fair values of biological assets" in "Revenue" for the period in which they arise.

Cutmeat

Cutmeat is measured at each reporting date at their fair value less cost to sell. Gains and losses arising from changes in fair values are included in profit or loss under "changes in fair value of biological assets" in "Revenue" for the period in which they arise.

4.8 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. The arrangement is assessed for whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Right-of-use assets and lease liabilities are presented separately in the consolidated statement of financial position.

Group as a 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 liability to make lease payments and right-of-use asset representing the right to use the underlying asset.

Right-of-use Assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The right-of-use assets were measured at an amount equal to the lease liability, adjusted for initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

4. Significant accounting policies (cont'd)

4.8 Leases (cont'd)

Right-of-use Assets (cont'd)

The estimated useful lives are as follows:

Buildings, land improvements and	-	2 to 6 years
Leasehold improvements Land	-	2 to 26 years
Machineries and equipment	-	2 to 17 years

The right-of-use assets are presented separately in the statement of financial position.

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 ("IBR"). 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 of machinery and equipment (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 that are considered of low value (i.e., personal computers). 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.

Sale and Leaseback

When the Group sells or transfers an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, the Group account for the sale or transfer contract and the lease by applying the requirements of IFRS 16. The Group first applies the requirements for determining when a performance obligation is satisfied in IFRS 15 to determine whether the sale or transfer of an asset is accounted for as a sale of that asset.

For sale or transfer of an asset that satisfies the requirements of IFRS 15 to be accounted for as a sale of the asset, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

4. Significant accounting policies (cont'd)

4.8 Leases (cont'd)

Sale and Leaseback (cont'd)

If the sale or transfer of an asset does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset, the Group continues to recognize the transferred asset and recognizes a financial liability equal to the proceeds from the sale or transfer. The Group accounts for the financial liability in accordance with the requirements of IFRS 9.

Sublease arrangements

The Group determines if the sublease arrangement qualifies as a finance or operating lease. The Group assesses and classifies a sublease as finance lease if it has transferred substantially all the risk and rewards incidental to the ownership of the leased asset. The Group compares the sublease term with the head lease term. If the sublease term accounts for the majority or 75% of the head lease term, same is classified as a finance lease, otherwise it is classified as an operating lease.

At the inception date, if the sublease qualifies as finance lease, the Group derecognizes the right-of-use asset on the head lease and continues to account for the original lease liability. The Group as a sublessor, recognizes a net investment in sublease and evaluate it for impairment. If classified as operating lease, the Group continues to account for the lease liability and right-of-use asset on the head lease like any other lease.

4.9 Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of raw materials, packaging materials, traded goods, cost of production materials and storeroom items is based on the FIFO (First-in First-out) method. Cost of processed inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of conversion include costs directly related to the units of production, and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

The allocation of fixed production overheads is based on the normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average for the periods or seasons under normal circumstances, taking into account the seasonal business cycle of the Group.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of growing crops transferred from biological assets is its fair value less cost to sell at the date of harvest.

4. Significant accounting policies (cont'd)

4.10 Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term, highly liquid investments that are readily convertible to known amount of cash with original maturities of three months or less that are subject to insignificant risk of change in value.

4.11 Impairment

(i) Non-derivative financial assets

The Group recognizes loss allowances for expected credit losses ("ECLs") on financial assets measured at amortized cost.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

Impairment loss allowances are measured on either lifetime ECLs or 12-month ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date, or a shorter period if the expected life of the instrument is less than 12 months.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for debt securities that are determined to have low credit risk at the reporting date and other debt securities, non-trade and other receivables and bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Impairment loss allowances for trade receivables without a significant financing component are measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held), or when the financial asset is more than 90 days past due.

4. Significant accounting policies (cont'd)

4.11 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

At each reporting date, the Group assesses whether financial assets at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired may include significant financial difficulty of the debtor, a breach of contract such as a default, the restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that the debtor or issuer will enter bankruptcy or other financial reorganization, the disappearance of an active market for that financial asset because of financial difficulties, adverse changes in the payment status of borrowers or issuers, or economic conditions that correlate with defaults.

Impairment loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets in the statement of financial position. The gross carrying amount of a financial asset is written-off when the Group has no realistic prospects of recovery of the asset.

(ii) *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value-in-use ("VIU") and its fair value less costs to sell. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in the income statement. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

4. Significant accounting policies (cont'd)

4.11 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

An impairment loss recognized in prior periods for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Joint ventures and investments in subsidiaries

An impairment loss in respect of joint ventures is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in the income statement. An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

Goodwill

Goodwill that forms part of the carrying amount of an investment in a joint venture is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in a joint venture may be impaired.

When conducting the annual impairment test for goodwill, the Group compares the estimated fair value of the CGU containing goodwill to its recoverable amount.

Goodwill is allocated to a CGU or group of CGUs that represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The recoverable amount is computed using two approaches: the VIU approach, which is the present value of expected cash flows, discounted at a risk adjusted weighted average cost of capital; and the fair value less cost to sell approach, which is based on the Income Approach, which indicates the recoverable amount of an asset based on the value of the cash flows that the asset can be expected to generate in the future.

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss in respect of goodwill attributable to acquisition of a subsidiary is not reversed.

Intangible assets with indefinite useful lives, are components of the CGU containing goodwill and the impairment assessment is as described above.

4. Significant accounting policies (cont'd)

4.12 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

(ii) Defined benefit pension plan

A defined benefit pension plan requires contributions to be made to separately administered funds. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities.

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.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognizes them immediately in other comprehensive income and all expenses related to defined benefit plans in staff cost in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the income statement.

When the plan amendment or curtailment occurs, the Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement. In fiscal year 2020, there were amendments to the employee benefit plans, eliminating certain benefits in fiscal year 2020 and after fiscal year 2022 (see Note 20).

4. Significant accounting policies (cont'd)

4.12 Employee benefits (cont'd)

(ii) Defined benefit pension plan (cont'd)

Multi-employer plans

The Group participates in several multi-employer pension plans, which provide defined benefits to certain union employees. The Group accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as a defined contribution plan. For certain union employee related retirement plans where sufficient information is not available to use defined benefit accounting, the Group accounts for these plans as if they were defined contribution plans.

(iii) Other plans

The Group has various other non-qualified retirement plans and supplemental retirement plans for executives, designed to provide benefits in excess of those otherwise permitted under the Group's qualified retirement plans. These plans are unfunded and comply with Internal Revenue Service (IRS) rules for non-qualified plans.

(iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognized in the income statement in the period in which they arise. Other long-term employee benefits include the Group's long-term executive cash incentive awards (see Note 31).

(v) Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits arising from involuntary termination are recognized as an expense once the Group has announced the plan to affected employees.

(vi) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

4. Significant accounting policies (cont'd)

4.12 Employee benefits (cont'd)

(vii) Share-based payment transactions

The Group grants share awards and share options to employees of the Group. The fair value of incentives granted is recognized as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and accounted for as described below.

Share awards

The fair value, measured at grant date, is recognized over the period during which the employees become unconditionally entitled to the shares.

Share options

The fair value, measured at grant date, is recognized over the vesting period during which the employees become unconditionally entitled to the options. At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates in employee benefit expense and as a corresponding adjustment to equity over the remaining vesting period.

4.13 Share capital and retained earnings

(i) Share capital

Ordinary shares

Ordinary shares are classified as equity. Holders of these shares are entitled to dividends as declared from time to time, and to one vote per share at general meetings of the Company.

Preference shares

Preference shares are classified as equity. Holders of these shares are entitled to cash dividends based on the issue price, at the dividend rate per annum from the issue date, payable every 7 October and 7 April of each year following the issue date, upon declaration by the Board.

The transaction costs directly attributable to the issue of ordinary and preference shares are accounted for as deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognized as an expense.

4. Significant accounting policies (cont'd)

4.13 Share capital and retained earnings (cont'd)

(i) Share capital (cont'd)

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

Share premium

Share premium represents the excess of consideration received over the par value of ordinary and preference shares net of transaction costs from issuance of share capital, share options exercised and released of share awards granted.

(ii) Retained Earnings

Retained earnings include profit attributable to the equity holders of the Group and reduced by dividends declared on share capital.

Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

(iii) Dividends

Dividends are recognized as a liability and deducted from retained earnings when they are declared.

4.14 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(i) Environment remediation liabilities

In accordance with the Group's environment policy and applicable legal requirements, a provision for environmental remediation obligations and the related expense is recognized when such losses are probable, and the amounts of such losses can be estimated reliably. Accruals for estimated losses for environmental remediation obligations are recognized no later than the completion of the remedial feasibility study. These accruals are adjusted as further information develops or circumstances change.

4. Significant accounting policies (cont'd)

4.14 Provisions (cont'd)

(ii) Retained insurance liabilities

The Group accrues for retained insurance risks associated with the deductible portion of any potential liabilities that might arise out of claims of employees, customers or other third parties for personal injury or property damage occurring in the course of the Group's operations.

A third-party actuary is engaged to assist the Group in estimating the ultimate cost of certain retained insurance risks. Additionally, the Group's estimate of retained insurance liabilities is subject to change as new events or circumstances develop which might materially impact the ultimate cost to settle these losses.

4.15 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, excluding amounts collected on behalf of third parties. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognized:

(i) Sales of goods

Revenue from the sale of goods is recognized at a point in time when control of the asset is transferred to the customer, generally on delivery and acceptance of the promised goods.

Each contract with a customer specifies minimum quantity, fixed prices and effective period and is not subject to change for the contractual period unless mutually agreed by the parties. Invoices are usually payable within 30 days from delivery.

The Group provides allowances under trade promotions to customers and coupons to end consumers which are reimbursable by the Group to customers when redeemed. Allowances and coupons are generally considered as reductions of the transaction price and recognized at the later of when the Group recognizes revenue for the transfer of the related goods and when the Group pays or promises to pay the allowances or coupons.

Variable amounts related to these allowances and coupons are estimated using the expected value method and included in the transaction price to the extent it is highly probable that a significant revenue reversal will not subsequently occur. Accruals for trade promotions are based on expected levels of performance. Settlement typically occurs in subsequent periods primarily through an off-invoice allowance at the time of sale or through an authorized process for deductions taken by a customer from amounts otherwise due to the Group. Evaluation of trade promotions are performed monthly and adjustments are made where appropriate to reflect changes in the Group's estimates. The Group accrues coupon redemption costs based on estimates of redemption rates that are developed by management. Management's estimates are based on recommendations from independent coupon redemption clearing-houses as well as historical information. Should actual redemption rates vary from amounts estimated, adjustments may be required.

4. Significant accounting policies (cont'd)

4.15 Revenue recognition (cont'd)

(ii) Sales returns

The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. The amount of revenue and the receivable recognized is adjusted for expected returns, which are estimated based on the historical data. No right of return asset (and corresponding adjustment to cost of sales) is recognized for the right to recover products from a customer since Group's policy is to dispose all goods to be returned.

(iii) Contract balances arising from revenue with customer contracts

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

(iv) Bill-and-hold arrangements

Bill-and-hold arrangements pertain to sales of the Group wherein the customers are billed for goods that are ready for delivery, but the Group retains physical possession of the product until it is transferred to the customer at a future date. The Group assessed whether control has transferred to the customers, even though the customers do not have physical possession of the goods. The following criteria must all be met in order for the customers to have obtained control in bill-and-hold arrangements:

- the reason for the bill-and-hold arrangement must be substantive;
- the product must be identified separately as belonging to the customer;
- the product currently must be ready for physical transfer to the customer; and
- the entity cannot have the ability to use the product or to direct it to another customer.

4. Significant accounting policies (cont'd)

4.15 Revenue recognition (cont'd)

(iv) Bill-and-hold arrangements (cont'd)

Custodial services provided to the customers are identified as a separate performance obligation. A portion of the contract price should be allocated to the custodial services and separately recognized over the period of time the product is being held by the Group, along with the related costs of storing the product.

Penalty on the late payment of the invoices affects the estimate of the transaction price.

Other income:

(i) Finance income

Such income is recognized as the interest accrues taking into account the effective interest yield on the asset.

(ii) Other income

Other income is recognized when earned.

4.16 Finance income and finance costs

Finance income comprises interest income earned mainly from bank deposits and amounts or balances due from related parties of the Group. Interest income is recognized as it accrues in the income statement, using the effective interest method.

Finance expense comprises interest expense on finance leases and borrowings. All finance lease borrowing costs are recognized using the Group's incremental borrowing rate. All borrowing costs are recognized in income statement using the effective interest method, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

4.17 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in income statement except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

4. Significant accounting policies (cont'd)

4.17 Tax (cont'd)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

(a) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
(b) temporary differences related to investments in subsidiaries and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

4.18 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined in the same manner, adjusted for the effects of any dilutive potential ordinary shares, which comprise the restricted share plan and share options granted to employees.

4. Significant accounting policies (cont'd)

4.19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of non-recurring expenses.

4.20 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognized because:

- (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognized on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

4.21 New standards and interpretations issued but not yet effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Unless otherwise indicated, adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements.

4. Significant accounting policies (cont'd)

4.21 New standards and interpretations issued but not yet effective (cont'd)

Effective beginning on or after 1 January 2023

- Amendments to IAS 1 and IFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgments 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 amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

- Amendments to IAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to IAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after 1 January 2023 .

4. Significant accounting policies (cont'd)

4.21 New standards and interpretations issued but not yet effective (cont'd)

Effective beginning on or after 1 January 2023 (cont'd)

- IFRS 17, *Insurance Contracts*

  IFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

  a. A specific adaptation for contracts with direct participation features (the variable fee approach)

  b. A simplified approach (the premium allocation approach) mainly for short-duration contracts

  IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted.

Effective beginning on or after 1 January 2024

- Amendments to IAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments clarify:

  4.11 That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  4.12 That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  4.13 That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

4. Significant accounting policies (cont'd)

4.21 New standards and interpretations issued but not yet effective (cont'd)

Effective beginning on or after 1 January 2024 (cont'd)

- Amendments to IFRS 16*, Lease liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.periods.

  The amendments are effective for annual reporting beginning on or after 1 January 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

- Amendments to IAS 1, *Non-current Liabilities with Covenants*

  The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

Deferred effectivity

- Amendments to IFRS 10, *Consolidated Financial Statements*, and IAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.*

- The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On 13 January 2016, the FRSC deferred the original effective date of 1 January 2016 of the said amendments until the IASB completes its broader review of the research project o equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

5. Property, plant and equipment - net

	<------ At cost			------>	At appraised value	
	Buildings, land improve-ments and leasehold improve-ments	Machineries and equipment	Construction -in-progress ("CIP")	Bearer plants	Freehold land	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Group						
Cost/Valuation						
At 1 May 2021	227,519	593,896	34,953	374,803	63,145	1,294,316
Additions	6,596	17,429	47,509	133,622	–	205,156
Disposals	(167)	(12,106)	–	–	–	(12,273)
Write off - closed fields	–	–	–	(95,754)	–	(95,754)
Reclassifications from CIP	1,942	21,871	(23,813)	–	–	–
Currency realignment	(5,990)	(18,691)	(1,265)	(29,889)	(1,267)	(57,102)
At 30 April 2022 and 1 May 2022	229,900	602,399	57,384	382,782	61,878	1,334,343
Additions	9,808	6,843	72,688	147,028	–	236,367
Disposals	(80)	(3,527)	–	–	–	(3,607)
Write off - closed fields	–	–	–	(136,468)	–	(136,468)
Reclassifications from CIP	5,235	30,710	(35,945)	–	–	–
Revaluation	–	–	–	–	22,121	22,121
Currency realignment	(4,198)	(13,180)	(1,378)	(21,782)	(1,000)	(41,538)
At 30 April 2023	240,665	623,245	92,749	371,560	82,999	1,411,218
Accumulated depreciation and impairment losses						
At 1 May 2021	110,782	415,584	–	214,638	8,536	749,540
Charge for the year	10,163	35,201	–	104,753	–	150,117
Disposals	(138)	(11,098)	–	–	–	(11,236)
Write off - closed fields	–	–	–	(95,754)	–	(95,754)
Other adjustments	–	62	–	–	–	62
Currency realignment	(3,185)	(14,930)	–	(17,918)	–	(36,033)
At 30 April 2022 and 1 May 2022	117,622	424,819	–	205,719	8,536	756,696
Charge for the year	10,090	34,152	–	113,571	–	157,813
Disposals	(37)	(2,621)	–	–	–	(2,658)
Write off - closed fields	–	–	–	(136,468)	–	(136,468)
Currency realignment	(2,095)	(10,191)	–	(10,870)	–	(23,156)
At 30 April 2023	125,580	446,159	–	171,952	8,536	752,227
Carrying amounts						
At 30 April 2022	112,278	177,580	57,384	177,063	53,342	577,647
At 30 April 2023	115,085	177,086	92,749	199,608	74,463	658,991

5. Property, plant and equipment - net (cont'd)

Depreciation recognized in the consolidated statements of cash flows is net of the amount capitalized in inventories.

The Group has property, plant and equipment acquisitions of US$3.9 million as of 30 April 2023 (2022: US$3.0 million) that are unpaid as at year-end and included under “Accrued operating expenses” in “Trade and other current liabilities”. Down payments made by the Group for the acquisition of property, plant and equipment amounted to US$3.5 million for the year ended 30 April 2023 (2022: to US$4.2 million) recorded under “Advances to suppliers” in “Other noncurrent assets”. In addition, the Group has reclassified certain prepaid and other current assets to property, plant and equipment which amounted to US$2.4 million in 2023 (2022: US$3.7 million). The cost of fields closed and written off in 2023 amounted to US$136.5 million, which have been fully depreciated during the year (2022: US$95.8 million).

Bearer Plants

	Group	
	30 April 2023	**30 April 2022**
Hectares planted with growing crops:		
- Pineapples	16,562	16,130
- Papaya	185	123
Fruits harvested from the growing crops:		
(in metric tons)		
- Pineapples	858,908	785,876
- Papaya	1,497	1,266

Bearer plants are stated at cost which comprises actual costs incurred in nurturing the crops reduced by depreciation. Depreciation represents the estimated cost of fruits harvested from the Group’s plant crops. An estimated cost is necessary since the growth cycle of the plant crops is beyond twelve months, hence total growing costs are not yet known as of reporting date. The estimated cost is developed by allocating estimated growing costs for the estimated growth cycle of two to three years over the estimated harvests to be made during the life cycle of the plant crops. Estimated growing costs are affected by inflation and foreign exchange rates, volume and labor requirements. Estimated harvest is affected by natural phenomenon such as weather patterns and volume of rainfall. Field performance and market demand also affect the level of estimated harvests. The Group reviews and monitors the estimated cost of harvested fruits regularly.

Leasehold Improvements

As at 30 April 2023 and 2022, the Group has no significant legal or constructive obligation to dismantle any of its leasehold improvements as the lease contracts provide, among other things, that the improvements introduced on the leased assets shall become the property of the lessor upon termination of the lease.

5. Property, plant and equipment - net (cont'd)

Freehold Land

The table below summarises the valuation of freehold land held by the Group as at 30 April 2023 and 2022 in various locations:

Located in	30 April 2023 US$'000	30 April 2022 US$'000	Date of Latest Valuation
The Philippines	18,697	10,799	2023 (Various)
United States of America	41,009	32,459	1 April 2023
Singapore	14,756	10,084	30 April 2023
	74,462	53,342	

The Group engaged independent appraisers to determine the fair values of its freehold land. Revaluations are performed at regular intervals to ensure that the fair value of the freehold land does not differ materially from its carrying amount. Management evaluated that the fair values of its freehold land at the respective valuation dates approximate their fair values as of the reporting date. The assumptions used in determining the fair value are disclosed in Note 34. Management believes that there are no events or changes in circumstances indicating a significant change in fair value of the land from the last appraisal made.

The carrying amount of the Group's freehold land as at 30 April 2023 would be US$34.4 million (2022: US$34.6 million) had the freehold land been carried at cost less impairment losses.

Construction-in-Progress ("CIP")

CIP includes on-going item expansion projects for the Group's operations.

Major items in CIP as of 30 April 2023 include plastic sleeveless cartoning for Modesto, additional Joyba production capacity for Mexico, installation of new fire roasting equipment and 4pk capability of 15oz, 8oz and 6oz tomato products for Hanford, warehouse management system roll out to manufacturing plants and distribution centers in the U. S., new tetra line in Cabuyao, installation of additional FDM 202 line at the cannery in Bugo, additional 307 cook room line, acquisition of tetra filler in Bugo, 307 Line 6 autocaser and JMC fresh fruit packing house line 4 are among the significant projects implemented in fiscal years 2023. These projects are expected to be completed by fiscal year 2024.

Major items in CIP as of 30 April 2022 include plastic sleeveless cartoning for Modesto, new labeling line for packaging club and retail items for Markesan, installation of corn cutters on the process line, higher capacity palletizer for Toppenish, installation of additional FDM 202 Line at the Bugo Cannery, construction of North DC warehouse in Marilao, Bulacan and purchase of Tetra Line for Cabuyao Plant, which are among the significant projects implemented in fiscal year 2022. These projects were expected to be completed by fiscal year 2023.

5. Property, plant and equipment - net (cont'd)

Construction-in-Progress ("CIP") (cont'd)

Capitalized borrowing costs for the year ended 30 April 2023 amounting to US$0.3 million pertains to an additional complete 307 cook room line, and the carry-over of both of the FDM 202 line and 307 line 6 auto caser. For the year ended 30 April 2022, capitalized borrowing costs amounting to US$0.01 million is related to the installation of an additional FDM 202 Line, Can Making Equipment, and the installation of an automated line for 2.3kg tidbits and an acquisition of a 307 line 6 auto caser.

The Group also capitalized interest expense arising from general borrowings and lease liabilities to bearer plants amounting to US$2.5 million and US$1.2 million for the years ended 30 April 2023 and 2022, respectively. Average capitalization rate used is 6.00% and 2.25% for the fiscal years ended 30 April 2023 and 2022, respectively.

Source of estimation uncertainty

The Group estimates the useful lives of its buildings, land improvements, leasehold improvements and machineries and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, the estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experiences with similar assets. It is possible, however, that future financial performance could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amount and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment would increase recorded depreciation expense and decrease non-current assets.

The depreciation of bearer plants requires estimation of future harvest which is affected by natural phenomena and weather patterns.

The valuation of freehold land is based on comparable transaction subject to adjustments. These adjustments require judgment.

6. Investments in subsidiaries

	30 April 2023 US$'000	30 April 2022 US$'000
Unquoted equity shares, at cost, at the beginning and end of the year	1,020,215	1,020,215
Amounts due from subsidiaries (nontrade)	237,516	237,516
	1,257,731	1,257,731
Accumulated share in losses at the beginning of the year	(277,723)	(356,274)
Dividends declared by subsidiaries	(88,503)	(33,519)
Share in net profit of subsidiaries	61,702	124,985
Share in other comprehensive income (losses) of subsidiaries, net of tax	13,952	(11,162)
Cancelled options of a subsidiary	–	(1,753)
	(290,572)	(277,723)
Interests in subsidiaries at the end of the year	967,159	980,008

On 15 May 2020, the Company converted its long-term loans receivable from Del Monte Foods Holdings Limited ("DMFHL") amounting to US$229.5 million (including accrued interest of US$0.8 million from 30 April 2020 to conversion date) to equity investment. DMFHII issued 64.546 shares of capital stock to DMFHL, and DMFHL was unconditionally released of all liabilities for principal and interest through 30 April 2020 relating to the purchase of the Second Lien Term Loans. On 15 May 2020, DMFHL recorded US$229.5 million of additional paid-in capital related to this transaction. In addition, the Company and DMPLFL entered into a supplemental agreement dated 11 August 2020 for the issuance of additional 3.23 ordinary shares b DMPLFL to cover the additional accrued interest through 15 May 2020 which amounted to $1.1 million.

On 15 May 2020, the Company invested US$150.0 million of additional paid-in capital to DMPLFL in exchange for 423.95 shares of preferred stock.

The amounts due from subsidiaries are unsecured and interest-free. Settlement of the balances are neither planned nor likely to occur in the foreseeable future as they are, in substance, a part of the Company's net investments in the subsidiaries.

<u>Share Purchase Agreement and Shareholders' Agreement with SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner")</u>

On 24 January 2020, the Company, Central American Resources, Inc ("CARI"), Del Monte Philippines, Inc. ("DMPI") and SEA Diner, a company incorporated in Singapore, entered into a Share Purchase Agreement and Shareholders' Agreement pursuant to which and subsequent arrangements, CARI agreed to sell 335,678,400 existing common shares equivalent to 12% ownership interest in DMPI to SEA Diner for a consideration of US$120.0 million, subject to fulfilment of certain conditions precedent. These common shares were convertible to voting, convertible, participating and redeemable convertible preferred shares ("RCPS") of DMPI.

6. Investments in subsidiaries (cont'd)

Share Purchase Agreement and Shareholders' Agreement with SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner") (cont'd)

The Board and the stockholders of DMPI approved the conversion of the convertible common shares to RCPS subject to the completion of the transaction and the Enabling Resolutions which further defined the terms of the RCPS on 3 March 2020. As at 30 April 2020, the Company, CARI and DMPI had fulfilled the conditions precedent under the Share Purchase Agreement. The private placement transaction closed on 20 May 2020.

Terms of the RCPS

The terms of the RCPS were as follows:

(i) The RCPS holders participate in the dividends on an as-converted basis, that is, if common shareholders are entitled to dividends, then the RCPS holders will correspondingly be entitled to dividends on an as-converted basis.

(ii) The investor as an RCPS holder will have proportional shareholder voting rights in DMPI on an as-converted basis. There will also be certain reserved matters (for example, matters not in the ordinary course of business) which the investor will have the right to approve.

(iii) SEA Diner, as long as it holds RCPS, may, at any time, exercise its right to convert the RCPS into common shares of DMPI at a ratio of one (1) RCPS to one (1) common share of DMPI. The RCPS is automatically converted into common share in the event of initial public offering (IPO) of DMPI.

(iv) Upon the occurrence of any of certain agreed "RCPS Default Events", SEA Diner may require the Company, CARI or DMPI to redeem all of the RCPS at the agreed redemption price, which is the amount of RCPS consideration plus the agreed rate of return (compounded on a per annum basis) calculated from 20 May 2020 up to the date of redemption.

(v) In case of "Other Redemption Events", redemption shall be subject to the mutual agreement of the parties. If DMPI does not consent to the RCPS holder's written redemption request, the internal rate of return would be increased annually by 3%, and this increased rate of return shall apply for each year that the RCPS remain outstanding and shall be compounded on a per annum basis. Other Redemption Events include but are not limited to, an exit not completed within five years from the closing date, the Group being in default on any of its indebtedness which is not cured within 30 business days from written notice thereof, or the Group suffers insolvency.

On 3 August 2020, the SEC approved the amendment of DMPI's Articles of Incorporation to reflect the conversion of 335,678,400 convertible common shares to RCPS and the removal of the conversion feature of the remaining convertible common shares.

On 16 December 2020, CARI sold additional 27,973,200 common shares of DMPI to SEA Diner for US$10 million, which increased the ownership of SEA Diner in DMPI to 13%.

On 1 March 2021, the SEC approved the amendment of DMPI's Articles of Incorporation to change DMPI's Php 3 billion authorized capital stock (previously comprising common shares and RCPS) to all common shares with a par value of Php 1 per share. Consequently, the 335,678,400 RCPS issued to SEA Diner were converted to 335,678,400 common shares.

Share Purchase Agreement and Shareholders' Agreement with SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner") (cont'd)

Included in the Shareholders' Agreement is a requirement for the Group to continuously maintain the following financial covenants for as long as SEA Diner is a significant minority:

(i) The ratio of the Group's total indebtedness to the Group's consolidated earnings before interest and taxes shall not exceed 3.75x at any time during each quarter; and

(ii) The ratio of the Group's total indebtedness to the Group's shareholder's equity shall not exceed 2.00x at any time during each quarter

In the case of a breach of the above financial covenants or Other Redemption Events, SEA Diner may require the Company, CARI or DMPI to redeem all of the RCPS at the agreed redemption price subject to the mutual consent of the Group and SEA Diner.

As of and for the year ended 30 April 2023, the Group did not meet the above financial covenants. However, the redemption of the RCPS is subject to mutual consent of the Group and SEA Diner. As of the date of these financial statements, the Group is in discussion with SEA Diner with regards to the resolution of this matter.

Call Option Agreement

On 24 January 2020, the Company, CARI, DMPI and SEA Diner entered into a call option agreement which gives SEA Diner the right to buy from CARI additional DMPI shares ("Option Shares"). The exercise price for each Option Share is US$0.357 (computed based on the DMPI equity valuation of US$1 billion / existing total issued share capital of the DMPI shares of 2,797,320,003 as at the date of the Agreement).

The call option is exercisable within the Option Period which means:

(A) commencing on:

(i) in the event where an IPO of DMPI is consummated on or before 30 April 2022, and:

a. such IPO of DMPI is consummated at a price per DMPI share which implies an IPO pre-money market capitalization of US$2,000,000,000 or lower, the date on which such IPO of DMPI is consummated; or

b. such IPO of DMPI is consummated at a price per DMPI share which implies an IPO pre-money market capitalization of more than US$2,000,000,000 and following such IPO, SEA Diner sells any DMPI shares at a price per DMPI share which implies that DMPI's valuation is at or lower than an IPO pre-money market capitalization of US$2,000,000,000, the date on which the SEA Diner makes such sale of DMPI shares; or

(ii) 30 April 2022, if DMPI does not consummate an IPO on or before 30 April 2022; and

6. Investments in subsidiaries (cont'd)

Call Option Agreement (cont'd)

(B) ending on the earliest of:

(i) the date falling ten (10) years after the date of closing;
(ii) the date falling five (5) years after the consummation of an IPO of DMPI; and
(iii) the date on which the SEA Diner receives an amount in respect of a redemption of its DMPI shares pursuant to the Shareholders' Agreement that provides the SEA Diner with a rate of return of no less than eight (8) per cent.

Impact on the Group

In relation to the above transaction, as at 30 April 2020, the Group recognized the gross consideration of US$120.0 million under "Trade and other receivables" (collected in fiscal year 2021), transaction costs of US$14.0 million (US$0.7 million of which was already paid as at 20 April 2020 and the outstanding balance of US$13.3 million as at 30 April 2020 is recorded as accrued operating expenses under "Trade payables and other current liabilities" (paid in fiscal year 2021), long-term derivative liability of US$2.6 million for the call option in accordance with the call option agreement, equity reserve under "Retained earnings" of US$77.0 million due to change in ownership interest in DMPI without loss of control (see Note 17) and "Non-controlling interests" of US$26.4 million representing investor's proportionate share in the net assets of DMPI (see Note 38).

In relation to the additional sale of DMPI shares in fiscal year 2021, the Group recognized an additional "Non-controlling interests" of US$2.2 million and paid transaction costs amounting to US$1.2 million. The resulting gain of US$6.6 million was recorded as equity reserve under retained earnings.

Management assessed that the fair value of derivative liability related to the call option is nil as at 30 April 2023 and 2022.

Impact on the Company

In fiscal year 2020, the Company recognized an increase in investment in subsidiary and retained earnings equal to its share in the net equity reserve amounting to US$77.0 million recognized by CARI, accrued transaction costs of US$1.3 million, and receivable from CARI amounting to US$2.1 million.

As a result of the additional sale of DMPI shares in fiscal year 2021, the Company recognized an increase in investment in subsidiary and equity reserve amounting to US$6.6 million, net of transaction costs of US$1.2 million. The equity reserve recognized in fiscal year 2021 was subsequently closed to retained earnings.

6. Investments in subsidiaries (cont'd)

Significant judgments

1. Recognition of Share Purchase Agreement as at 30 April 2020

   The Share Purchase Agreement was subject to conditions precedent and closing conditions. The conditions precedent were completed as at 30 April 2020 while the parties agreed the closing date to be 20 May 2020. Management assessed that the closing conditions were administrative in nature and accounted for the transaction as at 30 April 2020.

   Moreover, management assessed that the actual conversion of the common shares to RCPS in records and the issuance of related stock certificates were administrative and procedural in nature. The Board and stockholders of DMPI also approved the conversion of the convertible common shares to RCPS in March 2020. Considering this, the Group had accounted for the instrument as RCPS in substance as at 30 April 2020.

2. Equity Classification

   The Group has no contractual obligation to deliver cash or another financial asset to the investor as the "RCPS Default Events", among the other terms in Share Purchase Agreement, Shareholders' Agreement and Call Option Agreement, are assessed to be within the control of the Group and the redemption of the RCPS in case of "Other Redemption Events" is subject to the mutual consent of both parties; and based on its actual net income for the year ended 31 April 2021 which had exceeded the target. Also, on 5 February 2021, the Board and stockholders of DMPI approved the amendment to DMPI's Articles of Incorporation to change the authorized capital stock to common shares from RCPS. The SEC approved this amendment to the Articles of Incorporation on 1 March 2021.

3. Obligation to Purchase Excess Shares or Sell Shortfall Shares

   The Shareholders' Agreement provides for a conditional obligation for CARI to purchase excess shares or sell shortfall shares to SEA Diner at par value subject to certain conditions (amount of IPO pre-money market capitalization exceeding the US$2 billion threshold amount or an IPO being consummated more than 275 days from a conversion date) set out in the Shareholders' Agreement. Management assessed that the Group's derivative asset or liability to purchase excess shares or sell shortfall shares to SEA Diner has a carrying value of nil as at 30 April 2023 and 2022 since the IPO did not occur during such periods. As a result, the probability of the options relating to the excess shares and shortfall shares being triggered is nil or minimal.

4. Fair Value of Derivative Liability on the Call Option

   The fair value of the derivative liability related to the call option is measured using Black-Scholes model. The inputs to this model are taken from a combination of observable markets and unobservable market data. Changes in inputs about these factors could affect the reported fair value of the derivative liabilities and impact profit or loss. Management assessed that the fair value of the derivative liability is nil as at 30 April 2023 and 2022 as the estimated pre-money market capitalization is higher than the threshold in the Call Option Agreement.

6. Investments in subsidiaries (cont'd)

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2023 %	Effective equity held by the Group 30 April 2022 %
Held by the Company				
Del Monte Pacific Resources Limited ("DMPRL") [6]	Investment holding	British Virgin Islands	100.00	100.00
DMPL India Pte Ltd ("DMPLI") [3]	Investment holding	Singapore	100.00	100.00
DMPL Management Services Pte Ltd [3]	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00
GTL Limited [4]	Inactive	Federal Territory of Labuan, Malaysia	100.00	100.00
S&W Fine Foods International Limited ("S&W") [6]	Selling processed food products under the "S&W" trademark; Owner of the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa	British Virgin Islands	100.00	100.00
DMPL Foods Limited ("DMPLFL") [7] [9]	Investment holding	British Virgin Islands	93.57	93.57
Held by DMPRL				
Central American Resources, Inc. ("CARI")[6]	Investment holding	Panama	100.00	100.00
Dewey Limited ("Dewey") [7]	Mainly investment holding	Bermuda	100.00	100.00
Held by CARI				
DMPI [1] [2]	Growing, processing and distribution of food products mainly under the brand name "Del Monte"	Philippines	87.00	87.00
South Bukidnon Fresh Trading Inc ("SBFTI") [1]	Inactive	Philippines	100.00	100.00

6. Investments in subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2023 %	30 April 2022 %
Held by DMPI				
Philippine Packing Management Services Corporation ("PPMSC") [1]	Intellectual property holding and licensing, management, logistics and support services	Philippines	87.00	87.00
Del Monte Txanton Distribution Inc ("DMTDI") [a] [1] [2]	Inactive	Philippines	34.80	34.80
Held by Dewey				
Dewey Sdn. Bhd. [4]	Inactive	Malaysia	100.00	100.00
Held by DMPLI				
DMPL India Limited [7]	Investment holding	Mauritius	95.52	95.13
Held by S&W				
S&W Japan Limited [7]	Support and marketing services	Japan	100.00	100.00
Held by DMPLFL				
Del Monte Foods Holdings Limited ("DMFHL") [1] [9]	Investment holding	British Virgin Islands	93.57	93.57
Held by DMFHL				
Del Monte Foods Holdings II, Inc. ("DMFHII") [5] [9]	Investment holding	State of Delaware, U.S.A.	93.57	93.57
Held by DMFHII				
Del Monte Foods Holdings Inc. ("DMFHI") [5] [9]	Investment holding	State of Delaware, U.S.A.	93.57	93.57
Held by DMFHI				
Del Monte Foods, Inc. ("DMFI") [5] [9]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A.	93.57	93.57
Held by DMFI				
Sager Creek Foods, Inc. (formerly Vegetable Acquisition Corp.) [5] [9]	Real estate holding	State of Delaware, U.S.A.	93.57	93.57
Del Monte Andina C.A. ("Del Monte Andina") [8] [9]	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	–	–
Del Monte Colombiana S.A. [4] [9]	Manufacturing, processing and distributing food, beverages and other related products	Colombia	76.35	76.35

6. Investments in subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2023 %	Effective equity held by the Group 30 April 2022 %
Held by DMFI (cont'd)				
Industrias Citricolas de Montemorelos, S.A. de C.V. ("ICMOSA") [4] [9]	Manufacturing, processing and distributing food, beverages and other related products	Mexico	93.57	93.57
Del Monte Peru S.A.C. [7] [9]	Distribution of food, beverages and other related products	Peru	93.57	93.57
Del Monte Ecuador DME C.A. [7] [9]	Distribution of food, beverages and other related products	Ecuador	93.57	93.57
Hi-Continental Corp. [7] [9]	Distributor of non-Del Monte products	State of California, U.S.A.	93.57	93.57
College Inn Foods [7] [9]	Distributor of College Inn brand products	State of California, U.S.A.	93.57	93.57
Contadina Foods, Inc. [7] [9]	Distributor of Contadina brand products	State of Delaware, U.S.A.	93.57	93.57
S&W Fine Foods, Inc. [7] [9]	Distributor of S&W Fine Foods, Inc,	State of Delaware, U.S.A.	93.57	93.57
Del Monte Ventures, LLC ("DM Ventures") [b] [9]	Holding company	State of Delaware, U.S.A.	93.57	93.57
Joyba, Inc.	Distributor of Joyba brand products	State of California, U.S.A.	93.57	–
Kitchen Basics, Inc.	Distributor of Kitchen Basics brand products	State of California, U.S.A.	93.57	–
Green Thumb Foods, Inc.	Distributor of Green Thumb Foods brand products	State of California, U.S.A.	93.57	–
Held by DM Ventures				
Del Monte Chilled Fruit Snacks, LLC [b] [9]	Development, production, marketing, sale and distribution of processed refrigerated fruit products	State of Delaware, U.S.A.	47.72	47.72
Held by Del Monte Andina				
Del Monte Argentina S.A. [7]	Inactive	Argentina	–	–

6. Investments in subsidiaries (cont'd)

[a] DMTDI is consolidated as the Group has de facto control over the entity. Even with less than the majority voting rights, the Group concluded that DMTDI is a subsidiary and that it has power to direct the relevant activities of DMTDI due to DMPI having majority seats in the Board through a shareholders agreement with the other shareholders of DMTDI. The key management personnel (i.e., President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Treasurer and Corporate Secretary) of DMPI also serve in the same positions in DMTDI. In its special meeting held on 22 April 2019, DMTDI's Board approved the dissolution and liquidation of DMTDI by shortening its corporate term. As at 30 April 2023, the application for the dissolution and liquidation is yet to be submitted with the SEC due to certain regulatory and documentary requirements.

[b] The Group incorporated its subsidiary, Del Monte Ventures, LLC on 21 June 2017 which acquired interests in four joint venture entities which were all incorporated in the state of Delaware, USA. These joint ventures will pursue sales of expanded refrigerated offerings across all distribution and sales channels, and will establish a new retail food and beverage concept. These joint ventures will initially focus on the U.S. market, with the potential for expansion into other territories. These joint venture entities are in their pre-operating stages and have no material assets or liabilities as of 30 April 2023 and 2022.

[1] Audited by SyCip Gorres Velayo & Co. ("SGV"), member firm of Ernst & Young Global.

[2] On 20 May 2020, CARI completed the sale of 12% stake in DMPI to SEA Diner. Conditions of the sale were already met as of 30 April 2020, as confirmed by both parties.

On 16 December 2020, CARI sold additional 27,973,200 common shares of DMPI to SEA Diner for US$10 million, which increased the ownership of SEA Diner in DMPI to 13%.

[3] Audited by Ernst and Young LLP ("EY") Singapore.

[4] Audited by Ernst & Young Global member firms in the respective countries.

[5] Not required to be audited in the country of incorporation. Audited by SGV for the purpose of group reporting.

[6] Not required to be audited in the country of incorporation. Audited by EY Singapore for the purpose of group reporting.

[7] Not required to be audited in the country of incorporation.

[8] Not required to be audited in the country of incorporation. The Venezuelan entity was deconsolidated in 2015. The Venezuelan exchange control regulations have resulted in an other-than-temporary lack of exchangeability between the Venezuelan Bolivar and US dollar. This has restricted the Venezuelan entity's ability to pay dividends and obligations denominated in US dollars. The exchange regulations, combined with other recent Venezuelan regulations, have constrained the Venezuelan entity's ability to maintain normal production. Due to the Group's inability to effectively control the operations of the Venezuelan entity, the Group deconsolidated its subsidiary effective February 2015. This determination requires significant judgment. The equity interest in this entity is determined to be the cost of investment of the entity at the date of deconsolidation. The investment is carried at cost less impairment losses.

6. Investments in subsidiaries (cont'd)

[9] On 15 May 2020, DMFHII issued 64.546 shares of capital stock to DMFHL. On the same date, DMFHL issued 0.64546 shares of capital stock to DMPLFL and DMPLFL issued 645.46 shares of capital stock to the Company as full payment of the US$228.4 million loan to finance purchases of the Second Lien Term Loans. Upon issuance of the capital stock to the Company, DMFHL was unconditionally released of all liabilities for principal and interest through 30 April 2020 relating to the purchase of the Second Lien Term Loans. On 15 May 2020, DMFHL recorded US$229.5 million of additional paid-in capital related to this transaction. In addition, the Company and DMPLFL entered into a supplemental agreement dated 11 August 2020 for the issuance of additional 3.23 ordinary shares by DMPLFL to cover the additional accrued interest through 15 May 2020 which amounted to $1.1 million. On 15 May 2020, DMFHL issued 0.42395 of ordinary shares to DMPLFL and DMPLFL issued 423.95 shares of preferred stock to the Company in exchange for US$150.0 million of additional paid-in capital. As a result, DMFHL recorded US$150.0 million of additional paid-in capital related to this transaction.

Information relating to the Group's subsidiaries with shareholder(s) with material non-controlling interests are disclosed in Note 38.

Significant judgments

Determination of Control over Subsidiaries

The Company regularly reassesses whether it controls an investee when facts and circumstances indicate that there are changes to one or more of the three elements of control listed in Note 4. The Company determined that it exercised control on all its subsidiaries as it has all elements of control.

Source of estimation uncertainty

Recoverability of Investments in Subsidiaries

When the subsidiary has suffered recurring operating losses, a test is made to assess whether the interests in subsidiary has suffered any impairment by determining the recoverable amount. This determination requires significant judgment and estimation. An estimate is made of the future profitability, cash flow, financial health and near-term business outlook of the subsidiary, including factors such as market demand and performance. The recoverable amount will differ from these estimates as a result of differences between assumptions used and actual operations.

7. Investments in joint ventures

Name of joint venture	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2023 %	Effective equity held by the Group 30 April 2022 %
Del Monte Foods Private Limited (formerly known as FieldFresh Foods Private Limited) ("DMFPL") [1]	Production and sale of fresh and processed fruits and vegetable food products	India	47.76	47.56
Nice Fruit Hong Kong Limited ("NFHKL") [2]	Production and sale of frozen fruits and vegetable food products	Hong Kong	35.00	35.00
Del Monte – Vinamilk Dairy Philippines, Inc. (DVDPI) [3]	Distribution of dairy and milk products	Philippines	43.50	43.50

1 Audited by Deloitte Haskins & Sells, Gurgaon, India.
2 Audited by a non-EY Global member firm.
3 Audited by SyCip Gorres Velayo & Co. ("SGV"), member firm of Ernst & Young Global.

The summarised financial information of a material joint venture, DMFPL, not adjusted for the percentage ownership held by the Group, is as follows:

	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Revenue	66,084	66,871
Income (loss) from continuing operations [a]	203	(6,810)
Other comprehensive income	–	–
Total comprehensive income (loss)	203	(6,810)
[a] Includes:		
- depreciation	(75)	(59)
- interest expense	(1,568)	(1,681)
Noncurrent assets	10,701	11,600
Current assets	21,851	23,686
Noncurrent liabilities	(20,193)	(21,890)
Current liabilities	(11,881)	(12,879)
Net assets	478	517
Proportion of the Group's ownership including non- controlling interest	50%	50%
	239	259
Goodwill	20,000	20,000
Impairment loss	(4,096)	(4,096)
Translation adjustment	1,395	(1,827)
Carrying amount of investment	17,538	14,336

7. Investments in joint ventures (cont'd)

	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Carrying amount of interest in DMFPL at beginning of the year	14,336	19,741
Capital injection during the year	3,100	–
Impairment loss	–	(2,000)
Group's share of:		
Income (loss) from continuing operations, representing total comprehensive income (loss)	102	(3,405)
Carrying amount of interest at end of the year	17,538	14,336

In fiscal year 2022, the Group recognized an impairment loss amounting to US$2.0 million due to the continuous net loss position of DMFPL (2021: US$2.1 million). The impairment loss was included in "other (expenses) income – net" in the income statement. No impairment losses were recognized in fiscal year 2023.

The interest in the net assets of an immaterial joint venture, NFHKL, is as follows:

	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Carrying amount of interest in NFHKL at beginning of the year	2,836	2,789
Additional advances during the year	185	595
Group's share of:		
Loss from continuing operations, representing total comprehensive loss	(398)	(548)
Carrying amount of interest at end of the year	2,623	2,836

DVDPI is a joint venture entered into by Del Monte Philippines, Inc. and Vietnam Dairy Products Joint Stock Company, a leading regional dairy company, to expand further into the dairy sector in the Philippines. This joint venture was incorporated and registered with SEC on 12 July 2021.

7. Investments in joint ventures (cont'd)

The interest in the net assets of an immaterial joint venture, DVDPI, is as follows:

	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Carrying amount of interest in DVDPI at beginning of the year	–	–
Capital injection	990	1,001
Reclassification from receivable	200	–
Group's share of:		
Loss from continuing operations, representing total comprehensive loss	(1,190)	(1,001)
Carrying amount of interest at end of the year	–	–

The summarised interest in joint ventures of the Group and the Company, is as follows:

	Group		Company	
	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Group's interest in joint ventures				
DMFPL	17,538	14,336	–	–
NFHKL	2,623	2,836	2,623	2,836
Carrying amount of investments in joint ventures	20,161	17,172	2,623	2,836

Significant judgments

Determination of Joint Control and the Type of Joint Arrangement

Joint control is presumed to exist when the investors 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. Management has assessed that it has joint control in all joint arrangements.

The Group determines the classification of a joint venture depending upon the parties' rights and obligations arising from the arrangement in the normal course of business. When making an assessment, the Group considers the following:

(a) the structure of the joint arrangement.

(b) when the joint arrangement is structured through a separate vehicle:

i. the legal form of the separate vehicle;
ii. the terms of the contractual arrangement; and
iii. when relevant, other facts and circumstances.

7. Investments in joint ventures (cont'd)

Significant judgments (cont'd)

The Group determined that its interests in DMFPL, NFHKL and DVDPI are joint ventures as the arrangements are structured in a separate vehicle and that it has rights to the net assets of the arrangements. The terms of the contractual arrangements do not specify that the parties have rights to the assets and obligations for the liabilities relating to the arrangements.

Source of estimation uncertainty

Recoverability of investments in joint ventures

When the joint venture has suffered recurring operating losses, a test is made to assess whether the investment in joint venture has suffered any impairment by determining the recoverable amount. This determination requires significant judgment and estimation. An estimate is made of the future profitability, cash flow, financial health and near-term business outlook of the joint venture, including factors such as market demand and performance. The recoverable amount will differ from these estimates as a result of differences between assumptions used and actual operations.

Since its acquisition, the Indian sub-continent trademark and the investment in DMFPL were allocated to the Indian sub-continent cash-generating unit ("Indian sub-continent CGU"). The recoverable amount of Indian sub-continent CGU was estimated using the discounted cash flows based on five-year cash flow projections.

Key assumptions used in discounted cash flow projection calculations

Key assumptions used in the calculation of recoverable amounts are discount rates, revenue growth rates, earnings before interest, taxes, depreciation and amortization ("EBITDA") margin and terminal growth rate. The values assigned to the key assumptions represented management's assessment of future trends in the industries and were based on both external and internal sources.

	30 April 2023 %	30 April 2022 %
Pre-tax discount rate	14.1	14.9
Revenue growth rate	5.0 – 20.2	5.0 – 19.6
EBITDA margin	5.9 – 13.4	1.2 – 10.4
Long-term EBITDA margin	10.1	10.4
Terminal growth rate	5.0	5.0

The discount rate is a pre-tax measure estimated based on the historical industry average weighted-average cost of capital. This is based on a rate of debt leveraging rate of 20.60% in 2023 (2022: 23.60%), at a market interest rate of 10.1% in 2023 (2022: 7.80%).

Revenue growth rate is expressed as compound annual growth rates in the initial five years of the plan. In the first year of the business plan, revenue growth rate was projected at 18% (2022: 7%) based on the near-term business plan and market demand. The annual revenue growth included in the cash flow projections for four years was projected at the growth rate based on the historical growth in volume and prices and industry growth.

7. Investments in joint ventures (cont'd)

Key assumptions used in discounted cash flow projection calculations (cont'd)

A long-term growth rate into perpetuity has been determined based on management's estimate of the long-term compound annual growth rate in the Indian economy which management believed was consistent with the assumption that a market participant would make.

EBITDA margin has been a factor of the revenue forecast based on business plan and market demand coupled with the cost saving initiatives.

Sensitivity to changes in assumptions

In fiscal year 2023, the estimated recoverable amount exceed the carrying amount of interest in the joint venture and trademark, accordingly, no impairment loss was recognized. In fiscal year 2022, the carrying amount of interest in a joint venture and trademark exceed the estimated recoverable amount, accordingly, impairment loss of US$2.0 million was recognized.

Management has identified that a reasonably possible change in the following two key assumptions could result in the carrying amount to exceed the recoverable amount. The implication of the key assumptions for the recoverable amount is discussed below:

Long-term growth rates – A reduction of 0.5% in 2023 (2022: 0.5%) in the long-term growth rate would result in an impairment of approximately US$1.0 million in 2023 (2022: further impairment of US$1.1 million).

Discount rates – An increase of 1.0% in 2023 (2022: 1.0%) in the discount rate would result in an impairment of approximately US$3.3 million in 2023 (2022: further impairment of US$3.4 million).

8. Intangible assets and goodwill

	Note	Goodwill US$'000	Indefinite life trademarks US$'000	Amortizable trademarks US$'000	Customer relationship US$'000	Total US$'000
Cost						
At 1 May 2021, 30 April 2022 and 1 May 2022		203,432	408,043	24,180	107,000	742,655
Additions		–	64,320	–	8,441	72,761
30 April 2023		203,432	472,363	24,180	115,441	815,416
Accumulated amortization						
At 1 May 2021		–	–	9,519	38,439	47,958
Amortization	25	–	–	1,300	5,350	6,650
At 30 April 2022 and 1 May 2022		–	–	10,819	43,789	54,608
Amortization	25	–	–	1,300	5,667	6,967
At 30 April 2023		–	–	12,119	49,456	61,575
Carrying amounts						
At 30 April 2022		203,432	408,043	13,361	63,211	688,047
At 30 April 2023		203,432	472,363	12,061	65,985	753,841

Goodwill

Goodwill arising from the acquisition of Consumer Food Business was allocated to DMFI and its subsidiaries, which is considered as one CGU.

Indefinite life trademarks

Management has assessed the following trademarks as having indefinite useful lives as the Group has exclusive access to the use of these trademarks. These trademarks are expected to be used indefinitely by the Group as they relate to continuing businesses that have a proven track record with stable cash flows.

America trademarks

As at 30 April 2023, American trademarks amount to US$458.3 million (2022: US$394.0 million). The indefinite life trademarks of US$394.0 million arising from the acquisition of Consumer Food Business relate to those of DMFI for the use of the "Del Monte" trademarks in the United States and South America market, and the "College Inn" trademark in the United States, Australia, Canada and Mexico.

The "Kitchen Basics" trademark in the United States and Canada of US$64.3 million was assessed to have an indefinite useful life.

8. Intangible assets and goodwill (cont'd)

America trademarks (cont'd)

On 3 August 2022, the Group has acquired certain assets associated with the Kitchen Basics brand of ready-to-use stock and broth from McCormick & Company for a consideration of $100.4 million (including transaction costs totalling US$1.4 million). Kitchen Basics products are distributed nationally in the United States and include a range of conventional and organic stock and broth offerings.

The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics will join Del Monte's brand portfolio as the Company expands its retail presence in the category. The assets acquired comprise of intangible assets amounting to $72.8 million and inventories of $27.6 million. The purchase price (including transaction costs) is allocated based on the fair value of the assets acquired as determined by the third party valuer.

The acquisition was treated as an asset acquisition since the acquisition did not come with any physical workforce, research and development, and management

In fiscal year 2023, no impairment loss is recognized related to trademark arising from the acquisition of Kitchen Basics based on the fair value determined by the third party valuer.

Philippines trademarks

A subsidiary, PPMSC, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines (the "Philippines Trademarks") with carrying value amounting to US$1.8 million.

Indian sub-continent and Myanmar trademarks

In November 1996, a subsidiary, DMPRL, entered into an agreement with an affiliated company to acquire the exclusive right to use the "Del Monte" trademarks in the Indian sub-continent territories and Myanmar in connection with the production, manufacture, sale and distribution of food products and the right to grant sub-licenses to others ("Indian sub-continent trademark"). In 2007, the Company acquired shares in DMFPL and caused the licensing of trademarks to DMFPL to market its products under the "Del Monte" brand in India. These trademarks have a carrying value of US$4.1 million.

S&W trademarks

In November 2007, a subsidiary, S&W, entered into an agreement with Del Monte Corporation to acquire the "S&W" trademarks in certain countries in Asia (excluding Australia and New Zealand and including the Middle East), Western Europe and Eastern Europe for a total consideration of US$10.0 million. The trademark has a carrying value of US$8.2 million.

Impairment test

Management has performed impairment testing for all indefinite life trademarks and concluded that no impairment exists at the reporting date.

8. Intangible assets and goodwill (cont'd)

Philippines trademarks

In 2023 and 2022, the recoverable amounts of the Philippines Trademarks were based on fair value less cost of disposal using the Relief from Royalty ("RFR") method.

The RFR calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The Philippines Trademarks' cash flows beyond the five-year period is extrapolated using a steady 5.4% (2022: 6.1%) cumulative annual growth rate which management believes is reasonable and that any reasonably possible change in the key assumptions on which the Philippines Trademarks' recoverable amount is based would not cause the Philippines Trademarks' carrying amount to exceed its recoverable amount.

The key assumptions used in the estimation of the fair value less cost of disposal represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

As of 30 April 2023 and 2022, the carrying values of the intangible assets do not exceed the fair values less cost of disposal, respectively, hence, no impairment has been recorded. Below are the key assumptions used in fiscal year 2023 and 2022:

	2023	**2022**
	%	**%**
Discount rate	7.8	8.7
Terminal growth rate	5.4	6.1
Royalty rate	1.0	1.0
Revenue growth rate	5.6	7.7

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital.

The cash flow projections included specific estimates for five years.

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. It was assumed that sales price would increase in line with forecast inflation over the next five years.

S&W Asia trademark

In 2023 and 2022, the recoverable amount was based on fair value less cost of disposal using the RFR method. The key assumptions used in the estimation of the fair value less cost of disposal are set out below.

	2023	**2022**
	%	**%**
Discount rate	13.0	10.5
Royalty rate	3.0	3.0
Revenue growth rate	7.6	6.5

8. Intangible assets and goodwill (cont'd)

Indian sub-continent trademark

The Indian sub-continent trademark and the investment in DMFPL were allocated to Indian sub-continent CGU (see Note 7).

America trademarks and Goodwill

In 2023 and 2022, the recoverable amount of the CGU was based on VIU, being greater than the fair value less costs of disposal:

	30 April 2023 US$'000	30 April 2022 US$'000
Value-in-use	4,030,000	6,130,000
Fair value less costs of disposal – income approach	3,950,000	6,050,000
Recoverable amount	4,030,000	6,130,000

The Americas trademarks were also included in the CGU used in the goodwill impairment testing.

As of valuation date in April 2023 and 2022, and January 2021, the estimated recoverable amount of the CGU exceeded its carrying amount of US$1,929.2 million, US$1,402.0 million, and US$1,318.8 million, respectively, by approximately US$2,100.8 million, US$4,728.0 million, and US$2,691.2 million, respectively. Therefore, the CGU is not impaired.

VIU

The VIU is the present value of expected cash flows, discounted at a risk-adjusted weighted average cost of capital.

The key assumptions used in the estimation of the recoverable amount using the VIU approach are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

	2023 %	2022 %
Discount rate	9.8	8.9
Terminal growth rate	2.0	2.0
Long-term EBITDA margin	12.8	15.8
Revenue growth rate	5.0 – 8.9	3.5 – 8.3
Gross margin	23.9 – 25.3	24.4 – 27.0

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible range of debt leveraging of 38% as at 30 April 2023 (2022: 21%) at a risk-free interest rate of 3.4% as of 30 April 2023 (2022: 3.1%).

8. Intangible assets and goodwill (cont'd)

America trademarks and Goodwill (cont'd)

The cash flow projections included specific estimates for four years for fiscal year 2023 (2022: four years) and a terminal growth rate thereafter. Due to various growth initiatives of DMFI, management shortened the cashflow forecast period to four years in fiscal year 2023 (2022: four years) to meet the minimum requirement in terms of forecasted period and allow for its operations to reach a steady state gradually in terms of its long-term compound annual EBITDA growth rate. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate. This growth rate is consistent with the assumption that a market participant would make and with industry expectations and internal estimates of sustainable long-term growth for the business.

Budgeted EBITDA was estimated taking into account past experience adjusted as follows:

- Revenue growth was projected taking into account the average growth levels experienced over the past four years and estimated sales volume and price growth for the next four years (2022: four years). It was assumed that sales price would increase in line with forecasted inflation over the next four years. The amounts are probability-weighted.

Sensitivity analysis

Management has identified that a reasonably possible change in the discount rate or long-term margin could cause the carrying amount to exceed the recoverable amount. The following table shows the percentages to which these would need to change independently for the estimated recoverable amount of the DMFI CGU to be equal to its carrying amount.

	2023	**2022**
	%	**%**
Discount rate	15.4	22.9
Long-term EBITDA margin	6.3	4.8

Source of estimation uncertainty

Impairment of goodwill and intangible assets

Goodwill and the indefinite life trademarks are assessed for impairment at least annually. The impairment assessment requires an estimation of the VIU and fair value less costs of disposal of the CGU to which the goodwill and indefinite life trademarks are allocated.

Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the CGU and apply an appropriate discount rate in order to calculate the present value of those cash flows. Actual cash flows will differ from these estimates as a result of differences between assumptions used and actual operations.

Estimating fair value less costs of disposal requires the use of estimates and assumptions. The estimated fair value would change depending on the assumptions used, such as the discount rate and long-term margin.

8. Intangible assets and goodwill (cont'd)

Amortizable trademarks and customer relationship

	Net carrying amount		Remaining amortization period (years)	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023	30 April 2022
America S&W trademark	163	363	0.8	1.8
America Contadina trademark	11,898	12,998	10.8	11.8
	12,061	13,361		

America trademarks

The amortizable trademarks relate to the exclusive right to use of the "S&W" trademark in the United States, Canada, Mexico and certain countries in Central and South America and "Contadina" trademark in the United States, Canada, Mexico South Africa and certain countries in Asia Pacific, Central America, Europe, Middle East and South America market.

Management has included these trademarks in the CGU impairment assessment and concluded that no impairment exists at the reporting date.

Customer relationships

Customer relationships relate to the network of customers where DMFI has established relationships with the customers, particularly in the United States market through contracts.

	Net carrying amount		Remaining amortization period (years)	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023	30 April 2022
Customer relationships – CP	57,862	63,211	10.8	11.8
Customer relationships – Kitchen Basics	8,124	–	19.5	–
	65,986	63,211		

Management has included the customer relationships in the CGU impairment assessment and concluded no impairment exists at the reporting date.

8. Intangible assets and goodwill (cont'd)

Source of estimation uncertainty

The Group estimates the useful lives of its amortizable trademarks and customer relationships based on the period over which the assets are expected to be available for use. The estimated useful lives of the trademarks and customer relationships are reviewed periodically and are updated if expectations differ from previous estimates due to legal or other limits on the use of the assets. A reduction in the estimated useful lives of amortizable trademarks and customer relationships would increase recorded amortization expense and decrease noncurrent assets.

9. Deferred tax assets – net

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Deferred tax assets and liabilities of the Group are attributable to the following:

	30 April 2023		30 April 2022	
	Assets US$'000	**Liabilities US$'000**	**Assets US$'000**	**Liabilities US$'000**
Group				
Provisions	9,153	–	6,532	–
Employee benefits	13,016	–	13,954	–
Property, plant and equipment – net	–	(19,751)	–	(14,959)
Intangible assets and goodwill	–	(103,711)	–	(92,089)
Effective portion of changes in fair value of cash flow hedges	–	(415)	1,603	–
Tax loss carry-forwards	142,007	–	155,391	–
Inventories	2,361	–	1,409	–
Biological assets	–	(1,629)	–	(1,916)
Interest	52,865	–	29,234	–
Undistributed profits from a subsidiary	–	(377)	–	(5,730)
Charitable contributions	2,139	–	3,321	–
Research and development	2,018	–	–	–
Others	8,754	–	7,574	–
Deferred tax assets (liabilities)	232,313	(125,883)	219,018	(114,694)
Set off of tax	(114,253)	114,253	(102,273)	102,273
Deferred taxes - net	118,060	(11,630)	116,745	(12,421)

9. Deferred tax assets – net (cont'd)

Movements in deferred tax assets and deferred tax liabilities of the Group during the year are as follows:

	At 1 May 2022 US$'000	Recognized in profit or loss US$'000	Recognized in other comprehen-sive income US$'000	Currency realignment US$'000	At 30 April 2023 US$'000
2023					
Provisions	6,532	2,081	–	540	9,153
Employee benefits	13,954	(745)	(821)	628	13,016
Property, plant and equipment - net	(14,959)	811	(5,828)	225	(19,751)
Intangible assets and goodwill	(92,089)	(11,622)	–	–	(103,711)
Effective portion of changes in fair value of cash flow hedges	1,603	108	(2,274)	148	(415)
Tax loss carry-forwards	155,391	(13,384)	–	–	142,007
Inventories	1,409	952	–	–	2,361
Biological assets	(1,916)	113	–	174	(1,629)
Interest	29,234	23,631	–	–	52,865
Undistributed profits from a subsidiary	(5,730)	5,353	–	–	(377)
Charitable contributions	3,321	(1,182)	–	–	2,139
Others	7,574	3,476	–	(278)	10,772
	104,324	9,592	(8,923)	1,437	106,430

	At 1 May 2021 US$'000	Recognized in profit or loss US$'000	Recognized in other comprehen-sive income US$'000	Currency realignment US$'000	At 30 April 2022 US$'000
2022					
Provisions	8,466	(1,606)	–	(328)	6,532
Employee benefits	13,935	3,202	(3,255)	72	13,954
Property, plant and equipment - net	(17,228)	2,015	–	254	(14,959)
Intangible assets and goodwill	(79,671)	(12,418)	–	–	(92,089)
Effective portion of changes in fair value of cash flow hedges	(395)	(195)	2,193	–	1,603
Tax loss carry-forwards	166,114	(10,723)	–	–	155,391
Inventories	2,127	(718)	–	–	1,409
Biological assets	(1,796)	(265)	–	145	(1,916)
Interest	24,450	4,784	–	–	29,234
Undistributed profits from a subsidiary	(2,168)	(3,562)	–	–	(5,730)
Charitable contributions	3,254	67	–	–	3,321
Others	6,851	724	–	(1)	7,574
	123,939	(18,695)	(1,062)	142	104,324

9. Deferred tax assets – net (cont'd)

As at 30 April 2023, the Group has recognized net deferred tax assets of US$118.1 million, of which US$112.8 million was attributable to DMFI.

As at 30 April 2023, the Group recognized deferred tax liability relating to undistributed profit of a subsidiary amounting to US$0.4 million (2022: US$5.7 million).

In fiscal year 2021, the Group derecognized US$0.6 million of its deferred tax liability on property, plant and equipment – net relating to the revaluation surplus on freehold land, resulting from the change in tax rate in the Philippines. The reversal of deferred tax liability was recognized in other comprehensive income.

Unrecognized deferred tax assets

The following are the temporary differences for which deferred tax assets have not been recognized as of 30 April 2023 and 2022:

	30 April 2023 US$'000	**30 April 2022 US$'000**
Deductible temporary differences	–	5,266
Tax losses and tax credits	4,538	15,377
	4,538	20,643

The tax losses will expire in 2024 and 2025. The tax credits will expire between 2025 and 2027. Deferred tax assets have not been recognized with respect to these items because it is not probable that sufficient future taxable profits will be available to utilize the benefits.

Sources of estimation uncertainty

As of 30 April 2023, deferred tax assets amounting to US$142.0 million (2022: US$155.4 million) have been recognized in respect of the tax loss carry forwards because management assessed that it is probable that sufficient future taxable income will be available against which DMFI can utilize these benefits. Future taxable profit is based on the expected future cash flows used in the impairment assessment of goodwill and trademark with indefinite useful lives. Management has identified that a reasonably possible change in the revenue growth rate, EBITDA margin and long-term growth rate could cause the non-realizability of the Group's deferred tax assets, Management expects profitable growth coming from revenue strategies and cost efficiencies in the future. To the extent that profitable growth does not materialize in the future periods, deferred tax assets of $229.7 million may not be realized. The majority of the tax loss for years ending fiscal year 2019 and after can be carried forward indefinitely and tax loss carry forwards prior to fiscal year 2019 may be utilized up to a 20-year period.

10. Other noncurrent assets

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Advance rentals and deposits	19,557	16,679	–	–
Derivative assets	6,189	–	–	–
Investment in unquoted equity shares	5,023	–	5,023	–
Excess insurance	4,201	3,762	–	–
Advances to suppliers	2,898	4,212	–	–
Receivable from sale and leaseback	2,571	2,818	–	–
Notes receivable and others	1,811	2,940	–	49
Other noncurrent assets	42,250	30,411	5,023	49

Advance rentals and deposits consist of rent payments related to lease contracts which will commence beyond one year from the reporting period, as well as security deposits made for lease contracts entered by the Group.

Investment in unquoted equity shares represent total financial assets carried at fair value through other comprehensive income. The unquoted investments relate to equity shares of an entity incorporated in Switzerland which was acquired through an assignment of a US$5.0 million receivable due to a subsidiary.

Excess insurance relates mainly to reimbursements from insurers to cover certain workers' compensation claims liabilities (see Note 19).

Advances to suppliers represents advance payments made on capital projects.

Receivable from sale and leaseback is the noncurrent portion of receivable relating to assets sold to DMPI Employees Agrarian Reform Beneficiaries Cooperation ("DEARBC") and subsequently leased back to the Group in 2021 (see Note 23). The current portion of US$0.1 million is presented under "Trade and other receivables".

In relation to the closure of DMFI's Plymouth, Indiana plant in fiscal year 2018, DFMI sold its Plymouth building and land in fiscal year 2019 and recorded a receivable amounting to US$1.0 million which is due on 2 July 2023. As of 30 April 2023, the receivable is presented as part of other current assets in Note 14, while the same receivable is presented as noncurrent and part of "Note receivables and Others" above as of 30 April 2022.

11. Biological assets

	Note	Group	
		30 April 2023 US$'000	**30 April 2022 US$'000**
Livestock			
At beginning of the year		2,735	2,655
Purchases of livestock		1,247	895
Sales of livestock		(810)	(601)
Currency realignment		(165)	(214)
At end of the year		3,007	2,735
Agricultural produce			
At beginning of the year		13,768	10,878
Additions		14,519	16,177
Harvested		(11,098)	(12,016)
Currency realignment		(4,962)	(1,271)
At end of the year		12,227	13,768
Fair value gain on produce prior to harvest		32,625	33,578
At end of the year		44,852	47,346
Current		44,852	47,346
Noncurrent		3,007	2,735
Total biological assets		47,859	50,081
Fair value gain (loss) recognized under:			
Harvested pine for cannery			
Inventories	34	4,496	3,375
Cost of sales	25	39,456	37,532
		43,952	40,907
Inventories - cattle for slaughter		8	(9)
Cost of sales - fresh pines	25	17,851	22,704
Unharvested agricultural produce		(2,706)	2,076
Fair value gain recognized under revenues		59,105	65,678

The changes in fair values of the Group's biological assets are recorded as part of revenues.

11. Biological assets (cont'd)

Livestock

Livestock comprises growing herd and breeding and dairy herd that are stated at cost and cattle for slaughter that is stated at fair value less point-of-sale costs. The fair value is determined based on the actual selling prices approximating those at year end less estimated point-of-sale costs.

Risk management strategy related to agricultural activities

The Group is exposed to risks arising from changes in cost and volume of fruits harvested from the growing crops which is influenced by natural phenomenon such as weather patterns, volume of rainfall and field performance. The cost of growing crops is also exposed to the change in cost and supply of agricultural supplies and labor which are determined by constantly changing market forces of supply and demand.

The Group is subject to risk relating to its ability to maintain the physical condition of its fruit crops. Plant diseases could adversely impact production and consumer confidence, which impact sales.

The Group secures favorable harvest of pineapples and other agricultural produce from biological assets by continuously assessing factors that could affect harvest and responding to them on a timely manner. The Group is equipped with necessary technical manpower, farm inputs, such as fertilizer, chemicals and equipment to respond to any changes brought about by the factors as mentioned above.

The Group is subject to laws and regulations in the Philippines where it operates its agricultural activities. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

Source of estimation uncertainty

Fair Value of Harvested Agricultural Produce

The fair values of the harvested pineapple fruits are based on the most reliable estimate of selling prices, in both local and international markets at the point of harvest, as determined by the Group. For the pineapple variety being sold as fresh fruits, the market price is based on the selling price of fresh fruits as sold in the local and international markets. For the pineapple variety being processed as cased goods, the market price is derived from average sales price of the processed product adjusted for margin and associated costs related to production. Changes in fair values of agricultural produce after initial recognition are included in the carrying amount of cased goods at the reporting date.

Future Tonnage of Harvests

Bearer plants are stated at cost which comprises actual costs incurred in nurturing the crops reduced by the equivalent amortization of fruits harvested which considers the future tonnage of harvests. Estimated harvest is affected by natural phenomenon such as weather patterns and tonnage of rainfall. Field performance and market demand also affect the level of estimated harvests. The cost is developed by allocating growing costs for the estimated growth cycle of 2 to 3 years over the estimated harvests to be made during the life cycle of the plant crops. The Group reviews and monitors the estimated future tonnage of harvests regularly.

11. Biological assets (cont'd)

Fair Value of Unharvested Agricultural Produce

The fair values of the growing pineapple crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest, as determined by the Group multiplied by estimated tonnage of pineapple fruits based on crop age after planting. Fair value is initially recognized when the pineapple fruit develops when the bearer plant has reached maturity to bear fruit. The fair value is approximated by the estimated selling price at point of harvest less future growing costs to be incurred until harvest. Such future growing costs decreases as the growing crops near the point of harvest.

For the pineapple variety being sold as fresh fruits, the gross margin is based on the market price of pineapple fruits being sold by the Group. For the pineapple variety being processed as cased goods, the gross margin is based on the selling price of the final product sold in the market adjusted for margin related to production.

Estimated tonnage is based on standard weight of the growing pineapple crops when they reach certain months after planting date. Estimated tonnage is also affected by natural phenomenon such as weather patterns and volume of rainfall, and actual field performance.

The valuation techniques and significant unobservable inputs used in determining the fair value of these biological assets are discussed in Note 34.

12. Inventories

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Finished goods		
- at cost	698,664	430,070
- at net realizable value	37,482	20,380
Semi-finished goods		
- at cost	173,557	94,966
- at net realizable value	12,372	8,182
Raw materials and packaging supplies		
- at cost	78,683	75,165
- at net realizable value	76,014	57,195
Total inventories	1,076,772	685,958

Total cost of inventories carried at net realizable value amounted to US$138.6 million as at 30 April 2023 (2022: U$92.2 million). Inventories recognized as an expense in cost of sales amounted to US$1,385.2 million for the year ended 30 April 2023 (2022: US$1,300.3 million) (see Note 25).

12. Inventories (cont'd)

Inventories are stated at net realizable value after allowance for inventory obsolescence. Movements in the allowance for inventory obsolescence during the year are as follows:

		Group	
	Note	**30 April 2023 US$'000**	**30 April 2022 US$'000**
At beginning of the year		6,464	13,254
Allowance for the year	25	9,542	4,135
Write-off against allowance		(2,585)	(10,157)
Currency realignment		(684)	(768)
At end of the year		12,737	6,464

Source of estimation uncertainty

Allowance for inventory obsolescence and net realizable value

The Group recognizes allowance on inventory obsolescence when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items. Obsolescence is also established when inventory items are no longer marketable. Obsolete goods when identified are charged to income statement and are written off. In addition to an allowance for specifically identified obsolete inventory, estimation is made on a group basis based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Group reviews on a monthly basis the condition of its inventory. The assessment of the condition of the inventory either increases or decreases the expenses or total inventory.

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at the reporting date.

The Group reviews on a continuous basis the product movement, changes in customer demands and introductions of new products to identify inventories which are to be written down to the net realizable values. The write-down of inventories is reviewed periodically to reflect the accurate valuation in the financial records. An increase in write-down of inventories would increase the recorded cost of sales and operating expenses and decrease current assets.

13. Trade and other receivables

	Group		Company	
	30 April 2023 US$'000	**30 April 2022 US$'000**	**30 April 2023 US$'000**	**30 April 2022 US$'000**
Trade receivables	195,335	189,839	–	–
Nontrade receivables	45,346	34,881	6	603
Amounts due from subsidiaries (nontrade)	–	–	26,400	84,229
Allowance for expected credit loss – trade	(5,328)	(5,850)	–	–
Allowance for expected credit loss - nontrade	(4,317)	(4,317)	–	–
Trade and other receivables	231,036	214,553	26,406	84,832

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand. There is no allowance for allowance for expected credit losses ("ECL") arising from these outstanding balances.

Nontrade receivables consist of vendor rebates, plant receivables, claims from third party service providers, advances to growers, which are claimed upon delivery of fruits, and fuel withdrawals applied against truckers' bills when due.

The aging of trade and nontrade receivables at the reporting date is:

	Group			
	Gross		**ECL allowance**	
At 30 April 2023	**Trade US$'000**	**Nontrade US$'000**	**Trade US$'000**	**Nontrade US$'000**
Not past due	119,651	24,709	–	–
Past due 0 - 60 days	35,579	3,433	–	–
Past due 61 - 90 days	3,404	3,724	–	–
Past due 91 - 120 days	4,875	1,328	–	–
More than 120 days	31,826	12,152	(5,328)	(4,317)
	195,335	45,346	(5,328)	(4,317)

13. Trade and other receivables (cont'd)

The aging of trade and nontrade receivables at the reporting date is: (cont'd)

	Group			
	Gross		ECL allowance	
At 30 April 2022	**Trade US$'000**	**Nontrade US$'000**	**Trade US$'000**	**Nontrade US$'000**
Not past due	121,769	16,377	–	–
Past due 0 - 60 days	42,343	2,471	–	–
Past due 61 - 90 days	5,565	690	–	–
Past due 91 - 120 days	1,948	1,112	–	–
More than 120 days	18,214	14,231	(5,850)	(4,317)
	189,839	34,881	(5,850)	(4,317)

The recorded allowance for ECLs falls within the Group's historical experience in the collection of trade and other receivables. Therefore, management believes that there is no significant additional credit risk beyond what has been recorded.

As at 30 April 2023 and 2022, the receivables of the Company were neither past due nor impaired.

Nontrade receivables include current portion of lease receivable amounting to US$0.1 million as at 30 April 2023 (2022: US$0.5 million) (see Note 23), and current portion of receivable from sale and leaseback amounting to US$0.1 million as at 30 April 2023 (2022: US$0.1 million). The noncurrent portion of lease receivable and receivable from sale and leaseback are presented under "Other noncurrent assets" as "Notes receivable and others" (see Note 10).

Movements in allowance for ECLs during the year are as follows:

		Group		
	Note	**Trade US$'000**	**Nontrade US$'000**	**Total US$'000**
At 1 May 2022		5,850	4,317	10,167
Allowance for the year	25	–	7	7
Write-off for the year		(242)	–	(242)
Reversal for the year	25	(188)	–	(188)
Currency realignment		(92)	(7)	(99)
At 30 April 2023		5,328	4,317	9,645

13. Trade and other receivables (cont'd)

Movements in allowance for ECLs during the year are as follows: (cont'd)

	Note	Trade US$'000	Group Nontrade US$'000	Total US$'000
At 1 May 2021		4,801	4,423	9,224
Allowance for the year	25	1,134	(54)	1,080
Write-off for the year		(20)	(14)	(34)
Reversal for the year	25	–	(20)	(20)
Currency realignment		(65)	(18)	(83)
At 30 April 2022		5,850	4,317	10,167

Source of estimation uncertainty

Impairment of trade and nontrade receivables

The Group maintains an allowance for ECL at a level considered adequate to provide for potential uncollectible receivables based on the applicable ECL methodology. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behaviour and known market factors. The Group reviews the age and status of trade receivables, and identifies accounts that are to be provided with allowance on a continuous basis. Additionally, allowance is also determined, through a provision matrix based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The amount and timing of recorded expenses for any period would differ if the Group made different judgment or utilized different estimates. An increase in the Group's allowance for impairment would increase the Group's recorded operating expenses and would decrease the Group's current assets.

The recorded allowance for ECL falls within the Group's historical experience in the collection of accounts receivables. The Group managed to continue operating in the middle of the pandemic since its products are essential. There were no significant internal operational interruptions and disruptions caused by external factors such as restrictions to movement of materials were managed so that there will be no major adverse impacts to the overall results of operations for the fiscal years ended 30 April 2023 and 2022.

14. Prepaid expenses and other current assets

	Note	Group 30 April 2023 US$'000	Group 30 April 2022 US$'000	Company 30 April 2023 US$'000	Company 30 April 2022 US$'000
Prepaid expenses		48,986	32,622	77	48
Down payment to suppliers		7,372	12,737	–	–
Derivative assets	19	2,678	1,486	–	–
Short-term placements		18	1,288	–	883
Others		613	919	17	–
		59,667	49,052	94	931

Prepaid expenses consist of advance payments for insurance, advertising, rent and taxes, among others.

Down payment to suppliers pertains to advance payments for the purchase of materials and supplies that will be used for operations.

Short-term placements have maturities of 4-6 months and earn interest at 0.75%-0.875% per annum in 2023 (2022: 0.75%-1.00% per annum).

15. Cash and cash equivalents

	Group 30 April 2023 US$'000	Group 30 April 2022 US$'000	Company 30 April 2023 US$'000	Company 30 April 2022 US$'000
Cash on hand	84	67	–	–
Cash in banks	19,392	20,902	554	1,245
Cash equivalents	360	884	–	884
Cash and cash equivalents	19,836	21,853	554	2,129

Certain cash in bank accounts earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 0.50% in 2023 and 2022. Cash equivalents are short-term placements which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at 0.75% to 4.90% per annum in 2023 (30 April 2022: 0.75% to 1.00% per annum).

16. Share capital

	30 April 2023 No. of shares ('000)	30 April 2023 US$'000	30 April 2022 No. of shares ('000)	30 April 2022 US$'000
Authorized:				
Ordinary shares of US$0.01 each	3,000,000	30,000	3,000,000	30,000
Preference shares of US$1.00 each	600,000	600,000	600,000	600,000
	3,600,000	630,000	3,600,000	630,000
Issued and fully paid:				
Ordinary shares of US$0.01 each	1,944,936	19,449	1,944,936	19,449
Preference shares of US$1.00 each	–	–	10,000	10,000
	1,944,936	19,449	1,954,936	29,449

Reconciliation of number of outstanding ordinary shares in issue:

	Year ended 30 April 2023 No. of shares ('000)	Year ended 30 April 2022 No. of shares ('000)
At beginning and end of the year	1,943,960	1,943,960

16. Share capital (cont'd)

The number of outstanding ordinary shares excludes 975,802 ordinary shares held by the Company as treasury shares. The retained earnings of the Company is restricted for the declaration and payment of dividends to the extent of US$286,000 as at 30 April 2023 and 2022 representing the cost of shares held in treasury.

Reconciliation of number of outstanding preference shares in issue:

	Year ended 30 April 2023 ('000)	Year ended 30 April 2022 ('000)
At beginning of the year	10,000	30,000
Redeemed	(10,000)	(20,000)
At end of the year	–	10,000

The following summarizes the information on the Company's registration of securities under the Revised Securities Regulation Code of the Philippines ("SRC"):

<u>Ordinary Shares</u>

Date of SEC Approval	Authorized Shares	No. of Shares Issued	Issue/Offer Price
28 May 2013*	2,000,000,000	1,297,500,491	Php29.80
15 October 2014**	3,000,000,000	5,500,000	Php17.00
14 January 2015***	3,000,000,000	641,935,335	Php10.60

**The SEC issued an order rendering effective the registration of its issued shares. The Company was listed by way of introduction to The Philippine Stock Exchange, Inc. on 10 June 2013.*
***The SEC issued an order rendering effective the registration of additional 5,500,000 ordinary shares which were offered and sold to the public in the Philippines.*
****The rights shares were considered exempt from registration pursuant to Section 10(e) and 10(l) of the Securities Regulation Commission ("SRC"). The exemption from registration was confirmed by the SEC in a letter dated 14 January 2015.*

The total number of ordinary shareholders as at 30 April 2023 and 2022 was 7,396 and 7,286, respectively.

The holders of ordinary shares are entitled to receive dividends after dividend of preference shares are paid, as declared from time to time, and are entitled to one vote per share at meetings of the Company. The preference shares are cumulative, non-voting, redeemable at the option of the issuer, non-participating and non-convertible. The preference share has a par value of US$1.0 per share and were issued at US$10.0 per share. Ordinary shares rank equally with regard to the Company's residual assets after preference shares are paid.

In April 2014, the Company increased its authorized share capital from US$20.0 million, divided into 2,000,000,000 ordinary shares at US$0.01 per share, to US$630.0 million, divided into 3,000,000,000 ordinary shares at US$0.01 per share and 600,000,000 preference shares at US$1.00 per share. The preference shares may be issued in one or more series, each such class of shares will have rights and restrictions as the Board may designate. The terms and conditions of the authorized preference shares are finalized upon each issuance.

16. Share capital (cont'd)

Ordinary Shares (cont'd)

On 30 October 2014, the Company had additional ordinary shares listed and traded on the SGX-ST and the PSE pursuant to a public offering conducted in the Philippines. The Company offered and sold by way of primary offer 5,500,000 ordinary shares at an offer price of 17.00 Philippine pesos (Php) per share.

In March 2015, additional 641,935,335 ordinary shares were listed on the SGX-ST and the PSE, which were offered and sold to eligible shareholders by way of a stock rights offering at an exercise price of S$0.325 or Php10.60 for each share in Singapore and the Philippines, respectively.

In September 2017, the Company transferred 745,918 of its treasury shares to ordinary shares in connection with the release of share awards granted to certain Directors pursuant to the Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP").

The Company also issued share awards under the Del Monte Pacific RSP (see Note 31) in fiscal year 2018.

Preference Shares

Date of SEC Approval	Authorized Shares	No. of Shares Issued	Issue/Offer Price
21 March 2017	600,000,000	20,000,000 Series A-1 Preference Shares	US$10.00
21 March 2017* / 27 November 2017**	600,000,000	10,000,000 Series A-2 Preference Shares	US$10.00

**No Order of Registration was issued for the second tranche offer of preference shares as it was part of the shelf-registration previously applied by the Company with the SEC.*
***Date of issuance of the SEC Permit to Sell.*

The details of the Company's preference shares are as follows:

		30 April 2023			30 April 2022		
Preference Shares	**Par Value**	**Share Capital US$'000**	**Share Premium US$'000**	**Contributed Capital US$'000**	**Share Capital US$'000**	**Share Premium US$'000**	**Contributed Capital US$'000**
Series A-1	US$1.00	–	–	–	–	–	–
Series A-2	US$1.00	–	–	–	10,000	90,000	100,000
		–	–	–	10,000	90,000	100,000

16. Share capital (cont'd)

Preference Shares (cont'd)

The Series A-1 and A-2 Preference shares are non-convertible, have no maturity date and are redeemable at the option of the Company on the fifth anniversary from the issue date (the "Step Up Date") or on any dividend payment date thereafter. The preference shares bear a cumulative non-participating cash dividend at an initial dividend rate of 6.625% and 6.50% per annum for Series A-1 and A-2 preference shares, respectively, applicable from the issue date up to the Step Up Date. The dividends are payable semi-annually every 7 April and 7 October of each year, being the last day of each 6-month period following the issue date. If the preference shares have not been redeemed on the Step Up Date, the dividend rate shall be adjusted on the Step Up Date to the sum of the 10-year U.S. Treasury Bond rate (prevailing as of the Step Up Date) plus initial spread plus margin of 2.50% per annum (the "Step Up Rate"). The initial spread shall be 4.605% and 4.44% per annum for Series A-1 and A-2 preference shares, respectively. However, if the initial dividend rate is higher than the applicable Step Up Rate, there shall be no adjustment to the dividend rate, and the initial dividend rate shall continue to be the dividend rate. The preference shares rank ahead of the ordinary shares in the event of a liquidation.

On 7 April 2022, the Company had redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares and on 15 December 2022, all of the outstanding 10,000,000 Series A-2 Preference Shares.

The redeemed preferred shares shall be cancelled but shall remain part of the Company's authorized capital and shall be available to be reissued by resolution of the board.

Capital management

The Board's policy has been to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital comprises its share capital, retained earnings and total reserves as presented in the statements of financial position. The Board monitors the return on capital, which the Group defines as profit or loss for the year divided by total shareholders' equity. The Board also monitors the level of dividends paid to ordinary shareholders. Under the Company's Articles of Association and the terms of the preference shares, the Company may declare and pay dividends on common shares provided there are adequate and available funds for dividends on preference shares which have priority over common shares.

The bank loans of the Group contain various covenants with respect to capital maintenance and ability to incur additional indebtedness. The Board ensures that loan covenants are considered as part of its capital management through constant monitoring of covenant results through interim and full year results.

There were no changes in the Group's approach to capital management during the current and prior fiscal year.

17. Retained Earnings and Reserves

Retained earnings

Dividends

	Group and Company		
	30 April 2023 US$'000	**30 April 2022 US$'000**	**30 April 2021 US$'000**
Declared and paid during the financial year:			
Dividends on ordinary shares			
2023: US$0.01700 (2022: US$0.0120; 2021: US$0.0154)	33,251	23,310	30,055
Dividends on preference shares			
A-1 preference shares for 2023: nil; (2022 and 2021: US$0.6625) per share	–	13,250	13,250
A-2 preference shares for 2023: US$0.4478 (2022 and 2021: US$0.6500) per share	4,478	6,500	6,500
	4,478	19,750	19,750
	37,729	43,060	49,805
Proposed but not recognized as a liability as at reporting date:			
Dividends on ordinary shares			
2023: US$0.0013 (2022: US$0.0170; 2021: US$0.0120)	2,527	33,047	23,328

Ordinary shares

On 20 June 2023, the Company declared dividends of US$0.0013 per share to ordinary shareholders on record as at 11 July 2023. The special dividend will be paid on 25 July 2023.

On 23 June 2022, the Company declared dividends of US$0.0170 per share to ordinary shareholders on record as at 13 July 2022. The special dividend was paid on 27 July 2022.

On 23 June 2021, the Company declared dividends of US$0.0120 per share to ordinary shareholders on record as at 13 July 2021. The special dividend was paid on 27 July 2021.

Preference shares

On 15 December 2022, the redemption date of the Series A-2 Preference Shares, the Company paid the accrued cash dividends at the fixed rate of 6.5% per annum, or equivalent to US$0.12278 per Series A-2 Preference Share for the period from 8 October 2022 to 15 December 2022.

On 9 September 2022, the Company declared dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per Series A-2 Preference Share for the six-month period from 8 April 2022 to 7 October 2022. The final dividends were paid on 7 October 2022.

17. Retained Earnings and Reserves (cont'd)

Retained earnings (cont'd)

Preference shares (cont'd)

On 11 March 2022, the Company declared dividends to holders of Series A-1 Preference Shares, at the fixed rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference Share for the six-month period from 8 October 2021 to 7 April 2022. The Company also declared dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per Series A-2 Preference Share for the six-month period from 8 October 2021 to 7 April 2022. The final dividends were paid on 7 April 2022.

On 10 September 2021, the Company declared dividends to the holders of the Series A-1 Preference Shares at the fixed rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference and Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per series A-2 Preference Shares for the six-month period from 8 April 2021 to 7 October 2021. The final dividends were paid on 7 October 2021.

On 10 March 2021, the Company declared dividends to holders of Series A-1 Preference Shares, at the fixed rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference Share for the six-month period from 8 October 2020 to 7 April 2021. The Company also declared dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per Series A-2 Preference Share for the six-month period from 8 October 2020 to 7 April 2021. The final dividends were paid on 7 April 2021.

The cumulative undeclared dividends on the preference shares amounted to US$0.4 million as of 30 April 2022. None as of 30 April 2023 as all preference shares were already redeemed.

The retained earnings were restricted for the payment of dividends representing the accumulated equity in net earnings of the subsidiaries amounting to US$243.5 million as at 30 April 2023 (2022: US$277.2 million). The accumulated equity in net earnings of the subsidiaries will be available for dividend distribution upon receipt of dividends from the subsidiaries. As of 30 April 2023 and 2022, the Group's investment in joint ventures have no undistributed net earnings.

In fiscal year 2021, the Group recorded in retained earnings, a net equity reserve of US$6.6 million arising from the additional sale of DMPI shares to SEA Diner (see Note 6).

Share premium

Under the British Virgin Islands law in whose jurisdiction the Company operates, the Company's share premium and retained earnings form part of the Company's surplus that may be available for dividend distribution provided that the solvency test is met by the Company. The Group's share premium is shown net of a merger deficit of US$0.14 million, which arose from the acquisition of a subsidiary, DMPRL, under common control in 1999.

17. Retained Earnings and Reserves (cont'd)

Retained earnings (cont'd)

<u>Share premium (cont'd)</u>

The share premium account includes any premium received on the initial issuance of the share capital. Any transaction costs associated with the issuance of shares are deducted from the share premium account, net of any related income tax effects.

In fiscal year 2023 and 2022, share premium decreased by US$90.0 million and US$180.0 million respectively as a result of the redemption of Series A-1 Preference Shares on 7 April 2022 and Series A-2 Preference Shares on 15 December 2022 (see Note 16).

Reserves

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Translation reserve	(105,020)	(95,322)	(105,020)	(95,322)
Revaluation reserve	29,354	14,278	29,354	14,278
Remeasurement of retirement plan	46,051	43,752	46,051	43,752
Hedging reserve	1,390	(4,963)	1,390	(4,963)
Reserve for own shares	(286)	(286)	(286)	(286)
	(28,511)	(42,541)	(28,511)	(42,541)

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

The revaluation reserve relates to surplus on the revaluation of freehold land of the Group. The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect the income statement of the Group (see Note 19).

The share option reserve comprises the cumulative value of employee services received for the issue of share options. In fiscal year 2022, the share option were cancelled by means of retirement (see Note 31). The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. As at 30 April 2023 and 2022, the Group held 975,802 of the Company's shares.

18. Loans and borrowings

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Current liabilities				
Unsecured bank loans	633,873	327,794	156,794	160,071
Secured bank loans	645,003	151,560	168,104	10,500
	1,278,876	479,354	324,898	170,571
Noncurrent liabilities				
Unsecured bank loans	212,652	384,524	177,531	233,290
Secured bank loans	781,825	703,488	64,428	201,297
	994,477	1,088,012	241,959	434,587
	2,273,353	1,567,366	566,857	605,158

18. Loans and borrowings (cont'd)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings (short-term and long-term borrowings) are as follows:

	Currency	Nominal interest rate	Year of maturity	30 April 2023 Face value	30 April 2023 Carrying amount	30 April 2022 Face value	30 April 2022 Carrying amount
		% p. a.		US$'000	US$'000	US$'000	US$'000
Group							
Short-term borrowings							
Unsecured bank loans [1]	PHP	(2023) 5.95% - 7.50% (2022) 2.15% - 2.25%	2023	143,701	143,701	112,353	112,353
Unsecured bank loans	US$	(2023) 3.20% – 6.87% (2022) 1.85% - 3.50%	2023	326,200	326,200	203,370	203,370
Secured bank loan under Asset-Based Lending (ABL) Credit Agreement [2]	US$	(2023) ABL Base B - 9% SOFR 4.96% + Spread of 2.1% or total of 7.06% (2022) Swingline B- 5% ABL Base B- 5% Higher of London Interbank Offered Rate (LIBOR) or 1% +2.75% or total of 3.75%	2024	465,000	458,823	146,000	141,060
Long-term borrowings							
Unsecured 3Y bonds	PHP	3.4840%	2023	105,097	104,799	111,446	110,519
Unsecured bank loans [1]	PHP	(2023) 5.5268% (2022) 3.00%	2025	27,028	26,959	28,662	28,517
Unsecured bank loans	US$	(2023) 6.80% - 8.19% (2022) 2.56% - 4.20%	2025	144,569	144,566	157,390	157,385
Unsecured bonds	US$	3.75%	2024	90,000	88,760	90,000	87,976
Unsecured 5Y bonds	PHP	3.7563%	2025	11,638	11,541	12,342	12,198
Secured bridging loan	US$	3.0585%	2023	60,000	59,998	67,500	67,488
Secured bank loans	PHP	4.125%	2025	27,028	26,942	28,662	28,532
Secured bank loans	US$	(2023) 8.02% - 8.18% (2022) 3.52% - 4.17%	2023-2025	172,750	172,533	145,000	144,309
Secured senior notes	US$	11.875%	2025	–	–	500,000	473,659
Term Loan B	US$	9.3143%	2029	723,500	708,531	–	–
				2,296,511	2,273,353	1,602,725	1,567,366

18. Loans and borrowings (cont'd)

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	30 April 2023 Face value	30 April 2023 Carrying amount	30 April 2022 Face value	30 April 2022 Carrying amount
		% p. a.		US$'000	US$'000	US$'000	US$'000
Company							
Short-term borrowings							
Unsecured bank loans [1]	US$	(2023) 3.20% - 6.88% (2022) 2.26% - 3.50%	2023	101,000	101,000	148,000	148,000
Long-term borrowings							
Unsecured bank loans [1]	US$	(2023) 6.80% - 8.19% (2022) 2.56% - 4.20%	2025	144,569	144,566	157,390	157,385
Unsecured bonds	US$	3.75%	2024	90,000	88,760	90,000	87,976
Secured bridging loan	US$	3.0585%	2023	60,000	59,998	67,500	67,488
Secured bank loans	US$	(2023) 8.02% - 8.18% (2022) 3.52% - 4.17%	2023-2025	172,750	172,533	145,000	144,309
				568,319	566,857	607,890	605,158

(1) Unsecured Bank Loans

Certain unsecured bank loan agreements contain various affirmative and negative covenants that are typical of these types of facilities such as financial covenants relating to required debt-to-equity ratio, interest cover and maximum annual capital expenditure restrictions. These covenants include requirements for delivery of periodic financial information and restrictions and limitations on indebtedness, investments, acquisitions, guarantees, liens, asset sales, disposals, mergers, changes in business, dividends and other transfers.

	Bank	Debtor	Principal In '000	Debt-to-equity Ratio	Debt Service Coverage Ratio	Interest Coverage Ratio	Fixed Charge Ratio
Unsecured loans	DBP	DMPI	PHP 1,500,000	2.5x	1.2x	–	–
Unsecured loans	DBP	DMPL	US$57,300	3.0x	–	–	–
Unsecured loans	DBP	DMPL	US$75,000	3.0x	–	–	–
Unsecured loans	DBS	DMPL	US$25,000	3.0x	–	2.0x	–
Unsecured loans	BOC	DMPL	US$30,000	–	2.0x	2.0x	–
Unsecured bonds	N/A	DMPL	US$90,000	–	–	–	2.25x

18. Loans and borrowings (cont'd)

(1) Unsecured Bank Loans (cont'd)

There have been no breaches of the financial covenants of any interest-bearing loans and borrowings for the years ended 30 April 2023 and 2022.

Terms and debt repayment schedule

Ability to Incur Additional Indebtedness

On 20 December 2021, Coöperatieve Rabobank U.A. ("Rabobank") had restated and amended the original Facility Letter dated 18 March 2021, increasing the facility limit from US$30 million to US$50 million. On 18 January 2023, Rabobank reduced the facility limit back to US$30 million. As of 30 April 2023 and 2022, US$30 million and US$50 million had been drawn, respectively.

On 5 April 2022, the Company entered into a Sixth Amendment Agreement with BDO that gives the Company the right to borrow an additional aggregate amount of US$45 Million, subject to the terms of such amendment agreement. As of 30 April 2023 and 2022, the US$45 million had been fully drawn. On 13 December 2022, the Company entered into a Seventh Amendment Agreement with BDO that gives the Company the right to borrow an additional aggregate amount of US$30 Million, subject to the terms of such amendment agreement. As of 30 April 2023, the US$30 million had been fully drawn.

The Company has an uncommitted facility with RCBC amounting to US$40 million, of which US$38 million was drawn in the fiscal year 2023. Additionally, the Company also has uncommitted facilities with DBS Bank Ltd (DBS) totaling US$30 million comprising of short-term loan of US$25 million and export financing facility of US$5 million. As of 30 April 2023 and 2022, US$25 million had been drawn.

(2) ABL Credit Agreement

Prior to fiscal year 2021, DMFI was a party to a credit agreement (the "ABL Credit Agreement") with Citibank, N.A., as administrative agent, and the other lenders and agents parties thereto, as amended, which provided for senior secured financing of up to US$442.6 million (with all related loan documents, and as amended from time to time, the ABL Facility) with a term of five years until 18 February 2019, prior to an amendment in 2018.

On 15 May 2020, DMFI entered into an agreement to refinance the ABL Credit Agreement with JP Morgan Chase as the administrative agent, and other lenders and agents parties thereto, to provide for senior secured financing of up to US$450.0 million, subject to availability under the borrowing base, with a term of three years until 15 May 2023. On 15 May 2020, US$100.2 million was drawn under this facility. Loans under the ABL Credit Agreement interest based on either the Eurodollar rate or the alternative base rate, plus an applicable margin. Additionally, the Group fully amortized the remaining deferred financing fees related to the previous credit agreement of $1.0 million for the year ended 30 April 2020.

On 29 April 2021, the ABL agreement was extended to five years to the earliest of (a) 29 April 2026 and (b) 91 days prior to the maturity of the Senior Secured Notes or any Refinancing Indebtedness in respect thereof.

18. Loans and borrowings (cont'd)

(2) ABL Credit Agreement (cont'd)

Interest Rates. Prior to fiscal year 2021, borrowings under the ABL Credit Agreement bear interest at an initial interest rate equal to an applicable margin, plus, at the Group's option, either (i) a LIBOR rate, or (ii) a base rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) Citibank, N.A.'s "prime commercial rate" and (c) the one month LIBOR rate plus 1.00%. The applicable margin with respect to LIBOR borrowings is 2.25% for Tranche B at 3 May 2020 (and may increase to 2.50% or 2.75% depending on average excess availability) and with respect to base rate borrowings is 1.25% for Tranche B at 3 May 2020 (and may increase to 1.50% or 1.75% depending on average excess availability).

Effective 15 May 2020, borrowings under the ABL Credit Agreement incurred interest of 1.75% in the case of the Alternative Base rate (ABR) plus applicable margin (from 2.0% or 1.75% or 1.5% depending on average excess availability). In the case of Eurodollar loans, 2.75% plus applicable margin (from 2.5% or 2.75% or 3.0% depending on average excess availability). Effective 29 April 2021, borrowings under the ABL Credit Agreement bear interest of 1.0% in the case of the Alternative Base rate (ABR) plus applicable margin (from 0.75% or 1.0% or 1.25% depending on average excess availability). In the case of Eurodollar loans, 2.0% plus applicable margin (from 1.75% or 2.0% or 2.25% depending on average excess availability).

Commitment Fees. In addition to paying interest on outstanding principal under the ABL Credit Agreement, the Group is required to pay a commitment fee that was initially 0.375% per annum in respect of the unutilized commitments thereunder. The commitment fee rate on Tranche A from time to time is 0.250% or 0.500% depending on the amount of unused commitments under the ABL Credit Agreement for the prior fiscal quarter. The commitment fee rate on Tranche B is 0.500%. The Group must also pay customary letter of credit fees between 1.75% to 2.75% based on average excess availability, and fronting fees equal to 0.125% of the face amount for each letter of credit issued.

Effective 2 May 2022, the Group is required to pay a commitment fee of 0.375% (2022: 0.250%) depending on the amount of unused commitment under ABL Credit Agreement for the prior fiscal quarter.

Availability under the ABL Credit Agreement. Prior to fiscal year 2021, availability under the ABL Credit Agreement is subject to a borrowing base. The borrowing base, determined at the time of calculation, is an amount equal to: (a) 85% of eligible accounts receivable and (b) the lesser of (1) 75% of the net book value of eligible inventory and (2) 85% of the net orderly liquidation value of eligible inventory, of the DMFI at such time, less customary reserves. The ABL Credit Agreement will terminate, and the commitments thereunder will mature.

18. Loans and borrowings (cont'd)

(2) ABL Credit Agreement (cont'd)

Effective 15 May 2020 and the amendment thereto, the borrowing base, determined at the time of calculation, is an amount equal to: the sum of (a) (i) 85% of the book value of the parties' non-investment grade eligible accounts at such time and (ii) 90% of the book value of the parties' investment grade eligible accounts, (b) the lesser of (i) the amount equal to 85% multiplied by the net orderly liquidation value of eligible inventory percentage identified in the most recent inventory appraisal ordered by the administrative agent multiplied by the book value of the parties' eligible inventory and (ii) 75% multiplied by the cost of the parties' eligible inventory valued on a first-in-first-out basis, and minus (c) customary reserves.

As at 30 April 2023, there were US$465.0 million (30 April 2022: US$146.0 million) of loans outstanding and US$24.3 million of letters of credit issued (30 April 2022: USS$24.3 million). The net availability to DMFI Group under the ABL Credit Agreement was US$135.7 million as at 30 April 2023 (30 April 2022: US$279.7 million). The weighted average interest rate was approximately 7.32% per annum on 30 April 2023 (30 April 2022: 4.31% per annum).

Ability to Incur Additional Indebtedness. Notwithstanding any increase in the facility size, the Group's ability to borrow under the facility will always remain limited by the borrowing base (to the extent the borrowing base is less than the commitments).

Guarantee of Obligations under the Term Loan Credit Agreements and the ABL Credit Agreement. All obligations of DMFI under the Term Loan Credit Agreements and the ABL Credit Agreement are unconditionally guaranteed by the DMFHL and by substantially all existing and future, direct and indirect, wholly owned material restricted domestic subsidiaries of DMFI, subject to certain exceptions. DMFI was released from the guarantees after payment of First and Second Lien Term Loans.

Security interests

The ABL Credit Agreement is generally secured by a first priority lien on DMFI's inventories and accounts receivable and by a third priority lien on substantially all other assets excluding real estate.

Restrictive and Financial Covenants. The ABL Credit Agreement includes restrictive covenants limiting the Group's ability, and the ability of the Group's restricted subsidiaries, to incur additional indebtedness, create liens, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions or repurchase the Group's capital stock, make investments, loans or advances, prepay certain indebtedness, engage in certain transactions with affiliates, amend agreements governing certain subordinated indebtedness adverse to the lenders, and change the Group's lines of business.

Financial Maintenance Covenants. The ABL Credit Agreement generally do not require that DMFI comply with financial maintenance covenants.

18. Loans and borrowings (cont'd)

(2) ABL Credit Agreement (cont'd)

Security interests (cont'd)

Effect of Restrictive and Financial Covenants. The restrictive and financial covenants in the ABL Credit Agreement may adversely affect DMFI's ability to finance its future operations or capital needs or engage in other business activities that may be in its interest, such as acquisitions.

The Group is compliant with the ABL Credit Agreement loan covenants as of 30 April 2023 and 2022.

On 15 May 2020, DMFI entered into an agreement to refinance the ABL Credit Agreement with JP Morgan Chase as the administrative agent, and other lenders and agents parties thereto, to provide for senior secured financing of up to US$450.0 million, subject to availability under the borrowing base, with a term of three years until 15 May 2023. Additionally, the Group fully amortized the remaining deferred financing fees related to the previous credit agreement of US$1.0 million for the year ended 30 April 2020.

18. Loans and borrowings (cont'd)

Long-term Borrowings	Classifi-cation	Original Principal (In '000)	Outstanding Balance (In '000)	Interest Rate % p.a.	Year of Maturity	Payment Terms (e.g., annually, quarterly, etc.)	Interest paid 1 May 2022 to 30 Apr 2023 (In '000)
BDO Long-term Loan [1]	Secured loan	PHP 1,500,000	PHP 1,500,000	4.125%	2025	Quarterly interest payment; and principal on nine quarterly instalments starting August 2023	PHP 62,734
DBP Long-term Loan [2]	Unsecured loan	PHP 1,500,000	PHP 1,500,000	5.5268%	2025	Quarterly interest payment; and principal on eight quarterly instalments starting February 2024	PHP 54,899
Bonds Payable [3]	Unsecured bonds	PHP 6,478,460	PHP 6,478,460	3Y 3.4840% 5Y 3.7563%	2023/ 2025	Quarterly interest payments and principal on maturity date	PHP 184,057
BDO Long-term Loan [4]	Secured loan	USD 30,000	USD 30,000	8.0199%	2024	Quarterly interest payments and principal 20% in fiscal year 2024, and balance on maturity	USD 555
BDO Long-term Loan [5]	Secured loan	USD 45,000	USD 42,750	8.42%	2025	Quarterly interest payment and principal 5% on April 2023, 5% on April 2024 and 90% on maturity date.	USD 2,847
BOC Long-term Loan [5]	Unsecured loan	USD 30,000	USD 27,000	8.19%	2025	Quarterly interest payment and principal 20% on four equal semi-annual instalments starting October 2022 and 80% on maturity date.	USD 1,789
BPI Long-term Loan [6]	Secured loan	USD 100,000	USD 100,000	8.180%	2023	Monthly interest payments and principal on maturity date.	USD 7,816

18. Loans and borrowings (cont'd)

Long-term Borrowings	Classification	Original Principal (In '000)	Outstanding Balance (In '000)	Interest Rate % p.a.	Year of Maturity	Payment Terms (e.g., annually, quarterly, etc.)	Interest paid 1 May 2022 to 30 Apr 2023 (In '000)
BDO Long-term Loan [7]	Secured bridging loan	USD 75,000	USD 60,000	3.0585%	2023	Quarterly interest payment and principal 10% on August 2021, 10% on August 2022 and 80% on maturity date.	USD 1,477
DBP Long-term Loan [8]	Unsecured loan	USD 75,000	USD 68,864	6.7617%	2024	Quarterly interest payment and principal 15% on eleven equal quarterly instalments starting January 2022 and 85% on maturity date.	USD 3,334
DBP Long-term Loan [8]	Unsecured loan	USD 57,300	USD 48,705	6.8024%	2024	Quarterly interest payment and principal 5%, 10% and 85% in fiscal year 2022, 2023 and 2024, respectively.	USD 2,526
Bonds Payable [9]	Unsecured bonds	USD 90,000	USD 90,000	3.75%	2024	Semi-annual interest payments and principal on maturity date.	USD 3,375
Term Loans [10]	Unsecured loan	USD 725,000	USD 723,500	9.3143%	2029	Monthly interest payments and quarterly instalment payments of US$1.5 million in January 2023 and US$1.8 million beginning May 2023 and balance on maturity date	USD 45,395

18. Loans and borrowings (cont'd)

Long-term Borrowings	Classifi-cation	Original Principal (In '000)	Outstanding Balance (In '000)	Interest Rate % p.a.	Year of Maturity	Payment Terms (e.g., annually, quarterly, etc.)	Interest paid 1 May 2022 to 30 Apr 2023 (In '000)
Secured senior notes [11]	Secured loan	USD 500,000	-	11.875%	Repaid in fiscal year 2023	Semi-annual interest payments and principal on maturity date	USD 29,852
Term Loan B [12]	Secured loan	USD 500,000	USD 708,531	9.3143%	2029	Quarterly interest payment and principal 0.25%, and the remaining interest and principal on maturity date.	USD 45,395

18. Loans and borrowings (cont'd)

[1] On 23 October 2020, DMPI obtained a long-term loan facility with BDO amounting to US$27 million (Php1.5 billion) payable over nine equal quarterly installments with the first repayment date due on 3 August 2023 and last repayment date due on 3 August 2025 at a fixed interest rate of 4.125% per annum. This loan is guaranteed by DMPL as its Surety. The Group is in compliance with the loan's covenants as at 30 April 2023 and 2022.

[2] On 6 November 2020, DMPI availed of an unsecured long-term credit facility with DBP amounting to US$27 million (Php1.5 billion) at a variable interest rate (2023: 5.5268% per annum, 30 April 2022: 3.00%), maturing in 2025, to refinance existing debts. The loan shall be repaid in five years, inclusive of a three-year grace period on the principal, the principal payable in eight equal quarterly installments to commence at the end of the 13th quarter from the initial drawdown date until fully paid. The Group is in compliance with the loan's covenants as at 30 April 2023 and 2022.

[3] On 30 October 2020, DMPI issued peso-denominated fixed rate bonds with an aggregate principal amount of US$90.1 million (Php5.0 billion) with an oversubscription option of up to US$45 million (Php2.5 billion).

The following are the series of the bonds:
(i) 3.4840% per annum. three-year fixed-rate bonds due October 2023 and
(ii) 3.7563% per annum five-year fixed-rate bonds due October 2025.

The net proceeds of the bonds were used by DMPI to repay its existing short-term and unsecured loans. As of 30 April 2023, US$105.1 million (Php5.8 billion) three-year fixed-rate and US$11.6 million (Php645.9 million) five-year fixed-rate bonds were issued.

The Company had also entered into an agreement with DBS for uncommitted facilities comprising of a short-term dollar denominated loan (US$25.0 million) and export financing facility (US$5.0 million). The Company had drawn a short-term loan of US$25.0 million as of 30 April 2023 (2022: US$ 25.0 million). The Group is in compliance with the loan's covenants as at 30 April 2023 and 2022.

[4] On 14 December 2022, the Company obtained long-term loan from BDO to US$30.0 million to partly finance redemption of series A-2 preference shares. The loans mature in December 2024. The Company is compliant with the loan's covenants as at 30 April 2023 and 2022.

18. Loans and borrowings (cont'd)

[5] On 4 April 2022, the Company obtained long-term loans from BDO (secured) and BOC (unsecured) amounting to US$45.0 million and US$30.0 million, respectively, to partly finance redemption of series A-1 preference shares. The loans mature in April 2025. The Company is compliant with the loan's covenants as at 30 April 2023 and 2022.

[6] On 15 May 2020, the Company obtained a long-term loan from Bank of the Philippine Islands ("BPI") amounting to US$100.0 million maturing on 15 May 2023, to finance the Company's subscription of equity shares in DMPL Foods Limited, the proceeds of which were used by DMFI to partially pay its borrowings. The loans are secured by first ranking security interest over DMPI shares. The Company is in compliance with the loan's covenants as at 30 April 2023 and 2022.

[7] The secured bridging loans of US$60.0 million as at 30 April 2023 represent the remaining balance for the bridging loan that was obtained by the Company to finance the acquisition of Sager Creek and its related costs. The loan matures in August 2023.

The Company paid the instalments amounting to US$7.5 million in August 2021 and US$7.5 million in August 2022 bringing the balance to US$60.0 million. On 5 April 2022, the Company entered into a Sixth Amendment Agreement amending the Total Facility Commitment to US$67.5 million.

[8] In fiscal year 2021 and 2020, the Company obtained additional long-term loans from Development Bank of the Philippines ("DBP") amounting to US$57.3 million maturing in April 2024 and US$75.0 million maturing in October 2024 respectively, to refinance existing debt. The Company is in compliance with the loan's covenants as at 30 April 2023 and 2022.

[9] On 9 December 2021, the Company issued unsecured bonds amounting to US$90.0 million. The bonds bear fixed interest of 3.75% per annum and mature on 9 December 2024. The proceeds were used to partly finance redemption of series A-1 preference shares. The Company is in compliance with the loan's covenants as at 30 April 2023.

[10] On 16 May 2022, DMFI issued US$600.0 million term loan (Term Loan B) with an interest equal to the adjusted term SOFR, plus a spread adjustment of 0.10% and margin of 4.25%. As of 30 April 2023, the interest rate for the Term Loan B is 9.3143% per annum. Interest is initially payable monthly and can be paid quarterly at the Company's option. The Term Loan B will mature on 16 May 2029. Proceeds of US$600.0 million from the issuance were used to pay the existing US$500.0 million Senior Secured Notes and the remainder was used for original issue discount, interest, and fees. An instalment amounting to US$1.5 million was paid on 30 January 2023. On 7 February 2023, DMFI obtained additional term loan commitments amounting to US$125.0 million, bearing the same interest and maturity date with the initial term loans. The Group is in compliance with the loan's covenants as at 30 April 2023.

18. Loans and borrowings (cont'd)

[11] Senior Secured Notes

The Group, with DMFI as the issuer, is a party to a credit agreement (the "Senior Secured Notes") with JP Morgan Chase, as administrative agent, and the other lenders and agents parties thereto, that provides for senior secured financing of up to US$500.0 million. The Senior Secured Notes will mature on 15 May 2025. Interest of 11.875% per annum will accrue from 15 May 2020, and payable every 15th May and 15th November.

The issuer may redeem some or all of the Senior Secured Notes at any time on or after 15 May 2022. DMFI may also redeem up to 35% of the Senior Secured Notes using the proceeds of certain equity offerings completed before 15 May 2022. In addition, at any time prior to 15 May 2022, the Issuer may redeem some or all of the Senior Secured Notes at a price equal to 100% of the principal amount, plus a "make-whole" premium, plus accrued and unpaid interest, if any, to the redemption date. Additionally, if the Senior Secured Notes become due and payable prior to their stated maturity, including upon acceleration, the applicable make-whole or redemption price premium, as the case may be shall be due and payable as if the Notes had been redeemed on that date. If the Group sells certain assets or experience specific kinds of changes in control, the Group must offer to purchase the Senior Secured Notes.

DMFHL and each of its existing and future U.S. subsidiaries, other than the DMFI, that guarantees indebtedness of the Issuer or indebtedness of any guarantor will guarantee the Senior Secured Notes. The Senior Secured Notes will rank equally in right of payment with all of the Issuer's existing and future senior debt and senior in right of payment to all of the Issuer's future subordinated debt.

The Senior Secured Notes guarantees will rank equally in right of payment with all of the guarantors' existing and future senior debt and senior in right of payment to all of the guarantors' future subordinated debt. In addition, the Senior Secured Notes will be structurally subordinated to the liabilities of all non-guarantor subsidiaries of DMFHL.

The Senior Secured Notes and the note guarantees will be secured by (i) first-priority liens, subject to permitted liens, on the Notes Priority Collateral and (ii) second-priority liens, subject to permitted liens, on the ABL Priority Collateral now owned or acquired in the future by the Issuer and the guarantors. Obligations under the ABL Facility and certain hedging and cash management obligations will be secured by a first-priority lien on the ABL Priority Collateral and a second-priority lien on the Notes Priority Collateral (provided that such obligations will not be secured by liens on any real property that constitutes Notes Priority Collateral). The Group is compliant with loan covenants of this credit agreement as at 30 April 2022 and 2021.

On 16 May 2022, DMFI redeemed the full balance of $500.0 million Senior Secured Notes. Additional interest expense amounting to $71.9 million was recognized as a result of this redemption (see Note 26).

18. Loans and borrowings (cont'd)

[12] Term Loan

DMFI is a party to a Term Loan B agreement with the lenders party thereto, Goldman Sachs Bank USA as administrative agent and as collateral agent, that provided for a total term loan of US$725.0 million with a term of seven years. The initial term loan amounting to US$600.0 million was obtained on 16 May 2022 and additional term loan amounting to US$125.0 million was obtain on 7 February 2023. The term loan will mature on 16 May 2029.

Interest Rates. The term loans bear an interest equal to the adjusted term SOFR plus a spread adjustment of 0.10% and margin of 4.25%. As of 30 April 2023, the interest rate for the Term Loan is 9.31% per annum. Interest is initially payable monthly and can be paid quarterly at DMFI's option.

Principal Payments. The outstanding principal amount is payable i) commencing with the last day of each fiscal quarter following 16 May 2022 and on the last day of each fiscal quarter thereafter prior to the maturity date of the term loan, in each case, in an amount equal to 0.25% of the original principal amount of the initial term loan and ii) on the maturity date, in an amount equal to the remainder of the principal amount of the initial term loans outstanding on such date, together, in each case, with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment. In the event any new term loans are made, such new term loans shall be repaid on each instalment date occurring on or after the applicable increased amount date in the manner specified in the agreement.

Ability to Incur Additional Indebtedness. DMFI may, by written notice to Administrative agent, elect to request prior to maturity date, an increase to the existing term loans or the establishment of one or more new term loan commitments by the available incremental amount, and not less than U$5.0 million individually (or such lesser amount which shall reasonably be approved by administrative agent or such lesser amount that shall constitute the difference between the available incremental amount and all such New Term Loan Commitments obtained prior to such date), and integral multiples of U$1.0 million in excess of that amount.

DMFI is compliant with the Term Loan B Agreement loan covenants as at 30 April 2023, 2022 and 2021.

The terms of DMPI's bonds and loans require a debt service coverage ratio of at least 1.2x and debt-to-equity ratio of not exceeding 2.5x based on DMPI's consolidated financial statements. DMPI had been compliant with its debt covenants as at 30 April 2023 and 2022.

18. Loans and borrowings (cont'd)

[12] Term Loan (cont'd)

Loans and borrowings are stated net of unamortized debt issuance cost. The balance of unamortized debt issuance cost follows:

	Note	Group		Company	
		Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Beginning of year		35,359	44,702	2,732	1,329
Additions		20,295	2,915	218	2,383
Write-off		(26,341)	–	–	–
Amortization	26	(6,156)	(12,258)	(1,488)	(980)
End of year		23,157	35,359	1,462	2,732

19. Other noncurrent liabilities

	Group	
	30 April 2023 US$'000	30 April 2022 US$'000
Workers' compensation	13,268	14,639
Derivative liabilities	3,097	7,896
Accrued vendors liabilities	461	488
	16,826	23,023

Workers' compensation are liabilities for wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence.

Derivative liabilities

The Group uses interest rate swaps, interest rate caps, commodity swaps and foreign currency forward contracts to hedge market risks relating to possible adverse changes in interest rates, commodity costs and foreign currency exchange rates. The Group continually monitors its positions and the credit rating of the counterparties involved to mitigate the amount of credit exposure to any one party.

19. Other noncurrent liabilities (cont'd)

Derivative liabilities (cont'd)

As at 30 April 2023 and 2022, the Group designated each of its derivative contracts, as a hedge of a highly probable forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge"). The following fair value of cash flow hedges were outstanding for the Group:

	Note	Group 30 April 2023 US$'000	Group 30 April 2022 US$'000
Commodity contracts		(3,928)	685
Foreign currency forward contract		1,061	801
Interest rate cap		6,189	(7,896)
Interest rate swap		(1,105)	–
Total		2,217	(6,410)
Included in:			
Other noncurrent assets	10	6,189	–
Prepaid expenses and other current assets	14	2,678	1,486
Trade payables and other current liabilities	22	(3,553)	–
Other noncurrent liabilities		(3,097)	(7,896)
		2,217	(6,410)

Interest Rates

As of 30 April 2023 and 2022, the Group designated each of its derivative contracts as a hedge of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge").

The Group adopts a policy of hedging its floating rate exposure in accordance with the current rate environment and expected debt balances. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate using interest rate cap and interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Group applies a hedge ratio in accordance with the risk management objectives.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional quantity or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. Changes in the fair value of the cap other than intrinsic value is excluded from the assessment of effectiveness and amortized over the hedging period using a straight-line method.

19. Other noncurrent liabilities (cont'd)

Derivative liabilities (cont'd)

Interest Rates (cont'd)

In these hedging relationships, the main sources of ineffectiveness are the effect of the counterparty's and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value hedged cash flows attributable to the change in interest rates, and differences in repricing dates between the swaps and the borrowings.

Significant terms of the interest rate cap and interest rate swap contracts are as follows:

30 April 2023

Interest rate cap

Contract Date	Notional amount US$ '000	Fixed Rate	Strike Rate	Effective Date	Maturity Date
8 April 2022	575,000	0.84%	3.00%	1 May 2023	1 April 2026

Interest rate swap

Contract Date	Notional amount US$ '000	Fixed Rate	Floating SOFR	Effective Date	Maturity Date
23 March 2023	250,000	3.84%	Varies	24 March 2023	16 May 2029

Notional amount of US$200.0 million, US$200.0 million and US$175.0 million will mature on 1 April 2024, 2025 and 2026, respectively. The floating rate is based on secured overnight financing rate (SOFR).

30 April 2022

Contract Date	Notional amount US$ '000	Fixed Rate	Strike Rate	SOFR	Effective Date	Maturity Date
8 April 2022	575,000	0.84%	3.00%	3.18%	1 May 2023	1 April 2026

19. Other noncurrent liabilities (cont'd)

Derivative liabilities (cont'd)

Commodities

Certain commodities such as diesel fuel and natural gas (collectively, "commodity contracts") are used in the production and transportation of the Group's products. Generally, these commodities are purchased based upon market prices that are established with the vendors as part of the purchase process. The Group may use futures, swaps, and swaption or option contracts, as deemed appropriate, to reduce the effect of price fluctuations on anticipated purchases. These contracts may have a term of up to 24 months. The Group accounts for these commodity derivatives as cash flow hedges. The effective portion of derivative gains and losses is deferred in equity and recognized as part of cost of products sold in the appropriate period and the ineffective portion is recognized as cost of products sold.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). The Group established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity forward contracts are identical to the hedged risk components. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference index prices, purchase dates, maturities and the notional or par amounts.

To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the change in the fair value of the hedging instruments against the changes in the fair value of the hedged items attributable to the hedged risks.

The notional amounts of the Group's commodity contracts were as follows as of 30 April 2023 and 2022:

	30 April 2023 US$'000	30 April 2022 US$'000
Natural gas (MMBTU)	1,039	1,329
Diesel (gallons)	5,786	1,401
Gas (oil barrels)	47	–

Foreign Currency

From time to time, the Group manages its exposure to fluctuations in foreign currency exchange rates by entering into forward contracts to cover a portion of its projected expenditures paid in local currency. These contracts may have a term of up to 24 months. The Group accounted for these contracts as cash flow hedges.

	30 April 2023 US$'000	30 April 2022 US$'000
Mexican pesos	–	221,199
United States dollar	154,000	–

19. Other noncurrent liabilities (cont'd)

Derivative liabilities (cont'd)

Amounts Relating to Hedged Items

The amounts at the reporting date relating to items designated as hedged items are as follows:

	30 April 2023		
	Change in value used for calculating hedge effectiveness US$'000	**Cash flow hedge reserve US$'000**	**Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied US$'000**
Interest rate risk			
Variable rate instruments	(12,437)	9,238	–
Commodity price risk			
Inventory purchases	5,264	(8,394)	–
Foreign exchange risk			
Inventory purchases	3,449	493	–

	30 April 2022		
	Change in value used for calculating hedge effectiveness US$'000	**Cash flow hedge reserve US$'000**	**Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied US$'000**
Interest rate risk			
Variable rate instruments	7,896	(5,922)	–
Commodity price risk			
Inventory purchases	5,986	(947)	–
Foreign exchange risk			
Inventory purchases	165	1,476	–

19. Other noncurrent liabilities (cont'd)

Derivative liabilities (cont'd)

Amounts Relating to Hedging Instruments (cont'd)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

	30 April 2023				During 2023		
	Notional amount	Carrying amount Assets	Carrying amount Liabilities	Line item in the statement of financial position where the hedged instrument is included	Change in the value of hedge instrument recognized in OCI	Amount reclassified from hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
	US$'000	US$'000	US$'000		US$'000	US$'000	
Interest rate risk							
Interest rate swaps	250,000	1,617		Prepaid and Other Current Assets	12,437	–	
			(2,722)	Derivative liabilities – Noncurrent			
Interest rate cap	575,000	6,189		Derivative assets - Noncurrent	–	–	
Commodity price risk							
Commodity contracts Natural gas	1,039	–	(1,596)	Derivative liabilities – Current	(2,557)	(861)	Cost of sales
(MMBTU)			(75)	Derivative liabilities – Noncurrent			
			(1,455)				
Diesel (gallons)	5,786	–	(300)	Derivative liabilities – Current	(2,176)	(403)	Cost of sales
Gas oil (barrels)	47	–	(502)	Derivative liabilities – Current	(531)	–	
Foreign exchange risk							
Foreign currency forward (USD)	154,000	1,061	–	Prepaid and Other Current Assets	1,122	–	Net finance expense
Foreign currency forward (MXN)	–	–	–	–	(4,571)	(4,107)	Cost of sales

19. Other noncurrent liabilities (cont'd)

Derivative liabilities (cont'd)

Amounts Relating to Hedging Instruments (cont'd)

	30 April 2022					During 2022	
	Notional amount	Carrying amount		Line item in the statement of financial position where the hedged instrument is included	Change in the value of hedge instrument recognized in OCI	Amount reclassified from hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
	US$'000	US$'000	US$'000		US$'000	US$'000	
Interest rate risk							
Interest rate swaps	575,000	–	(7,896)	Derivative liabilities – Noncurrent	(7,896)	–	Net finance expense
Commodity price risk							
Commodity contracts							
Natural gas (MMBTU)	1,329	24	–	Prepaid and Other Current Assets	(1,872)	(1,701)	Cost of sales
Diesel (gallons)	1,401	661	–	Prepaid and Other Current Assets	(4,114)	(2,830)	Cost of sales
Foreign exchange risk							
Foreign currency forwards	221,199	801	–	Prepaid and Other Current Assets	(165)	(710)	Cost of sales

19. Other noncurrent liabilities (cont'd)

Derivative liabilities (cont'd)

Hedging Reserves

The following table provides a reconciliation by risk category of the hedging reserve and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Balance at beginning of year	(5,395)	1,218
Changes in fair value:		
- Interest rate risk	12,437	(7,896)
- Commodity risk	(5,264)	(5,986)
- Foreign exchange risk	(3,449)	(165)
Amount reclassified to profit or loss		
- Interest rate risk	–	–
- Commodity risk	1,264	4,531
- Foreign exchange risk	4,107	710
Tax movements on reserves during the year	(2,274)	2,193
Balance at end of year	1,426	(5,395)

20. Employee benefits

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Pension asset	10,630	9,799	60	–
Total pension asset (noncurrent)	10,630	9,799	60	–
Post-retirement benefit obligation	6,795	6,754	–	–
Executive retirement plan	2,188	3,610	–	–
Cash incentive award	4,024	5,051	–	–
Short-term employee benefits	17,972	30,689	–	–
Other plans	2,894	3,756	–	–
Net defined benefit liability	11,701	11,440	–	12
Total employee benefit liability	45,574	61,300	–	12
Current	24,280	36,958	–	–
Noncurrent	21,294	24,342	–	12
	45,574	61,300	–	12

Included in pension asset of the Group and Company is an amount of US$10.6 million and US$0.06 million (2022: US$9.8 million and nil) respectively relating to the defined benefit and defined contribution retirement plans in DMPI.

Included in post-retirement benefit obligation is an amount of US$6.8 million (2022: US$6.8 million) relating to the post-retirement medical benefits plan in DMFI.

Included in net defined benefit liability is an amount of US$11.7 million and nil (2022: US$11.4 million and US$0.01 million) relating to the qualified retirement plans in DMFI and ROHQ, respectively.

The Group contributes to the following post-employment defined benefit plans:

The DMPI Multi Employer Retirement Plan

DMPI has both funded defined benefit and defined contribution retirement plans (the "Plan") which covers all of regular employees as well as of those under DMPL - ROHQ. Contributions and costs are determined in accordance with the actuarial study made for the Plan. Annual cost is determined using the projected unit credit method. DMPI's latest actuarial valuation date is 30 April 2023. Valuations are obtained on a periodic basis.

20. Employee benefits (cont'd)

The DMPI Multi Employer Retirement Plan (cont'd)

Starting on the date of membership of an employee in the Plan, DMPI shall contribute to the retirement fund 7.00% of the member's salary as defined every month. In addition, DMPI shall contribute periodically to the fund the amounts which may be required to meet the guaranteed minimum benefit provision of the plan. Such contributions shall not be allocated nor credited to the individual accounts of the members, but shall be retained in a separate account to be used in cases where the guaranteed minimum benefit applies.

Benefits are based on the total amount of contributions and earnings credited to the personal retirement account of the plan member at the time of separation or the 125% of the final basis salary multiplied by the number of credited years of service under the plan, whichever is higher. The manner of payment is lump sum, payable immediately.

The retirement plan meets the minimum retirement benefit specified under Republic Act No. 7641, The Philippine Retirement Pay Law.

The fund is administered by a trustee bank under the supervision of the Board of Trustees of the Plan.

The Board of Trustees is responsible for investment strategy of the Plan.

DMPI does not expect to make contributions to the plan in fiscal year 2024.

The DMFI Plan

DMFI sponsors a qualified defined benefit pension plan (the "DMFI Plan") and several unfunded defined benefit post-retirement plans providing certain medical, dental, and life insurance benefits to eligible retired, salaried, non-union hourly and union employees. The DMFI Plan comprises of two parts:

- The first part is a cash balance plan ("Part B") which provides benefits for eligible salaried employees and provides that a participant's benefit derives from the accumulation of monthly compensation and interest credits. Compensation credits are calculated based upon the participant's eligible compensation and age each month. Interest credits are calculated each month by applying an interest factor to the previous month's ending balance. Participants may elect to receive their benefit in the form of an annuity or a lump sum. Part B of the plan was frozen to new participants effective 31 December 2016, which the active participation of certain participants was grandfathered subject to meeting participation requirements.

- The second part is an arrangement which provides for grandfathered and suspended hourly participants a traditional pension benefit based upon service, final average compensation and age at termination. This plan was frozen since 31 December 1995, which the active participation of certain participants was grandfathered and the active participation of other participants was suspended.

20. Employee benefits (cont'd)

The DMFI Plan (cont'd)

DMFI currently meets and plans to continue to meet the minimum funding levels required under local legislation, which imposes certain consequences on DMFI's defined benefit plan if it does not meet the minimum funding levels. DMFI has not made any contributions during the year.

In fiscal year 2020, there were amendments to the DMFI Plan and the post-retirement benefit plan. Under the DMFI Plan amendments, certain benefits were eliminated effective 31 December 2019 and 30 April 2022 and the plan obligations associated with these amendments decreased by US$9.1 million. Under the post-retirement amendments, certain benefits will be eliminated effective 30 April 2022 and the plan obligations associated with this amendment decreased by US$5.9 million. Both amendments were recognized immediately in "General and administrative expenses" in the 2020 consolidated income statement.

In fiscal year 2019, there were amendments to the post-retirement benefit plan. Under an amendment, certain benefits will be eliminated after fiscal year 2022. The net liability impact of this amendment was a decrease of US$13.4 million, which was recognized immediately in "General and administrative expenses" in the 2019 consolidated income statement.

DMFI does not expect to make contributions to the plan in fiscal year 2024.

20. Employee benefits (cont'd)

Movement in net defined benefit liability (asset)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability (asset) and its components:

	30 April 2023				30 April 2022			
	Defined benefit obligation US$'000	**Fair value of plan assets US$'000**	**Effect of Asset Ceiling US$'000**	**Net defined benefit liability (asset) US$'000**	**Defined benefit obligation US$'000**	**Fair value of plan assets US$'000**	**Effect of Asset Ceiling US$'000**	**Net defined benefit liability (asset) US$'000**
Group								
Beginning balance	269,094	(262,372)	1,673	8,395	332,272	(313,505)	606	19,373
Included in profit or loss:								
Current service cost	2,126	–	–	2,126	2,794	–	–	2,794
Plan administration cost	–	939	–	939	–	557	–	557
Interest cost/ (income)	10,806	(10,623)	85	268	6,860	(6,666)	22	216
	282,026	(272,056)	1,758	11,728	341,926	(319,614)	628	22,940
Included in OCI								
Remeasurements loss (gain):								
- Actuarial loss (gain) arising from: Financial assumptions	(13,784)	–	–	(13,784)	(40,009)	–	–	(40,009)
- demographic assumptions	(1,024)	–	–	(1,024)	(904)	–	–	(904)
- experience adjustment	2,603	–	–	2,603	1,353	–	–	1,353
- Return on plan Assets Excluding interest income	–	7,952	–	7,952	–	25,530	–	25,530
- Changes in the effect of the asset ceiling	–	–	837	837	–	–	1,104	1,104
- Effect of movements in exchange rates	(1,343)	2,357	(115)	899	(2,810)	3,478	(59)	609
	(13,548)	10,309	722	(2,517)	(42,370)	29,008	1,045	(12,317)
Others								
Contributions	–	(472)	–	(472)	–	(2,228)	–	(2,228)
Benefits paid	(24,690)	23,817	–	(873)	(30,462)	30,462	–	–
	(24,690)	23,345	–	(1,345)	(30,462)	28,234	–	(2,228)
Ending balance	243,788	(238,402)	2,480	7,866	269,094	(262,372)	1,673	8,395

20. Employee benefits (cont'd)

Movement in net defined benefit liability (asset) (cont'd)

Remeasurement loss recognized in OCI under executive retirement plan and other plans amounted to US$0.2 million for fiscal year ended 2023 (2022: US$0.2 million).

Represented by:

	Net defined benefit liability (asset)	
	30 April 2023 US$'000	30 April 2022 US$'000
Net defined benefit asset	(10,630)	(9,799)
Post-retirement benefit obligation	6,795	6,754
Net defined benefit liability	11,701	11,440
	7,866	8,395

Plan assets

Plan assets comprise:

	Group	
	30 April 2023 US$'000	30 April 2022 US$'000
Interest-bearing cash/bank deposits	**3,318**	3,553
Real estate (within Philippines)	**14,386**	14,850
Common collective trust funds:		
Fixed income	**53,055**	57,809
Equity fund	**69,060**	77,014
Mutual funds -		
Equity fund	**9,154**	10,209
Debt instruments:		
Corporate	**37,733**	42,078
Government	**41,950**	44,879
Others	**5,285**	4,822
Equity securities -		
Quoted	**3,661**	7,109
Others	**800**	49
Fair value of plan assets	**238,402**	262,372

The Board of DMFI reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching ("ALM") strategy and investment risk management policy. DMFI's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Group monitors how the duration and expected yield of the investments match the expected cash outflows arising from the retirement benefit obligation.

20. Employee benefits (cont'd)

Plan assets (cont'd)

DMFI's investment objectives are to ensure that the assets of its qualified defined benefit plan are invested to provide an optimal rate of investment return on the total investment portfolio, consistent with the assumption of a reasonable risk level, and to ensure that pension funds are available to meet the plan's benefit obligations as they become due.

DMFI believes that a well-diversified investment portfolio, including both equity and fixed income components, will result in the highest attainable investment return with an acceptable level of overall risk. DMFI's investment policies and procedures are designed to ensure that the plan's investments are in compliance with the Employee Retirement Income Security Act ("ERISA").

Actuarial valuation

The funded obligations and plan assets are measured and valued with the advice of qualified actuary who carries out a full valuation annually. The last valuation of these obligations and plan was performed in April 2023 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 30 April 2023.

The principal actuarial assumptions used for accounting purposes expressed as weighted average were:

	<------------- DMFI ------------>	
	30 April 2023	**30 April 2022**
Discount rate (per annum)	3.96%-4. 5%	1.82%-4.35%
Current health care cost trend rate (per annum)	N/A	6.20%
Ultimate health care cost trend rate	N/A	4.50%
Mortality rate	N/A	2012 rates associated with the Pri-2012 table with generational projection of improvements in mortality from 2012 based on MP-2020

	<------------- DMPI ------------>	
	30 April 2023	**30 April 2022**
Discount rate (per annum)	6.58%	5.41%
Future salary increases (per annum)	5.00%	5.00%

	<------------- ROHQ ------------>	
	30 April 2023	**30 April 2022**
Discount rate (per annum)	6.50%	5.29%
Future salary increases (per annum)	5.00%	5.00%

20. Employee benefits (cont'd)

Actuarial valuation (cont'd)

Since the defined benefit plans and other benefit liabilities are measured on a discounted basis, the discount rate is a significant assumption. The discount rate for DMFI plan was determined based on an analysis of interest rates for high-quality, long-term corporate debt at each measurement date. The discount rate for DMPI and ROHQ Plans were determined based on the theoretical spot yield curve calculated for the government securities market. In order to appropriately match the bond maturities with expected future cash payments, the Group utilized differing bond portfolios to estimate the discount rates for the defined benefits pension plans and for the post-retirement benefits.

The discount rate used to determine the defined benefit plans and for the post-retirement benefits projected benefit obligation as of the reporting date is the rate in effect at the measurement date. The same rate is also used to determine the defined benefit pension plans and post-retirement benefits for the following fiscal year. The defined benefits pension plans' investment guidelines are established based upon an evaluation of market conditions, tolerance for risk and cash requirements for benefit payments. Assumptions regarding future mortality have been based on published statistics and mortality tables.

As at 30 April 2023, the weighted average duration of DMPI's and ROHQ's defined benefit retirement obligation is 7.3 years and 4.8 years, respectively (2022: 7.7 years and 5.5 years, respectively).

The projected future benefit payments for the DMPI and ROHQ plans as of 30 April 2023 are as follows:

	DMPI US$'000	ROHQ US$'000	Total Expected Benefit Payments US$'000
2024	3,421	69	3,490
2025	2,854	524	3,378
2026	2,867	51	2,918
2027	2,437	66	2,503
2028	3,058	72	3,130
2029 to 2033	18,421	906	19,327

The weighted average duration of DMFI's defined benefit retirement obligation are as follows:

	Duration (years)	
	30 April 2023	30 April 2022
Qualified retirement plan	8.6	8.9
Post-retirement benefits plan	8.0	8.9
Executive retirement plans	N/A	N/A

20. Employee benefits (cont'd)

Actuarial valuation (cont'd)

The projected future benefit payments for the DMFI plan as of 30 April 2023 are as follows:

	Normal Retirement	Other than Normal Retirement	Total
	US$'000	US$'000	US$'000
Less than one year	21,848	727	22,575
More than one year to five years	76,265	2,529	78,794
More than five years	75,791	2,492	78,283

The weighted-average asset allocation of the Group's pension plan assets and weighted-average target allocation as of the measurement date from date of incorporation is as follows:

	30 April 2023	Target Allocation Range
Equity securities	34%	31-51%
Debt securities	58%	42-64%
Other	8%	2-19%
Total	100%	

	30 April 2022	Target Allocation Range
Equity securities	36%	31-51%
Debt securities	57%	42-64%
Other	7%	2-19%
Total	100%	

The plan exposes the Group to market risk.

The Board of DMFI approves the percentage of asset to be allocated for fixed income instruments and equities. The retirement plan has set maximum exposure limits for each type of permissible investments in marketable securities and deposit instruments. The Board of DMFI may, from time to time, in the exercise of its reasonable discretion and taking into account existing investment opportunities, review and revise such allocation and limits.

Source of estimation uncertainty

Measurement of employee benefit obligations

Pension expense and pension assets/liabilities are determined using certain actuarial estimates and assumptions relating to the discount rate used in valuing the subsidiary's defined benefit obligations and future experiences such as future salary increases, retirement date or age, mortality and turnover rate of covered employees. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognized in the financial statements.

20. Employee benefits (cont'd)

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of reporting period would have increased (decreased) as a result of a change in the respective assumptions by the respective percentages below.

Defined benefit obligation	**DMFI**			
	2023		**2022**	
	0.50% increase US$'000	0.50% decrease US$'000	0.50% increase US$'000	0.50% Decrease US$'000
Discount rate (per annum)	(7,490)	8,038	(9,247)	10,018
Future salary increases (per annum)	N/A	N/A	N/A	N/A

Defined benefit Obligation	**DMPI**			
	2023		**2022**	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Discount rate (per annum)	(1,769)	2,020	(2,065)	2,373
Future salary increases (per annum)	2,032	(1,811)	2,359	(2,091)

Defined benefit Obligation	**ROHQ**			
	2023		**2022**	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Discount rate (per annum)	(47)	52	(49)	55
Future salary increases (per annum)	53	(48)	55	(50)

20. Employee benefits (cont'd)

Sensitivity analysis (cont'd)

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 30 April 2023 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumption shown.

Accumulated post-retirement benefit obligation

The accumulated post-retirement benefit obligation is computed in accordance with IAS 19, *Employee Benefits*. This quantity is the actuarial present value of all benefits attributed under the projected unit credit method to service rendered prior to a particular date. Prior to an employee's full eligibility date, the accumulated post-retirement benefit obligation as of a particular date for an employee is the portion of the expected post-retirement benefit obligation attributed to that employee's service rendered to that date; on and after the full eligibility date, the accumulated and expected post-retirement benefit obligations for an employee are the same.

Source of estimation uncertainty

Accumulated post-retirement benefit obligation is determined using certain actuarial estimates and assumptions relating to the annual rate(s) of change in the cost of health care benefits currently provided by the post-retirement benefit plans due to factors other than changes in the composition of the plan population by age and dependency status, for each year from the measurement date until the end of the period in which benefits are expected to be paid. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognized in the financial statements.

Multi-employer plans

The Group participates in several multi-employer pension plans, which provide defined benefits to covered union employees. Contribution rates to the multi-employer plans are provided in the collective bargaining agreements for the covered union employees. The contribution rates are expressed in terms of specific amounts to be contributed based on hours worked by covered union employees. The Group made contributions of US$8.8 million, US$7.9 million and US$7.7 million during fiscal years 2023, 2022 and 2021, respectively.

The risks of participating in the multi-employer pension plans are as follows:

- assets contributed to the multi-employer plan by the Group may be used to provide benefits to employees of other participating employers;
- if a participating employer stops contributing to the plan, the unfunded obligations of the plan allocable to such withdrawing employer may be partially borne by the Group; and
- if the Group stops participating in some of its multi-employer pension plans, the Group may be required to pay those plans an amount based on its allocable share of the underfunded status of the plan, referred to as a withdrawal liability.

20. Employee benefits (cont'd)

Defined Contribution Plans

The Group participates in two defined contribution plans. Group contributions to these defined contribution plans are based on employee contributions and compensation. The expense recognized under these plans for the year ended 30 April 2023 was US$4.8 million (2022: US$4.2 million; 2021: US$4.5 million).

Other plans

The Group has various other nonqualified retirement plans and supplemental retirement plans for executives, designed to provide benefits in excess of those otherwise permitted under the Group's qualified retirement plans. These plans are unfunded and comply with IRS rules for nonqualified plans.

21. Environmental remediation liabilities

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
At beginning of the year	203	7,429
Provision made during the year	–	–
Provisions used during the year	(203)	(7,164)
Provisions released during the year	–	(62)
At end of the year	–	203

Provision for environmental remediation relates to legal or constructive obligations incurred by the Group in connection with its operations and have all been settled in 2023.

22. Trade payables and other current liabilities

	Note	Group 30 April 2023 US$'000	Group 30 April 2022 US$'000	Company 30 April 2023 US$'000	Company 30 April 2022 US$'000
Trade payables		216,700	196,833	66	131
Accrued operating expenses:					
Interest	39	10,441	34,122	3,228	3,434
Advertising		4,060	8,825	–	–
Trade promotions		8,410	8,607	–	–
Taxes and insurance		11,755	9,044	–	–
Professional fees		9,200	6,762	394	388
Freight and warehousing		8,902	8,898	–	–
Salaries, bonuses and other employee benefits		2,019	3,042	–	–
Utilities		3,236	3,704	–	–
Tinplate and consigned stocks		2,204	2,569	–	–
Miscellaneous		11,250	5,541	309	1,146
Overdrafts		1,969	5,655	–	–
Accrued payroll expenses		5,980	5,304	4,207	4,087
Withheld from employees (taxes and social security cost)		2,473	1,466	41	37
Contract liabilities	24	2,366	2,091	–	–
VAT payables		214	129	–	–
Advances from customers		208	241	–	–
Derivative liabilities	19	3,553	–	–	–
Amounts due to subsidiaries (non-trade)	37	–	–	107,889	30,806
		304,940	302,833	116,134	40,029

Contract liabilities pertains to contract liabilities relating to advances from customers which are generally expected to be recognized as revenue within a period of less than one year. Accordingly, opening contract liabilities are recognized within each reporting period. The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose the aggregate amount of the transaction price of unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period because its contracts have original expected durations of one year or less.

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

Accrued miscellaneous include management fees and other outside services, land and other rental, credit card payable and other importation incidental costs.

22. Trade payables and other current liabilities (cont'd)

Sources of estimation uncertainty

Estimation of trade promotion accruals

The determination of the unbilled trade promotion accrual requires significant estimation of the amount of discount to be redeemed based on volumes sold when the services are performed and billings are received.

23. Leases

Group as a lessee

Set out below are the carrying amount of right-of-use assets recognized and the movements during the period:

	Buildings, land improvements and leasehold improvements US$'000	Land US$'000	Machineries and equipment US$'000	Total US$'000
Cost				
At 1 May 2021	128,492	50,166	37,384	216,042
Additions	16,131	12,174	3,534	31,839
Retirements	(4,249)	(1,258)	–	(5,507)
Currency realignment	(2,897)	(4,006)	–	(6,903)
At 30 April 2022 and 1 May 2022	137,477	57,076	40,918	235,471
Additions	12,354	3,052	1,265	16,671
Retirements	–	(871)	–	(871)
Currency realignment	(2,110)	(3,252)	–	(5,362)
At 30 April 2023	147,721	56,005	42,183	245,909
Accumulated amortization				
At 1 May 2021	43,632	14,521	22,681	80,834
Amortization	21,452	8,645	9,006	39,103
Retirements	(4,222)	(1,258)	–	(5,480)
Currency realignment	(929)	(1,596)	–	(2,525)
At 30 April 2022 and 1 May 2022	59,933	20,312	31,687	111,932
Amortization	21,323	8,700	5,935	35,958
Retirements	–	(871)	–	(871)
Currency realignment	(498)	(1,178)	–	(1,676)
At 30 April 2023	80,758	26,963	37,622	145,343
Carrying amounts				
At 30 April 2022	77,544	36,764	9,231	123,539
At 30 April 2023	**66,963**	**29,042**	**4,561**	**100,566**

23. Leases (cont'd)

Group as a lessee (cont'd)

In April 2021, DMPI entered a sale and leaseback of buildings, warehouses and equipment located on foreshore land. The assets were sold to DEARBC and subsequently leased back to DMPI with payment and lease terms of 20 years for both the sale and the lease. Right-of-use assets recognized at commencement date amounted to US$7.1 million which comprises the proportion of the previous carrying amount of the assets that relates to right of use retained by DMPI and the adjustment for below-market terms on the sale of assets. Lease liability and gain on sale and leaseback at commencement date amounted to US$4.8 million and US$0.2 million, respectively.

The following are the amounts recognized in the income statement:

	Note	30 April 2023 US$'000	30 April 2022 US$'000
Amortization expense of right-of-use assets	25	32,972	39,292
Interest expense on lease liabilities	26	5,443	6,345
Expenses relating to short-term leases	25	12,882	13,710
Variable lease payments		402	341
Total amount recognized in statement of income		51,699	59,688

Amortization expense is net of amount capitalized to inventory during the year and includes amortization capitalized in prior years to inventory that was sold during the year.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, 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 such as construction of significant leasehold improvements or significant customization to the leased asset.

The Group included the renewal period for certain lease contract on warehouses as part of the lease term. The Group typically exercises its option to renew for the lease because there will be a significant negative effect on production if a replacement asset is not readily available. The renewable period of land, building and certain warehouse are not included as part of the lease term as these are not reasonably certain to be exercised since it is subject to mutual agreement of both parties and is considered as unenforceable.

The Company also entered into a lease contract with DEARBC, with an initial contract period of 25 years from 11 January 1999 to 10 January 2024. The lease contract was amended by both parties effective 11 January 2019 to extend the lease period to 10 January 2049. Effective January 2019, both parties also approved the amendment granting the Group the sole option to terminate the lease every five years without incurring penalty until the end of the contract period. Since the Group has the sole option to terminate the lease every five years without incurring penalty, the Group has the absolute right to enforce the entire duration of the lease (i.e., lease term).

Group as a lessee (cont'd)

The Group assessed the lease term to be 5 years from 11 January 2019 since it is not yet reasonably certain to renew beyond the initial 5-year non-cancellable lease period due to the relatively long time horizon to be able to forecast the facts and circumstances that will merit the renewal of the contract. There are also no significant economic penalties other than the standing crops which only have a life cycle of up to 3 years.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	30 April 2023 US$'000	30 April 2022 US$'000
At the beginning of year	121,320	128,803
Additions	17,986	28,075
Accretion of interest	6,615	7,534
Payments of principal	(38,962)	(34,414)
Payments of interest	(3,723)	(4,456)
Adjustments	–	(10)
Terminations	–	(151)
Currency realignment	(3,140)	(4,061)
At the end of year	100,096	121,320
Current	27,892	29,549
Non-current	72,204	91,771
	100,096	121,320

Group as a lessor

The Group has sublease agreements which provides for lease rentals based on an agreed fixed monthly rate. Rental income related to these sublease agreements amounted to US$0.5 million for the fiscal year 2023 (2022: US$0.5 million).

Lease receivables represent receipts to be received over the remaining lease term. Movement of the lease receivables during the period are as follows:

	30 April 2023 US$'000	30 April 2022 US$'000
At the beginning of year	691	1,241
Adjustments	3	2
Contractual receipts	(486)	(487)
Interest income	17	37
Currency realignment	(589)	(102)
At the end of year	(364)	691
Current	126	497
Non-current	60	194
	186	691

23. Leases (cont'd)

Sources of estimation uncertainty

Determination of incremental borrowing rate for lease liabilities

The Group is not able to 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 (e.g. when leases are not in the subsidiary's functional currency). The Group uses existing debt borrowing rates of the respective Group's entities as its IBR.

24. Revenue

Revenue of the Group comprises fair value gains arising from changes in fair value of the Group's biological assets recognized upon harvest of agricultural produce and gross invoiced sales of goods, net of discounts and returns, recognized when goods are delivered. All intra-group transactions have been excluded from the Group revenue.

Revenue for fiscal year ended 30 April 2023 is net of discounts of US$89.0 million (2022: US$84.3 million; 2021: US$ 78.6 million), returns of US$20.2 million (2022: US$18.3 million; 2021: US$17.1 million) and direct promotions of US$339.9 million (2022: US$ 339.9 million; 2021: US$304.3 million). Revenue for fiscal year ended 30 April 2022 is net of discounts of US$84.3 million, returns of US$18.3 million and direct promotions of US$339.9 million. Revenue for fiscal year ended 30 April 2021 is net of discounts of US$78.6 million, returns of US$17.1 million and direct promotions of US$304.3 million.

Disaggregation of revenue is presented in Note 29.

24. Revenue (cont'd)

Contract balances

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	Note	Group 30 April 2023 US$'000	30 April 2022 US$'000	30 April 2021 US$'000
Receivables, included in Trade and other receivables – Gross of ECL allowance	13	195,335	189,839	65,370
Contract liabilities, included in Trade payables and other current liabilities	22	2,366	2,091	543

Contract liabilities pertain to advances from customers which are generally expected to be recognized as revenue within a period of less than one year. Accordingly, opening contract liabilities are recognized within each reporting period. The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose the aggregate amount of the transaction price of unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period because its contracts have original expected durations of one year or less.

The Group recognized revenue adjustments from performance obligations satisfied or partially satisfied in previous periods due to changes in estimates of trade promotions, coupon redemptions, cash discounts and penalties amounting to nil and US$0.7 million in fiscal year 2023 and 2022, respectively.

Contract liabilities amounting to US$2.1 million as at 1 May 2022 have been recognized as revenue in fiscal year 2023 (2022: US$0.5 million).

25. Profit before taxation

Profit before taxation is arrived at after charging (crediting):

	Note	<------ Group	------	------>	<------ Company	------	------>
		Year ended 30 April 2023	**Year ended 30 April 2022**	**Year ended 30 April 2021**	**Year ended 30 April 2023**	**Year ended 30 April 2022**	**Year ended 30 April 2021**
		US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Amortization of intangible assets	8	6,967	6,650	6,650	–	–	–
Changes in fair value of agricultural produce harvested and sold	11	(57,307)	(60,236)	(53,564)	–	–	–
Allowance for inventory obsolescence	12	9,542	4,135	7,043	–	–	–
Inventories recognized as cost of sales	12	1,385,159	1,300,313	1,193,666	–	–	–
(Reversal of impairment) / impairment of trade and nontrade receivables	13	(181)	1,060	144	–	–	–
Depreciation of property, plant and equipment		154,439	146,480	139,950	–	–	–
Amortization of right-of-use assets	23	32,972	39,292	37,205	93	93	106
Short-term leases	23	12,882	13,710	29,676	–	–	–
Research and development expenses		10,237	9,970	10,157	–	–	–
Audit fees paid to:							
- EY Singapore		172	95	93	136	60	57
- SGV		1,438	1,297	1,216	251	450	326
- affiliates of auditors of the Company		50	43	298	–	–	–
- other auditor		6	6	6	–	–	–
Non-audit fees paid to:							
- SGV		160	–	–	111	–	–
- other auditors		80	80	39	2	2	2
(Gain) loss on disposal of property, plant and equipment		759	789	(1,333)	–	–	–
Legal expenses		3,646	2,318	2,257	3	8	6
Staff costs							
Wages and salaries		310,871	308,951	263,113	5,538	5,174	4,901
Social security costs		22,128	20,039	19,146	22	44	22
Pension costs - defined benefit pension plan*		10,401	10,426	10,511	107	145	97
Pension costs – provident fund		5,313	4,757	5,093	4	4	3
Equity-settled share-based payment transactions**		–	(1,753)	–	–	–	–

**Included the effect of post-retirement medical plan amendment and enhanced early retirement program.*
***Net of non-controlling interests amounting to US$0.2 million for 2022.*

Other expenses not included above are advertising and marketing costs, freight, warehousing costs and others.

26. Net finance expense

	Note	<---------------- Group	---------------->		<--------------- Company	------------->	
		Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Finance income							
Realized foreign exchange gain		12,839	1,858	6,481	169	–	–
Unrealized foreign exchange gain		542	2,572	506	–	134	5
Interest income from:							
- Bank deposits		88	43	65	1	1	1
- Due from a subsidiary		–	–	–	–	–	833
- Others		824	728	482	7	10	12
Gain on purchase of second lien term loan	18	–	–	–	–	–	–
		14,293	5,201	7,534	177	145	851
Finance expense							
Interest expenses on bank loans		(125,526)	(91,197)	(97,338)	(30,741)	(12,225)	(12,459)
Redemption cost on Senior Secured Notes		(44,530)	–	–	–	–	–
Write-off of deferred financing cost		(26,341)	–	–	–	–	–
Amortization of debt issue cost, discount	18	(6,156)	(12,258)	(11,481)	(1,488)	(980)	(647)
Leases	23	(5,443)	(6,345)	(7,435)	–	(3)	–
Interest rate swap settlement		744	–	5,210	–	–	–
Realized foreign exchange loss		(4,101)	(2,186)	(2,571)	–	(23)	(10)
Unrealized foreign exchange loss		(4,508)	(721)	(495)	(108)	(7)	(18)
		(215,861)	(112,707)	(114,110)	(32,337)	(13,238)	(13,134)
Net finance expense		(201,568)	(107,506)	(106,576)	(32,160)	(13,093)	(12,283)

27. Tax expense - net

	Note	Group Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Current tax expense				
- Current year		26,759	20,605	33,059
Deferred tax credit				
- Origination and reversal of temporary differences	9	(9,592)	18,695	(5,786)
		17,167	39,300	27,273

	Group Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Reconciliation of effective tax rate			
Profit before taxation	42,544	154,830	103,743
Taxation on profit at applicable tax rates	6,201	31,048	17,829
Final tax on dividend	6,586	9,477	7,658
Non-deductible expenses	4,822	2,389	299
Non-taxable income	(12)	(6)	(8)
Change in unrecognized deferred tax asset	(1,410)	(4,356)	(3,346)
Change in tax rate	1,174	1,005	–
Effect of CREATE Act	–	–	4,611
Others	(194)	(257)	230
	17,167	39,300	27,273

27. Tax expense – net (cont'd)

	Group		
	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Applicable tax rates			
- Philippines (non-PEZA)	25.0%	25.0%	25.0%
- Philippines (PEZA)*	5.0%	5.0%	5.0%
- India	31.0%	31.2%	31.2%
- Singapore	17.0%	17.0%	17.0%
- United States of America	25.0%	25.0%	24.5%
- Mexico	30.0%	30.0%	30.0%

**based on gross profit for the year*

DMPI's production operations in Cagayan de Oro City, Philippines are undertaken in the Philippine Packing Agricultural Export Processing Zone ("PPAEPZ"). This zone was established in accordance with the regulations of the Philippine Economic Zone Authority ("PEZA"). DMPI enjoys several fiscal and non-fiscal incentives including a 5% tax on gross profit in lieu of the statutory 25% (2022: 25% and 2021: 25%) on profit before tax, duty free importation of capital equipment, raw materials and supplies used in pursuit of its Ecozone-registered activities, among other incentives. DMPI received PEZA approval for a second zone, the Bukidnon Agro-Resources Export Zone ("BAREZ"), for agri-development projects. The current tax incentive expired in fiscal year 2018 and was extended for an additional three years ending fiscal year 2021. On 21 December 2021, PEZA issued a Certificate of Board Resolution approving the retention of DMPI's status as an Export Ecozone Enterprise (EEE) beyond 31 December 2021. The incentives may be availed of for as long as DMPI complies with the PEZA's requirements which include exporting 70% of its production and these incentives are not rationalized by law.

On 7 May 2021, PEZA issued LOA No. 21-EOD-LS/F/EE-1006 that provides for extension of the DMPI's Ecozone Export Enterprise status until the Implementing Rules and Regulation of CREATE Act is issued. The status of DMPI as a PEZA registered export enterprise is expected to be retained being part of the Investment Priority Plan and for meeting the conditions set forth by PEZA to allow a company to continue availing of the incentives despite exceeding local sales.

On 17 August 2021, PEZA issued LOA No. 21-EOD-LS/FP/EE-1916 to renew DMPI's authority to sell to the domestic market a portion of its production of its registered products produced at the PPAEPZ / BAREZ. Said LOA expired December 31, 2021. On 24 January 2022, LOA No. 22-EOD-LS/FP/EE-0166 was issued to cover the period 1 January 2022 to 31 July 2022.

On June 8, 2022, PEZA issued LOA No. 22-EOD-LS/FP/EE-2251 to renew DMPI's authority to sell to the domestic market a portion of its production of its registered products produced at the PPAEPZ / BAREZ for the period August 1, 2022 to July 31, 2023.

On June 29, 2023, PEZA issued LOA No. 22-ERD/AA/EEEE-2485, the application to include the additional facility at the Quezon Agro-Industrial Zone (QAIZ) to engage in the "production of packed fresh pineapples in carton boxes with or without crown" was approved

27. Tax expense – net (cont'd)

Corporate Recovery and Tax Incentive for Enterprise ("CREATE") Act

On 26 March 2021, President Rodrigo Duterte signed into law the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. RA No. 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It took effect 15 days after its complete publication in a newspaper of general circulation on 11 April 2021.

The following were the key changes to the Philippine tax law pursuant to the CREATE Act which has an impact on DMPI:

(i) Effective 1 July 2020, Regular Corporate Income Tax ("RCIT") rate was decreased from 30% to 20% for corporations with total assets (excluding the value of land on which the particular business entity's office, plant and equipment are situated during the taxable year) of Php100 million (US$2.1 million) or below and taxable income of Php5 million (US$1.0 million) and below. All other corporations not meeting the criteria are subject to lower RCIT rate of 25% from 30%;

(ii) Effective 1 July 2020 and for a period of 3 years, Minimum Corporate Income Tax ("MCIT") rate was lowered from 2% to 1% of gross income; and

(iii) Improperly accumulated earnings tax of 10% was repealed.

The RCIT and MCIT applied in the preparation of the Group's financial statements as of and for the fiscal year ended 30 April 2021 are based on the enacted tax rate of 30% RCIT for the months covered before the effectivity of CREATE, and 25% or 20% RCIT, as the case may be, for the months covered under CREATE. In the computation of current income tax, income and expenses were deemed to have been earned and spent equally for each month of the fiscal period. The effective RCIT rate for the DMPI for the year ended 30 April 2021 is 25.83%.

Company

There is no tax expense for the Company as the income of the Company is exempt from all income taxes in the British Virgin Islands except for ROHQ in the Philippines which has a preferential tax rate of 10%.

Sources of estimation uncertainty

Measurement of income tax

The Group has exposure to income taxes in several foreign jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

28. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

Cumulative undeclared preference dividends amounted to US$0.4 million as of 30 April 2022. There was no cumulative undeclared preference dividends as of 30 April 2023 as all preference shares were already redeemed.

		Group	
	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Profit attributable to owners of the Company	16,949	100,031	63,256
Cumulative preference share dividends for the year	(4,063)	(18,903)	(19,750)
	12,886	81,128	43,506
Weighted average number of ordinary shares ('000):			
Outstanding ordinary shares at 1 May, representing weighted average number of ordinary shares during the year	1,943,960	1,943,960	1,943,960
Basic earnings per share (in US cents)	0.66	4.17	2.24

28. Earnings (loss) per share (cont'd)

Diluted earnings (loss) per share

For the purpose of calculation of the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from Del Monte Pacific RSP, with the potential ordinary shares weighted for the period outstanding.

	Group		
	Year ended 30 April 2023 US$'000	**Year ended 30 April 2022 US$'000**	**Year ended 30 April 2021 US$'000**
Profit attributable to owners of the Company	16,949	100,031	63,256
Cumulative preference share dividends for the year	(4,063)	(18,903)	(19,750)
	12,886	81,128	43,506
Diluted weighted average number of shares ('000):			
Weighted average number of ordinary shares at end of year (basic)	1,943,960	1,943,960	1,943,960
Potential ordinary shares issuable under share awards	–	–	–
Weighted average number of ordinary shares issued (diluted)	1,943,960	1,943,960	1,943,960
Diluted earnings per share (in US cents)	0.66	4.17	2.24

29. Operating segments

The Group has two operating segments: geographical and product. In identifying these operating segments, management generally considers geographical as its primary operating segment.

Geographical segments

Americas

Reported under the Americas segment are sales and profit on sales in USA, Canada and Mexico. Majority of this segment's sales are principally sold under the Del Monte brand but also includes products under the Contadina, S&W, College Inn and other brands. This segment also includes sales of private label food products. Sales in the Americas are distributed across the United States, in all channels serving retail markets, as well as to the US military, certain export markets, the foodservice industry and other food processors.

29. Operating segments (cont'd)

Geographical segments (cont'd)

Asia Pacific

Reported under Asia Pacific are sales and profit on sales in the Philippines, comprising of Del Monte branded packaged products, including Del Monte traded goods, and Today's brand; S&W products in Asia and the Middle East both fresh and packaged; and Del Monte packaged products from the Philippines into Indian subcontinent as well as unbranded fresh and packaged goods.

Europe

Included in this segment are sales of S&W co-branded, buyer's own label and unbranded products in Europe.

Product segments

Packaged fruit and vegetable

The packaged fruit and vegetable segment includes sales and profit of processed fruit and vegetable products under the Del Monte, S&W and Today's brands, as well as buyer's labels, that are packaged in different formats such as can, plastic cup, pouch and aseptic bag. Key products under this segment are canned beans, peaches and corn sold in the United States and canned pineapple and tropical mixed fruit in Asia Pacific.

Beverage

Beverage includes sales and profit of 100% pineapple juice in can, juice drinks in various flavors in can, tetra and PET packaging, and pineapple juice concentrate.

Culinary

Culinary includes sales and profit of packaged tomato-based products such as ketchup, tomato sauce, pasta sauce, recipe sauce, pizza sauce, pasta, broth and condiments under four brands, namely Del Monte, S&W, College Inn and Contadina.

Fresh fruit and others

Fresh fruit and others include sales and profit of S&W branded fresh pineapples in Asia Pacific and buyer's label or non-branded fresh pineapples in Asia, and sales and profit of cattle in the Philippines. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals. This also include non-branded sales to South America as well as various product innovations such as Mr. Milk, a new fruit yoghurt milk drink introduced in July 2020.

The Group allocated certain overhead and corporate costs to the various product segments based on sales for each segment relative to the entire Group.

Segment assets

Segment assets consist primarily of property, plant and equipment, intangible assets, trade and other receivables, biological assets, inventories and investments in joint ventures.

29. Operating segments (cont'd)

Information about reportable segments

	<- Americas ->			<- Asia Pacific ->			<- Europe ->			<- Total ->		
	Year ended 30 April 2023 US$'000	**Year ended 30 April 2022 US$'000**	**Year ended 30 April 2021 US$'000**	**Year ended 30 April 2023 US$'000**	**Year ended 30 April 2022 US$'000**	**Year ended 30 April 2021 US$'000**	**Year ended 30 April 2023 US$'000**	**Year ended 30 April 2022 US$'000**	**Year ended 30 April 2021 US$'000**	**Year ended 30 April 2023 US$'000**	**Year ended 30 April 2022 US$'000**	**Year ended 30 April 2021 US$'000**
Revenue												
Packaged/processed fruit and vegetable	1,344,522	1,342,835	1,190,191	125,970	139,935	137,384	31,796	24,753	27,885	1,502,288	1,507,523	1,355,460
Beverage	66,804	35,772	18,498	141,012	141,630	150,026	15,492	10,171	10,326	223,308	187,573	178,850
Culinary	322,870	282,946	286,000	145,008	147,496	155,651	223	199	373	468,101	430,641	442,024
Fresh fruit and others	5,996	6,038	2,262	221,620	210,311	184,113	–	–	–	227,616	216,349	186,375
Total	**1,740,192**	**1,667,591**	**1,496,951**	**633,610**	**639,372**	**627,174**	**47,511**	**35,123**	**38,584**	**2,421,313**	**2,342,086**	**2,162,709**
Gross profit	**413,381**	**404,029**	**340,856**	**182,358**	**207,067**	**205,007**	**11,254**	**11,561**	**10,100**	**606,993**	**622,657**	**555,963**
Share in net loss of joint ventures	**–**	**–**	**–**	**(1,486)**	**(4,954)**	**(1,531)**	**–**	**–**	**–**	**(1,486)**	**(4,954)**	**(1,531)**
Depreciation and amortization	52,459	57,794	69,055	141,919	134,628	114,750	–	–	–	194,378	192,422	183,805
Capital expenditure	**55,433**	**32,122**	**25,112**	**182,489**	**170,537**	**138,862**	**–**	**–**	**–**	**237,922**	**202,659**	**163,974**

29. Operating segments (cont'd)

Major customer

Revenues from a major customer of the Americas segment for fiscal year 2023 amounted to approximately US$609.2 million or 25% (2022: US$561.4 million or 24%, 2021: 475.4 million or 22%) of the Group's total revenue. The customer accounted for approximately 14% of trade and other receivable as at 30 April 2023 and 2022.

30. Seasonality of operations

The Group's business is subject to seasonal fluctuations as a result of increased demand during the end of year festive season. For Americas, products are sold heavily during the Thanksgiving and Christmas seasons. As such, the Group's sales are usually highest during the five months from August to December.

The Group operates 11 production facilities in the USA, Mexico, and the Philippines as at 30 April 2023 and 30 April 2022. Fruit plants are located in California and Washington in the U.S. and in the Philippines. Most of its vegetable plants are located in the U.S. Midwest and its tomato plant is located in California.

The US Consumer Food Business has a seasonal production cycle that generally runs between the months of June and October. This seasonal production primarily relates to the majority of processed fruit, vegetable and tomato products, while some of its processed fruit and tomato products and its College Inn broth products are produced throughout the year. Additionally, the Consumer Food Business has contracts to co-pack certain processed fruit and vegetable products for other companies.

31. Share option and incentive plans

The Company adopted the Del Monte Pacific Executive Share Option Plan 2016 ("ESOP 2016"), which was approved by the shareholders at the general meeting held on 30 August 2016. The purpose of the ESOP 2016 is to provide an opportunity for Group executives and directors to participate in the equity of the Company in order to motivate them to excel in their performance. The ESOP 2016 shall be valid for a period of ten years; however, it has yet to be implemented, and no options had been granted to-date.

The ESOP 2016 is administered by the Remuneration Share Option Committee (RSOC).

Del Monte Foods Holding Equity Compensation Plan

During the second quarter of fiscal year 2016, DMFHI established a new plan, the 2015 Executive Long-Term Incentive Plan ("LTIP"), which intends to provide key executives with the opportunity to receive grants of stock options, cash-based awards and other stock-based awards. 9,000,000 shares of common stock of DMFHI were reserved for grant under the plan. In fiscal year 2016, DMFHI granted nonqualified stock options and cash incentive awards under the plan.

In September 2016, the authorized shares reserved for grant under the plan was increased from 9,000,000 to 15,000,000. As of 30 April 2021, 14,776,500 share were available for future grant. The plan was retired in fiscal year 2022.

31. Share option and incentive plans (cont'd)

Del Monte Foods Holding Equity Compensation Plan (cont'd)

The fair value for stock options granted was estimated at the date of grant using a Black-Scholes option pricing model. This model estimates the fair value of the options based on a number of assumptions, such as expected option life, interest rates, the current fair market value and expected volatility of common stock and expected dividends. The expected term of options granted was based on the "simplified" method. Expected stock price volatility was determined based on the historical volatilities of comparable companies over a historical period that matches the expected life of the options. The risk-free interest rate was based on the expected U.S. Treasury rate over the expected life. The dividend yield was based on the expectation that no dividends will be paid. The following table presents the weighted-average assumptions for performance-based stock options granted for the periods indicated:

	3 November 2015
Expected life (in years)	5.5
Expected volatility	38.49%
Risk-free interest rate	1.64%

Stock option activity and related information during the periods indicated was as follows:

	2023		**2022**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at beginning of year	–	–	223,500	5
Cancelled	–	–	(223,500)	5
Outstanding at end of year	–	–	–	–
Exercisable at end of year	–	–	–	–

There was no expense recognized in the consolidated income statement for equity-settled share based compensation for fiscal year 2023 and 2022.

The remaining 223,500 options were cancelled in fiscal year 2022 through a "buy-out" as a means of retiring the plan. Each holder was offered $1 per share with a total cost of US$216 million.

Cash incentives

On 16 December 2019, DMFHI granted a total cash incentive of US$2.6 million to key executives under cash incentive award agreements. The grants require performance criteria to be achieved. The awards will vest in two equal annual parts over a period of approximately two years when the employee remains employed on each vesting date.

The accrued net obligation as of 30 April 2023 is US$4.0 million (2022: US$5.1 million). Total expense recognized under "Wages, salaries and other benefits" in the consolidated income statement of the Group amounted to US$0.3 million, US$5.0 million and US$3.5 million in fiscal years 2023, 2022 and 2021, respectively.

31. Share option and incentive plans (cont'd)

Long Term Incentive Plan

Overview

Effective as of 4 October 2021, DMPI had established the DMPI Long Term Incentive Plan of 2021 (DMPI LTIP) for the purpose of providing designated employees of DMPI with the opportunity to receive grants of nonqualified stock options.

Participation

Participation in the DMPI LTIP is limited to employees of DMPI and its subsidiaries (including any officer who is also an employee), who will be qualified and approved by the DMPI RSOC from the list of potential participants identified by Management as critical to the delivery of DMPI's Long Range Plan.

Administration

The DMPI RSOC administers and interprets the DMPI LTIP. The DMPI RSOC has full power and express discretionary authority to administer and interpret the Plan, to make factual determinations and to adopt or amend such rules, regulations, agreements and instruments for implementing the DMPI LTIP in its sole discretion. The DMPI RSOC may amend or terminate the LTIP at any time; provided, however, that the RSOC cannot amend the DMPI LTIP without the approval of the shareholders of DMPI if such approval is required in order to comply with applicable laws or securities exchange requirements.

Principal Terms of the Plan

Grants under the DMPI LTIP consist of stock options and are subject to the terms and conditions of the plan as well as those specified as to the participants in the applicable grant agreements. Subject to certain adjustments, the maximum aggregate number of DMPI shares that may be issued pursuant to such stock options is up to 2% of DMPI's total issued and outstanding common shares.

The DMPI RSOC determines the number of shares pursuant to each stock option and the recipient of each grant. Each stock option has a term of five years; 50% shall become vested on the third year from the grant date while the remaining 50% shall become vested on the fifth year from the grant date. Each stock option will vest in accordance with such vesting schedule if the recipient continues to be employed by DMPI from the date of grant until the applicable vesting date. Any unvested stock option shall be forfeited upon the participant's separation of service and may be made available for re-issuance to another participant. However, vested stock options will remain exercisable by a separated participant for 90 days from separation from DMPI or in case of death or disability, vested stock options shall be exercisable by the participant's legal heirs or legal representatives within one year from such occurrence.

Recipients of grants of stock options are not required to pay any amount upon application or acceptance of the grant. The exercise price of stock options shall not be less than the fair market value of a share on the date of grant. Once a stock option is exercised, the voting, dividend, transfer and other rights attached to the shares are the same as with other shares of DMPI common stock, provided the shares remain outstanding.

Upon vesting of a stock option, a recipient of a grant will have the right to require DMPI to repurchase all or any portion of the vested portion of a stock option at the applicable fair market value of a share, less the exercise price.

32. Financial risk management

The Group has exposure to the following risks from financial instruments:

- credit risk
- interest rate risk
- liquidity risk
- foreign exchange risk
- commodity price risk

Risk management framework

The Board of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee ("ARC") is responsible for monitoring the Group's risk management policies developed by management.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The ARC oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

Financial risk management objectives and policies

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Board of the Group continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and Company do not hold any collateral in respect of their financial assets.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and countries in which customers are located, as these factors may have an influence on credit risk.

32. Financial risk management (cont'd)

Credit risk (cont'd)

The ARC has approved a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes credit ratings, where available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount. Customers failing to meet the Group's benchmark credit worthiness may transact with the Group only on a prepayment or Letters of Credit basis.

Exposure to credit risk

At the reporting date, the maximum exposure to credit risk for financial assets, excluding cash on hand, by geographic region was:

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Americas	154,486	118,366
Europe	10,418	15,192
Asia Pacific	99,238	111,703
	264,142	245,261

At 30 April 2023, the Group's most significant customer accounted for 14% of the trade and other receivables carrying amount (2022: 14%).

Impairment losses

The aging of financial assets excluding cash on hand that were not impaired at the reporting date was:

Group	**30 April 2023 US$'000**	**30 April 2022 US$'000**
Not past due	177,466	168,854
Past due 0 - 60 days	39,012	44,814
Past due 61 - 90 days	7,128	6,255
Past due 91 - 120 days	6,203	3,060
More than 120 days	34,333	22,278
	264,142	245,261

As at 30 April 2023 and 2022, the Company's financial assets are all not past due.

32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

The table below shows the credit quality of the Group's financial assets based on their historical experience with the corresponding third parties:

	2023				
	General approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cash in banks and cash equivalents	19,752	–	–	–	19,752
Trade and other receivables*	2,631	–	–	240,681	243,312
Short-term placements	18	–	–	–	18
Refundable deposits**	1,838	–	–	–	1,838
	24,239	–	–	240,681	264,920
ECL Allowance	–	–	–	(9,645)	(9,645)
	24,239	–	–	231,036	255,275

**includes noncurrent portion of receivables from sale and leaseback and lease receivables*

***included under advance rentals and deposits*

	2022				
	General approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cash in banks and cash equivalents	21,786	–	–	–	21,786
Trade and other receivables*	2,818	–	–	224,914	227,732
Short-term placements	1,288	–	–	–	1,288
Note receivables	–	1,000	–	–	1,000
Refundable deposits**	2,136	–	–	–	2,136
	28,028	1,000	–	224,914	253,942
ECL Allowance	–	–	–	(10,167)	(10,167)
	28,028	1,000	–	214,747	243,775

**includes noncurrent portion of receivables from sale and leaseback and lease receivables*

***included under advance rentals and deposits*

32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

As at 30 April 2023 and 2022, the Company's financial assets were all classified under Stage 1.

	2023				
	General Approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cash in banks and cash equivalents	554	–	–	–	554
Trade and other receivables	26,406	–	–	–	26,406
Short-term placements	–	–	–	–	–
	26,960	–	–	–	26,960

	2022				
	General Approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cash in banks and cash equivalents	2,129	–	–	–	2,129
Trade and other receivables	84,832	–	–	–	84,832
Short-term placements	883	–	–	–	883
	87,844	–	–	–	87,844

Stage 1 financial assets pertain to those cash that are deposited in reputable banks. Stage 2 includes receivables that are collected on their due dates even without an effort from the Group to follow up with them.

The Group sells its products through major distributors and buyers in various geographical regions. Management has a credit risk policy which includes, among others, the requirement of certain securities to ensure prompt observance and performance of the obligations of its distributors and other buyers from time to time. The Group monitors its outstanding trade receivables on an on-going basis. In addition, the Group also engages in sale of its trade receivables without recourse to certain financial institutions.

32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

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**	**61-120 days**	**Over 120 days**	**Total**
	US'000s	**US'000s**	**US'000s**	**US'000s**	**US'000s**	**US'000s**
Trade receivables	119,651	35,579	3,404	4,875	31,826	195,335
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	16.74%	–
Expected credit loss	–	–	–	–	5,328	5,328

	2022					
			Days past due			
	Current	**<30 days**	**30-60 days**	**61-120 days**	**Over 120 days**	**Total**
	US'000s	**US'000s**	**US'000s**	**US'000s**	**US'000s**	**US'000s**
Trade receivables	121,770	23,290	7,137	4,214	33,428	189,839
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	17.50%	–
Expected credit loss	–	–	–	–	5,850	5,850

The Group assessed that all balances under Stage 1 and Stage 2 have not experienced significant increase in credit risk as of 30 April 2023 and 2022.

The Group applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables. The Group uses a provision matrix to measure ECLs. Loss rates are based on actual credit loss experience over a period of three years. The Group has assessed that adjusting the loss rates for forward-looking information does not have a material effect considering the significantly low historical loss rates and the absence of economic factors that are highly correlated with the Group's credit loss experience on receivables.

For other financial assets such 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 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 a significant increase in credit risk 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).

32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Cash in banks and cash equivalents

Cash in banks and cash equivalents are held with banks and financial institutions which are regulated.

The percentages of cash in banks and cash equivalents held in the following regions are:

	30 April 2023	30 April 2022
	%	%
Group		
United States of America	35	11
Philippines	50	57
Hong Kong	14	32
Singapore	1	<1
Company		
Philippines	82	97
Hong Kong	7	1
Singapore	11	1

Apart from the information stated above, the Group and Company have no significant concentration of credit risk with any single counterparty or group counterparties.

Derivatives

The derivatives are entered into with banks and financial institutions which are regulated.

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 the market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short-term debt obligations with floating interest rates.

The Group's cash balances are placed with reputable global banks and financial institutions. The Group manages its interest rate risks by placing the cash balances with varying maturities and interest rate terms. This includes investing the Group's temporary excess liquidity in short-term low-risk securities from time to time. The Group also enters into interest rate swaps to manage the volatility. The Group obtains financing through bank borrowings and leasing arrangements. Funding is obtained from bank loan facilities for both short-term and long-term requirements. The Group's policy is to obtain the most favorable interest rate available without increasing its foreign currency exposure.

32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

Interest rate risk (cont'd)

Interest rate profile of interest-bearing financial instruments

The interest rate profile of the interest-bearing financial instruments as reported to management of the Group is as follows:

	<---------- Group ----------->		<-------- Company -------->	
	30 April 2023 US$'000	**30 April 2022 US$'000**	**30 April 2023 US$'000**	**30 April 2022 US$'000**
Fixed rate instruments				
Loans and borrowings	292,040	788,372	148,758	163,464
Variable rate instruments				
Loans and borrowings	1,981,314	778,994	418,099	441,694
Interest rate caps	5,084	7,896	–	–
	1,986,398	786,890	418,099	441,694
	2,278,438	1,575,262	566,857	605,158

Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had moved as illustrated in the table below, with all other variables held constant, profit/loss before tax in the next 12 months would have been affected as follows:

	Profit before tax in the next 12 months	
	100 bp increase US$'000	**100 bp decrease US$'000**
Group		
30 April 2023		
Variable rate instruments	(18,569)	18,569
Interest rate caps	7,208	(7,208)
	(11,361)	11,361
30 April 2022		
Variable rate instruments	(5,124)	5,124
Interest rate caps	5,750	(5,750)
	626	(626)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing significantly higher volatility than in prior years.

32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

Interest rate risk (cont'd)

Cash flow sensitivity analysis for variable rate instruments (cont'd)

As at 30 April 2023 and 2022, the Group designated each of its derivative contracts as a hedge of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge").

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks. Currently, the Group excluding DMFI is entitled to a total of US$1,639.9 million (2022: US$1,040.5 million) in credit lines, of which 17% (2022: 29%) remain available. The lines are mostly for short-term financing requirements since the long-term facilities have been fully drawn. The Group constantly maintains good relations with its banks, such that additional facilities, whether for short or long-term requirements, may be made available.

The Group is able to increase the commitments under the ABL Facility, subject only to the consent of the new or existing lenders providing such increases, such that the aggregate principal amount of commitments does not exceed US$625.0 million. The lenders under this facility are under no obligation to provide any such additional commitments, and any increase in commitments will be subject to customary conditions precedent. Notwithstanding any such increase in the facility size, the Group's ability to borrow under the facility will remain limited at all times by the borrowing base (to the extent the borrowing base is less than the commitments).

32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

The following are the expected contractual undiscounted cash outflows of financial assets and liabilities, including interest payments and excluding the impact of netting agreements:

Group	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2023						
Derivative financial assets						
Interest rate swap	19	7,806	7,806	1,617	6,189	–
Foreign currency contracts	19	1,061	1,061	1,061	–	–
Non-derivative financial assets						
Cash in banks and cash equivalents	15	19,752	19,752	19,752	–	–
Trade and other receivables*	10,13	233,667	235,178	231,036	976	3,166
Short-term placements	14	18	18	18	–	–
Refundable deposits**	10	1,838	1,838	–	–	1,838
		264,142	265,653	253,484	7,165	5,004

**includes noncurrent portion of receivables from sale and leaseback and non-current portion of lease receivables*
***included under advance rentals and deposits*

Group	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2023						
Derivative financial liabilities						
Interest rate swap	19	2,722	2,722	–	2,722	–
Commodity contracts	19	3,928	3,928	3,553	375	–
Non-derivative financial liabilities						
Unsecured bank loans						
- Current	18	633,873	651,106	651,106	–	–
- Noncurrent	18	212,652	235,321	11,643	223,678	–
Secured bank loans						
- Current	18	645,003	655,382	655,382	–	–
- Noncurrent	18	781,825	810,253	6,041	116,978	687,234
Lease liabilities	23	100,096	168,381	36,508	80,787	51,086
Trade payables and other current liabilities*	22	296,126	296,126	296,126	–	–
		2,676,225	2,823,219	1,660,359	424,540	738,320
Net financial liabilities (assets)		2,412,083	2,557,566	1,406,875	417,375	733,316

*excludes derivative liabilities, advances from customers, deferred revenue, withheld from employees (taxes and social security cost) and VAT payables

32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

Group	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2022						
Derivative financial assets						
Foreign currency forward contracts	19	1,486	1,486	1,486	–	–
Non-derivative financial assets						
Cash in banks and cash equivalents	15	21,786	21,786	21,786	–	–
Trade and other receivables*	10, 13	217,565	219,579	214,553	1,192	3,834
Short-term placements	14	1,288	1,288	1,288	–	–
Note receivables	10	1,000	1,000	–	1,000	–
Refundable deposits**	10	2,136	2,136	–	–	2,136
		245,261	247,275	239,113	2,192	5,970

** includes noncurrent portion of receivables from sale and leaseback and non-current portion of lease receivables*
***included under advance rentals and deposits*

Group	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2022						
Derivative financial liabilities						
Foreign exchange contracts	19	7,896	7,896	7,896	–	–
Non-derivative financial liabilities						
Unsecured bank loans						
- Current	18	327,794	330,353	330,353	–	–
- Noncurrent	18	384,524	418,599	13,656	404,943	–
Secured bank loans						
- Current	18	151,560	155,960	155,960	–	–
- Noncurrent	18	703,488	955,694	67,828	887,866	–
Lease liabilities	23	121,320	180,515	42,203	80,009	58,303
Trade payables and other current liabilities*	22	298,906	298,906	298,906	–	–
		1,987,592	2,340,027	908,906	1,372,818	58,303
Net financial liabilities (assets)		1,750,227	2,100,648	677,689	1,370,626	52,333

*excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables

32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

Company	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2023						
Non-derivative financial assets						
Cash and cash equivalents	15	554	554	554	–	–
Trade and other receivables	13	26,406	26,406	26,406	–	–
		26,960	26,960	26,960	–	–
Non-derivative financial liabilities						
Unsecured bank loans						
- Short-term	18	156,794	160,223	160,223	–	–
- Long-term	18	177,531	196,273	9,873	186,400	–
Secured bank loans						
- Short-term	18	168,104	173,838	173,838	–	–
- Long-term	18	64,428	74,574	5,287	69,287	–
Trade payables and other current liabilities*	22	116,093	116,093	116,093	–	–
		682,950	721,001	465,314	255,687	–
Net financial liabilities (assets)		655,990	694,041	438,354	255,687	–

*excludes withheld from employees (taxes and social security cost) and VAT payables

Company	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2022						
Non-derivative financial assets						
Trade and other receivables	13	84,832	84,832	84,832	–	–
Short-term placements	14	883	883	883	–	–
Cash and cash equivalents	15	2,129	2,129	2,129	–	–
		87,844	87,844	87,844	–	–
Non-derivative financial liabilities						
Unsecured bank loans						
- Short-term	18	160,071	162,357	162,357	–	–
- Long-term	18	233,290	256,304	8,377	247,927	–
Secured bank loans						
- Short-term	18	10,500	9,960	9,960	–	–
- Long-term	18	201,297	216,224	7,254	208,970	–
Trade payables and other current liabilities*	22	39,992	39,992	39,992	–	–
		645,150	684,837	227,940	456,897	–
Net financial liabilities (assets)		557,306	596,993	140,096	456,897	–

*excludes withheld from employees (taxes and social security cost) and VAT payables

32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

The Group's bank loans contain loan covenants, a default of which would require the Group to repay the loans earlier than indicated in the above table. The covenants are constantly monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance.

For derivative financial liabilities, the disclosure shows net cash from amounts for derivatives that are net cash settled.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Foreign exchange risk

Foreign exchange 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 currency giving rise to this risk is primarily the Philippine Peso and Mexican Peso.

From time to time, the Group manages its exposure to fluctuations in foreign currency exchange rates by entering into forward contracts to cover a portion of its projected expenditures paid in foreign currency. The Group accounts for these contracts as cash flow hedges.

At the reporting date, the Group's exposure to foreign currencies is as follows:

	Philippine Peso US$'000	Mexican Peso US$'000
30 April 2023		
Trade and other receivables	41,972	4,813
Cash and cash equivalents	16,282	310
Other noncurrent assets	19,891	1,383
Loans and borrowings	(143,701)	–
Trade and other payables	(119,528)	(27,855)
	(185,084)	(21,349)
30 April 2022		
Trade and other receivables	68,940	2,904
Cash and cash equivalents	12,979	797
Other noncurrent assets	28,599	2,366
Loans and borrowings	(223,093)	–
Trade and other payables	(90,901)	(12,450)
	(203,476)	(6,383)

32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

Foreign exchange risk (cont'd)

The Company has no significant exposure to foreign currencies as at 30 April 2023 and 2022.

Sensitivity analysis

A 10% strengthening of the group entities' foreign currencies against their respective functional currency at the reporting date would have increased (decreased) loss/profit before taxation and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% weakening of the group entities' foreign currencies against their respective functional currency would have the equal but opposite effect on the amounts shown below, on the basis that all other variables remain constant.

	US Dollar		**Mexican Peso**	
	Increase (decrease) Profit Before Taxation US$'000	**Equity US$'000**	**Increase (decrease) Profit before taxation US$'000**	**Equity US$'000**
30 April 2023				
10% strengthening	(18,508)	–	(2,135)	–
10% weakening	18,508	–	2,135	–
30 April 2022				
10% strengthening	20,348	–	(638)	–
10% weakening	(20,348)	–	638	–

Commodity price risk

Certain commodities such as diesel fuel and natural gas (collectively, "commodity contracts") are used in the production and transportation of the Group's products. Generally, these commodities are purchased based upon market prices that are established with the vendors as part of the procurement process. The Group uses futures, swaps, and swaption or option contracts, as deemed appropriate, to reduce the effect of price fluctuations on anticipated purchases. These contracts may have a term of up to 24 months. The Group accounts for these commodity derivatives as cash flow hedges. The effective portion of derivative gains and losses is deferred in equity and recognized as part of cost of products sold in the appropriate period and the ineffective portion is recognized as cost of products sold.

In these hedge relationships, the main sources of ineffectiveness are the effect of the differences in timing of cash flows of the hedged item and the hedging instrument, difference in indexes linked to the hedged risk of the hedged item and the hedging instrument, the counterparties' credit risk differently impacting the fair value movements of the hedging instruments and changes to the forecasted amount of cash flows of hedged item and hedging instrument.

32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

Commodity price risk (cont'd)

Sensitivity analysis

A 10% change in commodity prices at the reporting date would have increased/(decreased) profit/loss before tax and increased (decreased) equity by the amounts shown below.

	30 April 2023		30 April 2022	
	Profit before taxation US$'000	**Equity US$'000**	**Profit before taxation US$'000**	**Equity US$'000**
10% increase in commodity price	–	53	–	538
10% decrease in commodity price	–	(53)	–	(538)

33. Accounting classification and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

Group	Note	Financial assets at amortized cost US$'000	Financial assets at FVOCI US$'000	Deriva-tives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
30 April 2023							
Cash and cash equivalents	15	19,836	–	–	–	19,836	19,836
Trade and other receivables*	10,13	233,667	–	–	–	233,667	233,667
Short-term placements	14	18	–	–	–	18	18
Refundable deposits**	10	1,838	–	–	–	1,838	1,838
Investment in unquoted equity	10	–	5,023	–	–	5,023	5,023
Derivative assets	14	–	–	8,867	–	8,867	8,867
		255,359	5,023	8,867	–	269,249	269,249

33. Accounting classification and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

Group	Note	Financial assets at amortized cost US$'000	Financial assets at FVOCI US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
30 April 2023							
Loans and borrowings	18	–	–	–	2,273,353	2,273,353	2,356,065
Trade and other payables***	22	–	–	–	296,126	296,126	296,126
Derivative liabilities	19, 22	–	–	6,650	–	6,650	6,650
		–	–	6,650	2,569,479	2,576,129	2,658,841

*includes noncurrent portion of receivables from sale and leaseback and noncurrent portion of lease receivables
**included under advance rentals and deposits
***excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables

Group	Note	Financial assets at amortized cost US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
30 April 2022						
Cash and cash equivalents	15	21,853	–	–	21,853	21,853
Trade and other receivables*	10, 13	217,565	–	–	217,565	217,565
Short-term placements	14	1,288			1,288	1,288
Note receivables	10	1,000	–	–	1,000	1,000
Refundable deposits**	10	2,136	–	–	2,136	2,136
Derivative assets	14	–	1,486	–	1,486	1,486
		243,842	1,486	–	245,328	245,328
Loans and borrowings	18	–	–	1,567,366	1,567,366	1,642,995
Trade and other payables***	22	–	–	298,906	298,906	298,906
Derivative liabilities	19, 22	–	7,896	–	7,896	7,896
		–	7,896	1,866,272	1,874,168	1,949,797

*includes noncurrent portion of receivables from sale and leaseback and noncurrent portion of lease receivables
**included under advance rentals and deposits
***excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables

33. Accounting classification and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

Company	Note	Financial assets at amortized cost US$'000	Financial assets at FVOCI US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
30 April 2023						
Trade and other receivables	13	26,406	–	–	26,406	26,406
Cash and cash equivalents	15	554	–	–	554	554
Investment in unquoted equity	10	–	5,023	–	5,023	5,023
		26,960	5,023	–	31,983	31,983
Loans and borrowings	18	–	–	566,857	566,857	566,857
Trade and other payables*	22	–	–	116,093	116,093	116,093
		–	–	682,950	682,950	682,950

**excludes withheld from employees (taxes and social security cost)*

	Note	Financial assets at amortized cost US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
30 April 2022					
Trade and other receivables	13	84,832	–	84,832	84,832
Short-term placements	14	1,288	–	1,288	1,288
Cash and cash equivalents	15	2,129	–	2,129	2,129
		88,249	–	88,249	88,249
Loans and borrowings	18	–	605,158	605,158	605,158
Trade and other payables*	22	–	39,992	39,992	39,992
		–	645,150	645,150	645,150

**excludes withheld from employees (taxes and social security cost)*

34. Determination of fair values

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing the categorisation at the end of each reporting period.

For purposes of the fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Group		30 April 2023			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Derivative assets	14, 19	–	8,867	–	8,867
Investment in unquoted equity	10	–	5,023	–	5,023
Non-financial assets					
Fair value of agricultural produce harvested under inventories	11	–	–	4,496	4,496
Fair value of growing produce	11	–	–	44,852	44,852
Freehold land	5	–	–	74,462	74,462
Financial liabilities					
Derivative liabilities	19	–	3,097	–	3,097
Lease liabilities	23	–	–	100,096	100,096
Loans and borrowings	18	–	1,621,836	734,229	2,356,065

34. Determination of fair values (cont'd)

Fair value hierarchy (cont'd)

Group			**30 April 2022**		
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Derivative assets	10, 14, 19	–	1,486	–	1,486
Non-financial assets					
Fair value of agricultural produce harvested under inventories	11	–	–	3,375	3,375
Fair value of growing produce	11	–	–	47,346	47,346
Freehold land	5	–	–	53,342	53,342
Financial liabilities					
Derivative liabilities	19	–	7,896	–	7,896
Lease liabilities	23	–	–	121,320	121,320
Loans and borrowings	18	–	858,253	784,742	1,642,995

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Other than the unquoted equity investment at fair value through other comprehensive income (level 2). The unquoted equity investment is valued based on recent placement of the equity instruments to other third-party investors. The Company has no other assets and liabilities measured at fair value as of 30 April 2023 and 2022.

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

34. Determination of fair values (cont'd)

Financial instruments measured at fair value

Type	Valuation technique
Interest rate swaps/caps	Market comparison technique: The fair values are calculated using a discounted cash flow analysis based on terms of the swap contracts and the observable interest rate curve. Fair values reflect the risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.
Commodities contracts	Market comparison technique. The commodities are traded over-the-counter and are valued based on the Chicago Board of Trade quoted prices for similar instruments in active markets or corroborated by observable market data available from the Energy Information Administration. The values of these contracts are based on the daily settlement prices published by the exchanges on which the contracts are traded.
Call option	The estimated fair value of the additional call option as at 30 April 2023 is based on the Black-Scholes model. The value of these derivative liabilities is driven primarily by DMPI's forecasted net income which is not based on observable market data.
Investment in unquoted equity	The estimated fair value of the investment unquoted equity shares as at 30 April 2023 is based on recent open-market transactions of the equity shares.

34. Determination of fair values (cont'd)

Financial instruments not measured at fair value (cont'd)

Type	Valuation technique
Financial assets and liabilities	The fair value of the Term Loan B, note receivable and refundable deposits are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date (Level 2).
Other financial assets and liabilities	The notional amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are, because of the short period to maturity, assumed to approximate their fair values. All financial assets and liabilities with maturity of more than one year are discounted using risk-free rates, LIBOR and credit spreads to determine their fair values ranging from 2.9% to 7.6% (2022: 3.0% to 6.5%) (Level 3).

Other non-financial assets

Assets	Valuation technique	Significant unobservable inputs
Freehold land	The fair value of freehold land is determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued. The valuation method used is sales comparison approach. This is a comparative approach that consider the sales of similar or substitute properties and related market data and establish a value estimate by involving comparison (Level 3).	The unobservable inputs used to determine market value are the net selling prices, sizes, property location and market values. Other factors considered to determine market value are the desirability, neighborhood, utility, terrain, and the time element involved. The market value per square meter ranges from US$109.1 to US$122.5. The market value per acre ranges from US$5,251 to US$104,585.
Livestock (cattle for slaughter and cut meat)	Sales Comparison Approach: the valuation model is based on selling price of livestock of similar age, weight, breed and genetic make-up (Level 3).	The unobservable inputs are age, average weight and breed.

34. Determination of fair values (cont'd)

Other non-financial assets (cont'd)

Assets	Valuation technique	Significant unobservable inputs
Harvested crops – sold as fresh fruit	The fair values of harvested crops are based on the most reliable estimate of selling prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the fresh fruit reduced by costs to sell (Level 3).	The unobservable input is the estimated pineapple selling price per ton specific for fresh products.
Harvested crops – used in processed products	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the processed product reduced by costs to sell (concentrates, pineapple beverages, sliced pineapples, etc.) and adjusted for margin associated to further processing (Level 3).	The unobservable input is the estimated pineapple selling price and gross margin per ton specific for processed products.

34. Determination of fair values (cont'd)

Other non-financial assets (cont'd)

Assets	**Valuation technique**	**Significant unobservable inputs**
Unharvested crops – fruits growing on the bearer plants	The growing produce are measured at fair value from the time of maturity of the bearer plant until harvest. Management used future selling prices and gross margin of finished goods, adjusted to remove the margin associated to further processing, less future growing costs applied to the estimated volume of harvest as the basis of fair value.	The unobservable inputs are expected selling price and gross margin for harvested produce while key assumptions for the fair value of produce prior to harvest include expected selling prices, gross margin, estimated tonnage of harvests and future growing costs. The unobservable inputs are estimated pineapple selling price and gross margin per ton for fresh and processed products, estimated volume of harvest and future growing costs.

Significant increase (decrease) in the significant unobservable inputs of freehold land, livestock, harvested crops sold as fresh fruit and harvested crop sold used in processed products would result in higher (lower) fair values. Significant increase (decrease) in the estimated future pineapple selling price, gross margin per ton and estimated volume of harvest would result in higher (lower) fair value of growing produce, while significant increase (decrease) in the future growing costs would result in lower (higher) fair value.

35. Commitments

Purchase commitments

The Group has entered into non-cancellable agreements with growers, co-packers, packaging suppliers and other service providers with commitments generally ranging from one year to ten years, to purchase certain quantities of raw products, including fruit, vegetables, tomatoes, packaging services and ingredients.

At the reporting date, the Group have commitments for future minimum payments under non-cancellable agreements as follows:

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Within one year	414,042	512,267
After one year but within five years	308,337	307,077
After five years	325,056	308,712
	1,047,435	1,128,056

Future capital expenditure

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Capital expenditure not provided for in the financial Statements		
- approved by Directors and contracted for	33,769	20,356
- approved by Directors but not contracted for	29,625	23,523
	63,394	43,879

36. Contingencies

<u>*Legal cases*</u>

The Group is the subject of, or a party to, various suits and pending or threatened litigation. While it is not feasible to predict or determine the ultimate outcome of these matters, the Group believes that none of these legal proceedings will have a material adverse effect on its financial position.

Source of estimation uncertainty

The Group, in the ordinary course of business, sets up appropriate provisions for its present legal or constructive obligations, if any, in accordance with its policies on provisions. In recognizing and measuring provisions, management takes risk and uncertainties into account.

36. Contingencies (cont'd)

Source of estimation uncertainty (cont'd)

As at 30 April 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.

The Group, in consultation with its external and internal legal and tax counsels, believe that its position on these assessments are 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 30 April 2023, management has assessed that the probable cash outflow to settle these assessments is not material.

As of 30 April 2023, provision for retained liabilities arising from workers' compensation claims amounted to US$14.8 million, US$13.3 million of which is noncurrent (2022: US$17.8 million, US$14.6 million of which is noncurrent) (see Note 19).

37. Related parties

Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

All publicly-listed entities, including the Company, have 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.

Other than those disclosed elsewhere in the financial statements, there are no other significant transactions with related parties.

37. Related parties (cont'd)

Related party transactions (cont'd)

Group Category/ Transaction	Year	Amount of the transaction US$'000	Outstanding Balance Due from Related Parties* US$'000	Due to Related Parties** US$'000	Terms	Conditions
Under Common Control						
■ Shared IT services	**2023**	**98**	**60**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	112	41	–		
	2021	185	308	–		
■ Sale of raw materials	**2023**	**–**	**–**	**(4)**	Due and demandable; non-interest bearing	Unsecured;
	2022	48	–	(68)		
	2021	–	–	–		
■ Sale of apple juice concentrate /materials	**2023**	**15**	**8**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	12	–	–		
	2021	28	5	–		
■ Purchases	**2023**	**119**	**5**	**(21)**	Due and demandable; non-interest bearing	Unsecured
	2022	122	5	(11)		
	2021	64	12	(3)		
■ Tollpack fees	**2023**	**–**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured
	2022	12	58	–		
	2021	–	21	–		

37. Related parties (cont'd)

Related party transactions (cont'd)

Group Category/ Transaction	Year	Amount of the transaction US$'000	Outstanding balance Due from Related Parties* US$'000	Outstanding balance Due to Related Parties** US$'000	Terms	Conditions
Under Common Control						
- Security deposit	**2023**	**25**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured
	2022	7	–	–		
	2021	9	–	–		
Other Related Parties						
- Management fees from DMPI retirement fund	**2023**	**4**	**–**	**2**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	53	7	2		
	2021	69	5	(3)		
- Rental to DMPI Retirement	**2023**	**1,851**	**–**	**(174)**	Due and demandable; non-interest bearing	Unsecured
	2022	1,837	–	(362)		
	2021	1,747	–	(7)		
- Rental to NAI Retirement	**2023**	**629**	**–**	**(57)**	Due and demandable; non-interest bearing	Unsecured
	2022	652	–	(121)		
	2021	602	–	–		
- Rental to DMPI Provident Fund	**2023**	**6**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured
	2022	7	–	–		
	2021	–	–	–		
- Cash advances NAI	**2023**	**–**	**–**	**–**	Short-term; Non interest bearing	Unsecured; no impairment
	2022	1,261	1,261	–		
	2021	703	–	–		
	2023	**2,747**	**73**	**(254)**		
	2022	4,123	1,372	(560)		
	2021	3,407	351	(13)		

**included as part of trade and other receivables excluding long-term loans receivable*
***included as part of trade and other payables*

37. Related parties (cont'd)

Related party transactions (cont'd)

Company Category/ Transaction	Year	Amount of the transaction US$'000	Outstanding balance Due from Related Parties* US$'000	Outstanding balance Due to Related Parties** US$'000	Terms	Conditions
Subsidiaries						
- Dividend income	**2023**	**88,503**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	33,519	–	–		
	2021	242,721	–	–		
- Long-term loans receivable	**2023**	**–**	**–**	**–**	Due on 2021; Interest-bearing	Unsecured; no impairment
	2022	–	–	–		
	2021	–	–	–		
- Reimburse-ment of expenses	**2023**	**(136,439)**	**26,400**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	7,317	84,229	–		
	2021	15,512	82,274	–		
- Cash advance	**2023**	**(76,517)**	**–**	**106,796**	Due and demandable; non-interest bearing	Unsecured
	2022	5,277	–	30,278		
	2021	24,090	–	35,555		
- Management fees payable to subsidiaries	**2023**	**565**	**–**	**1,093**	Due and demandable; non-interest bearing	Unsecured
	2022	577	–	528		
	2021	463	–	29		
Joint Venture						
- Cash advance	**2023**	**185**	**4,377**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	595	2,835	–		
	2021	840	2,788	–		
	2023	**(123,703)**	**30,777**	**107,889**		
	2022	47,285	87,064	30,806		
	2021	283,626	85,062	35,584		

**included as part of trade and other receivables excluding long-term loans receivable and advances to joint venture*
***included as part of trade and other payables*

37. Related parties (cont'd)

Related party transactions (cont'd)

The transactions with related parties are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies and are carried out based on terms agreed between the parties. Pricing for the sales of products are market driven, less certain allowances. For purchases, the Group's policy is to solicit competitive quotations. Purchases are normally awarded based on the best products and/or services on the best terms. In determining whether the price and terms offered by vendors, including related parties, are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account.

Except for transactions identified in the previous section as interest-bearing, outstanding balances at financial reporting date are unsecured, interest-free and settlement occurs in cash and are collectible or payable on demand. For the years ended 30 April 2023 and 2022, the Group has not made any provision for doubtful accounts relating to amounts owed by related parties.

As discussed in Note 18, the Company extended a loan to DMFHII that was used to finance DMFHII's purchase of DMFI's Second Lien term loans. The loan was converted into ordinary shares in DMPLFL in May 2020.

Key management personnel compensation

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Directors of the Company and key executive officers (excluding executive directors) are considered as key management personnel of the Group.

The key management personnel compensation is as follows:

	Group			Company		
	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Directors:						
Fees and remuneration	7,576	5,930	5,416	6,673	5,007	4,546
Key executive officers (excluding Directors):						
Short-term employee benefits	5,056	4,625	3,616	4,168	3,525	2,604
Post-employment benefits	28	27	22	–	–	–

38. Non-controlling interest in subsidiaries

The following table summarises the information relating to the Group's subsidiaries with shareholder/s with material non-controlling interests, based on their respective financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in Group's accounting policies.

	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2021 US$'000
DMPLFL			
Ownership interests held by non-controlling interests	6.43%	6.43%	6.43%
Revenue	1,733,102	1,654,913	1,483,057
Profit	(2.942)	45,818	16,117
Other comprehensive income	6,777	5,031	41,578
Total comprehensive income			
Attributable to non-controlling interests:			
- Profit	(189)	2,946	1,036
- Other comprehensive income	436	323	2,673
Total comprehensive income	247	3,269	3,709
Noncurrent assets	1,202,400	1,119,963	1,144,894
Current assets	1,135,911	727,810	574,108
Noncurrent liabilities	(838,835)	(678,406)	(701,766)
Current liabilities	(682,635)	(356,362)	(258,576)
Net assets	816,841	813,005	758,660
Net assets attributable to non-controlling interests	52,518	52,271	48,777
Cash flows provided by operating activities	(217,687)	54,848	112,817
Cash flows provided by (used in) provided by investing activities	(127,133)	(31,998)	(24,101)
Cash flows used in financing activities, before dividends to non controlling interests	349,267	(24,471)	(91,939)
Currency realignment	43	(149)	(15)
Net increase (decrease) increase in cash and cash equivalents	4,490	(1,770)	(3,238)

On 15 May 2020, the Company increased its effective stake in DMPLFL after converting its long-term receivable from DMFHL into equity investment (see Note 6)
.

38. Non-controlling interest in subsidiaries (cont'd)

	30 April 2023 US$'000	30 April 2022 US$'000
DMPI		
Ownership interests held by non-controlling Interests	13%	13%
Revenue	739,026	728,435
Profit	66,455	97,482
Other comprehensive income	8,441	1,833
Total comprehensive income		
Attributable to non-controlling interests:		
- Profit	8,639	12,673
- Other comprehensive income	1,097	238
Total comprehensive income	9,736	12,911
Noncurrent assets	492,792	462,811
Current assets	462,949	330,667
Noncurrent liabilities	(94,274)	(230,099)
Current liabilities	(628,283)	(308,345)
Net assets	233,184	255,034
Net assets attributable to non-controlling interests	30,314	33,154
Cash flows provided by operating activities	41,112	181,701
Cash flows used in investing activities	(183,556)	(175,855)
Cash flows provided by used in financing activities, before dividends to non-controlling interests	137,502	(7,090)
Currency realignment	45	131
Net decrease in cash and cash equivalents	(4,897)	(1,113)

In relation to the sale of 13% stake in DMPI, the Group recognized non-controlling interest amounting to US$26.4 million, representing 13% of the net asset value of DMPI as at 30 April 2021 (see Note 6).

On 16 December 2020, additional 1% stake was sold to SEA Diner. The increase in ownership interest of SEA Diner in DMPI resulted to an increase in equity reserve amounting to US$9.3 million (see Note 6).

39. Supplemental Disclosure of Cash Flow Information

The changes in liabilities arising from financing activities of the Group for the year ended 30 April 2023, 2022 and 2021 are as follows:

	Note	1 May 2022 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Foreign exchange movement US$'000	Reclassification and Others US$'000	30 April 2023 US$'000
Group								
Fiscal Year 2023								
Current interest-bearing loans and borrowings	18	479,354	3,991,953	(3,531,073)	–	(11,069)	349,711	1,278,876
Noncurrent interest-bearing loans and borrowings	18	1,088,012	755,000	(501,500)	–	(8,729)	(338,306)	994,477
Lease liabilities	23	121,320	–	(42,691)	6,615	(3,134)	17,986	100,096
Accrued interest payable	22	34,122	–	(144,006)	120,361	(36)	–	10,441
Derivative liabilities	19, 22	7,896	–	–	–	–	(1,246)	6,650
Total liabilities from financing activities		1,730,704	4,746,953	(4,219,270)	126,976	(22,968)	28,145	2,390,540

	Note	1 May 2021 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Foreign exchange movement US$'000	Reclassification and others US$'000	30 April 2022 US$'000
Group								
Fiscal Year 2022								
Current interest-bearing loans and borrowings	18	332,453	2,683,113	(2,547,034)	–	(13,081)	23,903	479,354
Noncurrent interest-bearing loans and borrowings	18	953,290	165,000	–	–	(15,717)	(14,561)	1,088,012
Lease liabilities	23	128,803	–	(38,870)	7,534	(4,061)	27,914	121,320
Accrued interest payable	22	30,843	–	(89,359)	92,690	(52)	–	34,122
Derivative liabilities	19, 22	–	–	–	–	–	7,896	7,896
Total liabilities from financing activities		1,445,389	2,848,113	(2,675,263)	100,224	(32,911)	45,152	1,730,704

	Note	1 May 2020 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Foreign exchange movement US$'000	Reclassification and others US$'000	30 April 2021 US$'000
Group								
Fiscal Year 2021								
Current interest-bearing loans and borrowings	18	1,298,292	3,447,918	(4,357,916)	–	15,857	(71,698)	332,453
Noncurrent interest-bearing loans and borrowings	18	97,737	851,263	(22,737)	–	–	27,027	953,290
Lease liabilities	23	158,525	–	(43,376)	8,412	2,508	2,734	128,803
Accrued interest payable	22	9,045	–	(71,195)	93,056	20	(83)	30,843
Derivative liabilities	19, 22	5,916	–	(6,154)	–	–	238	–
Total liabilities from financing activities		1,569,515	4,299,181	(4,501,378)	101,468	18,385	(41,782)	1,445,389

39. Supplemental Disclosure of Cash Flow Information (cont'd)

	Note	1 May 2022 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Reclassification and others US$'000	30 April 2023 US$'000
Company							
Fiscal Year 2023							
Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	170,571	98,500	(168,071)	–	223,898	324,898
Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	434,587	30,000	–	–	(222,628)	241,959
Accrued interest payable	22	3,434	–	(28,932)	28,726	–	3,228
Total liabilities from financing activities		608,592	128,500	(197,003)	28,726	1,270	570,085

	Note	1 May 2021 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Reclassification and others US$'000	30 April 2022 US$'000
Company							
Fiscal Year 2022							
Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	69,810	168,000	(89,810)	–	22,571	170,571
Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	293,561	165,000	–	–	(23,974)	434,587
Accrued interest payable	22	2,341	–	(11,004)	12,097	–	3,434
Total liabilities from financing activities		365,712	333,000	(100,814)	12,097	(1,403)	608,592

39. Supplemental Disclosure of Cash Flow Information (cont'd)

	Note	1 May 2020 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Reclassification and others US$'000	30 April 2021 US$'000
Company							
Fiscal Year 2021							
Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	291,282	2,865	(158,911)	–	(65,426)	69,810
Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	75,000	154,435	–	–	64,126	293,561
Accrued interest payable	22	1,568	–	(11,686)	12,459	–	2,341
Total liabilities from financing activities		367,850	157,300	(170,597)	12,459	(1,300)	365,712

Reclassification and others include the effect of reclassification of noncurrent portion of interest-bearing loans and borrowings to current due to the passage of time, deferred financing costs, and fair value adjustments of hedge contracts. This also include additions and terminations of lease liabilities.

40. Subsequent events

On 11 May 2023, the Company refinanced its US$100 million facility with BPI that was due to mature on 15 May 2023 for an additional period of 18 months up to 15 November 2024.

On 25 May 2023, the Company obtained a loan amounting to US$50.0 million from Union Bank of the Philippines, with an interest rate equal to 7.69155% per annum. The loan matures on 25 May 2024. The proceeds were used by the Company's to settle a portion of its payable to DMPI. DMPI used the collection to repay a portion of its short-term loans.

SGV
Building a better working world

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1226 Makati City
Philippines

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ey.com/ph

INDEPENDENT AUDITOR'S REPORT ON
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Del Monte Pacific Limited
Craigmuir Chambers
PO Box 71 Road Town, Tortola
British Virgin Islands

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Del Monte Pacific Limited and Subsidiaries (the Group) and the separate financial statements of Del Monte Pacific Limited (the Company), as at 30 April 2023 and 2022 and for each of the three years in the period ended 30 April 2023, and have issued our report thereon dated 7 July 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements and separate 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 International Financial Reporting Standards (IFRSs) 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 and separate financial statements prepared in accordance with IFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at 30 April 2023 and 2022 and for each of the three years in the period ended 30 April 2023 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Johnny F. Ang
Partner
CPA Certificate No. 0108257
Tax Identification No. 221-717-423
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 108257-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-101-2021, October 1, 2021, valid until September 30, 2024
PTR No. 9369770, January 3, 2023, Makati City

7 July 2023

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Building a better working world

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6760 Ayala Avenue
1226 Makati City
Philippines

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Fax: (632) 8819 0872
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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Del Monte Pacific Limited
Craigmuir Chambers
PO Box 71 Road Town, Tortola
British Virgin Islands

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Del Monte Pacific Limited and Subsidiaries (the Group) as at 30 April 31 2023 and 2022 and for each of the three years in the period ended 30 April 2023, included in this Form 17-A and have issued our report thereon dated 7 July 2023. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to 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 financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the 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 consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Johnny F. Ang
Partner
CPA Certificate No. 0108257
Tax Identification No. 221-717-423
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
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PTR No. 9369770, January 3, 2023, Makati City

7 July 2023

Del Monte Pacific Limited and Subsidiaries
Index to the Consolidated Financial Statements and Supplementary Schedules
30 April 2023

Del Monte Pacific Limited and Subsidiaries
Index to the Consolidated Financial Statements and Supplementary Schedules
30 April 2023

Schedule A – Financial assets

Description of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the Statements of Financial Position US$'000	Value based on market quotations at 30 April 2023 US$'000	Income received and accrued US$'000
Cash and cash equivalents	–	19,836	19,836	25
Short-term placements	–	18	18	37
Trade and other receivables	–	233,667	233,667	850
Investment in unquoted equity	–	5,023	5,023	–
Refundable deposits	–	1,838	1,838	–
Derivative assets	–	8,867	8,867	–
	–	**269,249**	**269,249**	**912**

Schedule B – Amounts receivable from directors, officers, employees and related parties and principal stockholders (other than related parties)

Name and designation of debtor	Balance at beginning of year US$'000	Additions US$'000	Amounts collected US$'000	Amounts written off US$'000	Total US$'000	Current US$'000	Non-current US$'000	Balance at end of year US$'000
Advances to officers and employees	862	8,053	(8,136)	–	779	779	–	779
	862	8,053	(8,136)	–	779	779	–	779

Schedule C – Amounts receivable from related parties which are eliminated during the consolidation of the Financial Statements

Name and designation of debtor	Balance at beginning of year US$'000	Additions US$'000	Amounts collected US$'000	Amounts assigned US$'000	Total US$'000	Current US$'000	Non-current US$'000	Balance at end of year US$'000
Philippines Packing Management Services Corporation	694	2,739	(2,315)	—	1,118	1,118	—	1,118
Del Monte Philippines, Inc.	127,673	283,774	(175,788)	—	235,658	235,658	—	235,658
Central American Resources, Inc.	14,588	48,615	—	(63,203)	—	—	—	—
Dewey Sdn. Bhd.	12,095	(42)	—	—	12,053	—	12,053	12,053
Dewey Limited	10,079	—	—	—	10,079	10,079	—	10,079
Del Monte Pacific Resources Limited	15,045	48,670	—	(63,203)	512	512	—	512
GTL Limited	90,960	(55,007)	(14,999)	—	20,954	20,954	—	20,954
S&W Fine Foods International Limited	42,583	35,573	(25,000)	(5,153)	48,003	48,003	—	48,003
S&W Japan Limited	63	36	(53)	—	46	46	—	46
DMPL Management Services Pte Ltd.	13,399	5,680	—	—	19,079	19,079	—	19,079
DM Pacific Limited-ROHQ	220	1,697	(1,295)	—	621	621	—	621
Del Monte Pacific Limited	84,517	9,177	(45,000)	(5,153)	25,187	25,187	—	25,187
DMPL India Pte Ltd	—	—	—	—	—	—	—	—
Del Monte Foods Incorporated	—	418	—	—	418	418	—	418
South Bukidnon Fresh Trading, Inc.	833	39	(76)	—	796	796	—	796
Del Monte Foods Holdings II Inc.	—	—	—	—	—	—	—	—
	412,749	363,015	(264,528)	(136,712)	374,524	362,471	12,053	374,524

Schedule D – Intangible assets – Other assets

Description	**Balance at beginning of year US$'000**	**Additions through acquisition US$'000**	**Additions US$'000**	**Charged to cost and expenses Additions / (Deductions) US$'000**	**Charged to other accounts Additions / (Deductions) US$'000**	**Adjustment / Disposal US$'000**	**Currency translation adjustments US$'000**	**Balance at end of year US$'000**
Goodwill	203,432	–	–	–	–	–	–	203,432
Indefinite life trademarks	408,043	–	64,320	–	–	–	–	472,363
Amortisable trademarks	13,361	–	–	(1,300)	–	–	–	12,061
Customer relationships	63,211	–	8,441	(5,667)	–	–	–	65,985
Total	**688,047**	–	**72,761**	**(6,967)**	–	–	–	**753,841**

Schedule E – Long-term debt

Title of issue and type of obligation	Currency	Amount authorised by indenture US$'000	Outstanding balance US$'000	Current portion of long-term debt US$'000	Non-current portion of long-term debt US$'000	Interest rates	Final maturity
Unsecured bank loans							
DBP long-term loan	US$	57,300	48,705	48,705	–	6.80%	2024
Bonds payable	Php	116,735	116,735	105,097	11,638	3.48% - 3.76%	2023 - 2025
DBP long-term loan	US$	75,000	68,864	4,091	64,773	6.76%	2024
Bonds payable	US$	90,000	90,000	–	90,000	3.75%	2024
BOC long-term loan	US$	30,000	27,000	3,000	24,000	8.19%	2025
DBP long-term loan	Php	27,028	27,028	3,379	23,650	5.53%	2025
Secured bank loans							
BPI long-term loan	US$	100,000	100,000	100,000	–	8.18%	2023
BDO long-term loan	Php	27,028	27,028	9,009	18,019	4.13%	2025
BDO long-term loan	US$	75,000	60,000	60,000	–	3.06%	2023
Senior secured notes	US$	723,500	723,500	9,066	714,434	9.31%	2029
BDO long-term loan	US$	30,000	30,000	6,000	24,000	8.02%	2024
BDO long-term loan	US$	45,000	42,750	2,250	40,500	8.10%	2025
Long-term Debt	US$	1,381,591	1,361,610	350,597	1,011,014		
Less: Unamortized debt issue cost		–	16,981	446	16,535		
		1,381,591	1,344,629	350,151	994,479		

Schedule F – Indebtedness to related parties

Description	Name of related party	Balance at beginning of year	Balance at end of year

Not Applicable

Schedule G – Guarantees of securities of other issuers

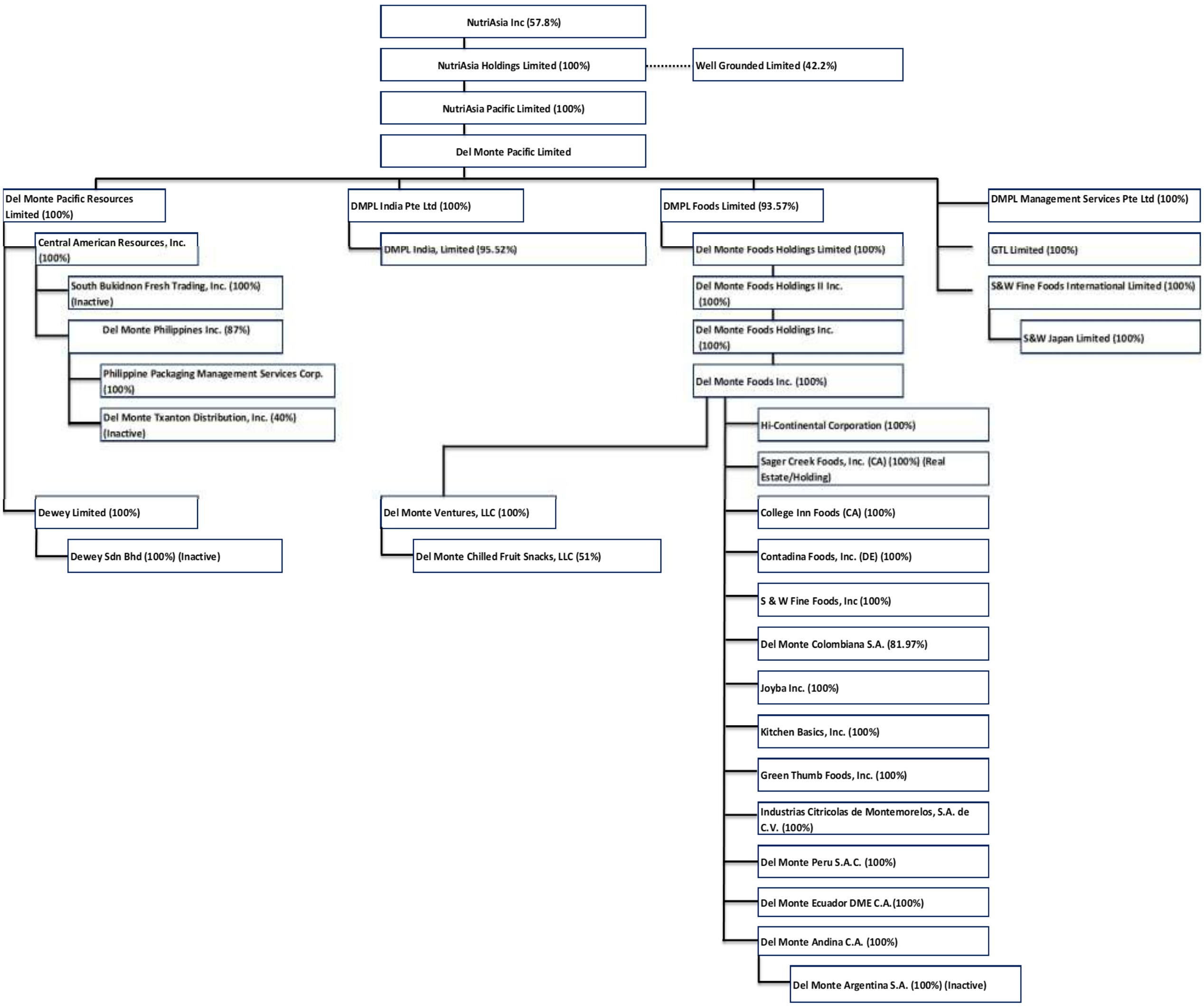
Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee

Not Applicable

Schedule H – Capital stock

						Number of shares held		
Description	**Number of shares authorised ’000**	**Number of shares issued ’000**	**Treasury shares ’000**	**Number of shares issued and outstanding ’000**	**Number of shares reserved for options ’000**	**Related party ’000**	**Directors and officers ’000**	**Others ’000**
Ordinary shares	3,000,000	1,944,936	976	1,943,960	–	1,386,276	19,162	538,522
Preference shares	600,000	–	–	–	–	–	–	–
	3,600,000	**1,944,936**	**976**	**1,943,960**	–	**1,386,276**	**19,162**	**538,522**

II. Map of Relationships of the Companies within the Group



III. Financial Ratios

Ratio	Formula	30 April 2023	30 April 2022
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	0.9	1.2
Quick Ratio	Current Assets less Inventories less Prepaid expenses and other current assets, Biological Assets and Noncurrent assets held for sale / Current Liabilities	0.2	0.3
Solvency Ratio	Total Assets / Total Liabilities	1.1	1.2
Debt Ratio	Total Liabilities / Total Assets	0.9	0.8
Debt-to-Equity Ratio	Total Liabilities / Total Stockholders' Equity	7.1	4.2
Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	8.1	5.2
Interest Coverage	Earnings Before Interest and Taxes / Interest Charges	5.4	3.0
Debt/EBITDA Ratios	Total Debt / Earnings Before Interest, Taxes, Depreciation and Amortization[1]	8.4	5.9
Gross Profit Margin	Revenue - Cost of Sales / Revenue	25.07%	26.59%
Net Profit Margin attributable to owners of the company	Net Profit/(Loss) attributable to owners / Revenue	0.70%	4.27%
Net Profit Margin	Net Profit/(Loss) / Revenue	1.05%	4.93%
Return on Assets	Net Profit/(Loss) / Total Assets	0.81%	4.47%
Return on Equity	Net Profit/(Loss) / Total Stockholders' Equity	6.58%	23.35%

[1] EBITDA is exclusive of foreign exchange differences, capitalizable depreciation and depreciation expense attributable to bearer plants

IV. Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration *

	Amount (In US$'000)
Unappropriated retained earnings, beginning	**140,320**
Adjustment:	
Less: Non-actual/unrealized income net of tax	
Equity in net loss of joint ventures	**4,351**
Treasury shares	**(286)**
Gain from an equity transaction booked as retained earnings	**(56,038)**
Unappropriated retained earnings, as adjusted to available for dividend distribution, beginning	**88,347**
Add: Net income actually earned/realized during the period	
Net income during the period closed to retained earnings	**16,949**
Less: Non-actual/unrealized income net of tax	
Equity in net loss of joint ventures	**397**
Net income actually earned during the period	**17,346**
Add (Less):	
Dividends declared during the period	**(37,729)**
Unappropriated retained earnings available for dividend declaration, end	**67,964**

**The Company was incorporated in the British Virgin Islands. Thus, it may be subject to different rules on dividend declaration.*

DEL MONTE PACIFIC LIMITED

REIMAGINING

ANNUAL REPORT **FY2023**

CORPORATE PROFILE

Dual listed on the Mainboards of the Singapore Exchange Securities Trading Limited and the Philippine Stock Exchange, Inc., Del Monte Pacific Limited (Bloomberg: DELM SP/ DELM PM), together with its subsidiaries (the "Group"), is a global branded food and beverage company that caters to today's consumer needs for premium quality, healthy products. The Group innovates, produces, markets and distributes its products worldwide.

The Group is proud of its heritage brands - *Del Monte, S&W, Contadina* and *College Inn* – most of which originated in the USA more than 100 years ago as premium quality packaged food products. The Group has exclusive rights to use the *Del Monte* trademarks for packaged products in the United States, South America, the Philippines, Indian subcontinent and Myanmar, while it owns *S&W* globally except for Australia and New Zealand. The Group owns the *Contadina* and *College Inn* trademarks in various countries.

DMPL's USA subsidiary, Del Monte Foods, Inc. (DMFI) (www.delmontefoods.com), owns other trademarks such as *Fruit Refreshers, Veggieful, Bubble Fruit, JOYBA, Kitchen Basics* and *Take Root Organics* while DMPL's Philippine subsidiary, Del Monte Philippines, Inc. (www.delmontephil.com), owns exclusive rights to trademarks such as *Del Monte, Today's, Fiesta, 202, Fit 'n Right, Heart Smart, Bone Smart* and *Quick 'n Easy* in the Philippines.

The Group sells packaged fruit, vegetable and tomato, sauces, condiments, pasta, broth, stock, juices and frozen pineapple, under various brands and also sells fresh pineapples under the *S&W* brand (www.swpremiumfood.com).

DMPL's USA subsidiary operates six plants in the USA and two in Mexico, while its Philippine subsidiary operates a fully-integrated pineapple operation with its 28,000-hectare pineapple plantation in Bukidnon, a frozen fruit processing facility and a Not From Concentrate juicing plant nearby, and a fruit processing facility that is about an hour away from the plantation. The Philippine subsidiary also operates a beverage bottling plant in Cabuyao, Laguna.
The Group owns approximately 96% of a holding company that owns 50% of Del Monte Foods Private Limited (www.delmontefoods.in) in India which markets *Del Monte*-branded packaged products in the Indian market. The Group's joint venture partner is the well-respected Bharti Enterprises, which is one of the largest conglomerates in India.

DMPL and its subsidiaries are not affiliated with the other Del Monte companies in the world, including Fresh Del Monte Produce Inc., Del Monte Canada, Del Monte Asia Pte. Ltd. and these companies' affiliates.

DMPL is 71%-owned by NutriAsia Pacific Ltd. and Bluebell Group Holdings Limited, which are beneficially-owned by the Campos family of the Philippines. A subsidiary of the NutriAsia Group is the market leader in the liquid condiments, specialty sauces and cooking oil market in the Philippines.

www.delmontepacific.com
www.delmontefoods.com
www.delmontephil.com
www.lifegetsbetter.ph
www.delmontefoods.in
www.delmonte.com

www.swpremiumfood.com
www.contadina.com
www.collegeinn.com
www.joyba.com
www.kitchenbasics.com
www.takerootorganics.com

For more information, please scan QR Code to access DMPL's website

Del Monte, Del Monte Quality and *Shield in Color* are principal registered trademarks of the Group for packaged food and beverage products in the USA, South America, Philippines, Myanmar and Indian subcontinent territories. The Group owns the *S&W* trademarks worldwide except for Australia and New Zealand. The Group's other trademarks include, among other trademarks in various jurisdictions, *Contadina, College Inn, Fruit Refreshers, Veggieful, Bubble Fruit, JOYBA, Kitchen Basics* and *Take Root Organics* in the USA, and *Today's, Fiesta, 202, Fit 'n Right, Heart Smart, Bone Smart* and *Quick 'n Easy* in the Philippines. The Group's vision – *Nourishing Families. Enriching Lives. Every Day.* - is also registered as a trademark in the USA.

REIMAGINING

Amidst the evolving consumer landscape, we are ***Reimagining*** ways of responding to market trends, ways of reshaping consumer experiences, and ways of reengineering our processes. We are achieving these through agile innovation, digital transformation and technological advances.

In the process, we are reinvigorating our organization, reinforcing our market leadership and restoring growth momentum.

CONTENTS

OUR VISION

Nourishing Families. Enriching Lives. Every Day.

We nourish families by providing delicious food and beverages that make eating healthfully effortless– anytime and anywhere. We build brands with quality products that are perfectly wholesome and thoughtfully prepared.

OUR CORE VALUES

CHOICE VALUES

CHAMPIONING TOGETHER

To champion together is our choice. Del Monte succeeds because we see ourselves as one team. We each work to our unique strengths and play a part in the group's collective greatness. When we collaborate, we achieve more.

HEALTHY FAMILIES

We choose to grow healthy families. We strengthen family bonds of our consumers and enable our employees to build better lives for their families. At the heart of who we are is the well-being of the home.

OWNERSHIP WITH INTEGRITY

We choose to embody ownership with integrity. Del Monte is under our care – we hold ourselves accountable. We see how our work helps achieve Del Monte's vision. A genuine Malasakit – this is what we share in Del Monte.

INNOVATION

We choose to innovate. We constantly rethink, explore, and create to produce only the fresh, groundbreaking and pioneering ideas for our products and processes. We will push – creating breakthroughs, always challenging ourselves to be future-ready.

COMMITMENT TO SOCIETY AND ENVIRONMENT

We choose to make a commitment to society and the environment. We are responsible for the big role we play in safeguarding our world's future. Thus, we ensure that Del Monte not only refrains from harming the environment, but also contributes to enriching it. We are committed to uplifting lives through honest and ethical business practices. We are a good corporate citizen.

EXCELLENCE IN EVERYTHING WE DO

We choose to be excellent in everything we do. No matter how large or small a task is, we understand the value of executing each one effectively and efficiently. We drive Quality and uphold doing the right things the right way.

OUR STRATEGY

Enablers

Build the Right Capabilities, Talent, Culture and Team to Deliver Against Vision

KEY BRANDS AND BRAND OWNERSHIP

Del Monte
(Packaged Products)

USA, SOUTH AMERICA, PHILIPPINES, INDIAN SUBCONTINENT AND MYANMAR

S&W
(For both Packaged and Fresh Products)

GLOBALLY EXCEPT AUSTRALIA AND NEW ZEALAND

Contadina College Inn

The Group also owns the CONTADINA and COLLEGE INN trademarks

PRODUCTION FACILITIES

6	2	3	1
USA	Mexico	Philippines	India

135+ YEARS HERITAGE

Our Passion for Quality Goes Back Generations

The Del Monte name has been synonymous with premium foods since its debut in 1886. For generations, our Company has proudly earned our reputation with a series of innovations and a singular dedication to quality.

Today, that commitment to quality is deeply embedded in our culture. At Del Monte, we will always strive to cultivate the best wholesome vegetables, fruits and tomatoes to help you and your family live a life full of vitality and enjoyment.

1886
Del Monte brand is born in California

1999

- DMC lists on the New York Stock Exchange
- Del Monte Pacific Limited (DMPL) is incorporated as parent of DMPI
- DMPL lists on the Singapore Exchange

1997
TPG acquires DMC

1996
DMC fully divests from Del Monte Philippines (DMPI)

1989
KKR sells DMC and breaks up the Del Monte brand

1988
KKR buys RJR-Nabisco

1979
RJR acquires Del Monte US, now called Del Monte Corporation (DMC)

1926
Del Monte US sets up operations in the Philippines

2006
NutriAsia Pacific Limited acquires 85% of DMPL

2007

- DMPL buys the S&W brand for Asia and EMEA from DMC
- DMPL enters into a joint venture with the Bharti group in India

2011
KKR investor group reacquires DMC and takes it private

2013

- DMPL lists on the Philippine Stock Exchange (PSE)
- NPL down to 67% stake

2014
DMPL acquires the consumer food business of DMC from KKR for US$1.675 billion; re-unites with US company

2020
Private equity firm invests in a 13% stake in DMPI

FIVE-YEAR SUMMARY

Financial Year ending April (Amounts in US$ million unless otherwise stated)	FY2023	FY2022	FY2021	FY2020	FY2019
Profitability[1]					
Turnover	2,421.3	2,342.1	2,162.7	2,128.3	1,954.8
Gross Profit	607.0	622.7	556.0	452.2	395.0
EBITDA	329.7	351.5	309.0	142.2	143.7
EBITDA - without Non-Recurring items	337.2	351.5	309.0	225.7	156.1
Profit/(loss) from Operations	245.6	267.3	211.9	51.2	80.1
Net Profit Attributable to Owners	16.9	100.0	63.3	(81.4)	20.3
EPS (US cents)	0.66	4.17	2.24	(5.20)	0.03
Net Profit - without Non-Recurring items	72.2	100.0	63.3	32.2	15.8
EPS - without Non-Recurring items[2] (US cents)	3.50	4.17	2.24	0.64	(0.20)
Gross Margin (%)	25.1	26.6	25.7	21.2	20.2
EBITDA Margin (%)	13.6	15.0	14.3	6.7	7.4
Operating Margin (%)	10.1	11.4	9.8	2.4	4.1
Net Margin (%)	0.7	4.3	2.9	na	1.0
EPS Growth (%)	(84.2)	86.2	143.1	nm	101.1
Return on Equity (%)	3.9	17.6	10.5	na	3.4
Return on Assets (%)	0.6	4.0	2.5	na	0.8
Balance Sheet					
Cash	19.8	21.9	29.4	33.5	21.6
Debt	2,273.4	1,567.4	1,285.7	1,396.0	1,478.7
Net Debt	2,253.5	1,545.5	1,256.3	1,362.6	1,457.0
Fixed Assets	659.0	577.6	544.8	517.6	582.0
Total Assets	3,139.7	2,584.9	2,417.9	2,554.4	2,398.7
Shareholders' Equity	385.8	494.7	642.5	565.9	601.1
Net Tangible Asset Per Share (US cents)	(22.4)	(18.6)	(21.3)	(25.2)	(23.1)
Net Debt to Equity (%)	584.2	312.4	195.5	240.8	242.4
Net Debt to EBITDA (x)	6.8	4.4	4.1	9.6	10.1
Net Debt to Adjusted EBITDA (x)	6.7	4.4	4.1	6.0	9.3
Cash Flow					
Cash Flow from Operations	(2.8)	280.7	315.3	377.4	181.9
Capital Expenditure	237.9	202.7	164.0	132.5	123.5
Share Statistics[3]					
Number of Outstanding Ordinary Shares (m)	1,944.0	1,944.0	1,944.0	1,944.0	1,944.0
Number of Outstanding Preference Shares[4] (m)	-	10.0	30.0	30.0	30.0
Singapore Exchange					
Share Price[5] (S$)	0.235	0.380	0.340	0.107	0.136
Share Price (US$ equivalent)	0.176	0.274	0.256	0.076	0.100
Market Capitalization (S$ m)	456.8	738.7	660.9	208.0	264.4
Market Capitalization (US$ m)	342.2	532.7	498.4	147.4	194.2
US$: S$	1.34	1.39	1.33	1.41	1.36
Price Earnings Multiple[1] (x)	30.0	10.0	10.0	na	nm
Philippine Stock Exchange					
Share Price[5] (Peso)	11.04	14.24	13.30	3.74	5.84
Share Price (US$ equivalent)	0.20	0.27	0.28	0.07	0.11
US$: PhP	55.5	52.3	48.2	50.4	52.1
Market Capitalization (US$ m)	386.7	528.9	536.9	144.1	217.9
Price Earnings Multiple[1] (x)	30.1	6.5	12.3	na	nm
Share Price: Series A-1 Preference Shares[4] (US$)	na	na	10.20	9.60	10.10
Share Price: Series A-2 Preference Shares[4] (US$)	na	10.16	10.06	9.70	10.00
Dividend					
Dividend Per Share[6] (US cents)	0.13	1.70	1.20	1.54	0.52
Dividend Per Share (Singapore cents)	0.17	2.36	1.62	2.12	0.71
Dividend Yield (%)	0.7	6.2	4.8	19.8	5.2
Dividend Payout (%)	15.0	33.0	37.0	na	50.0

1 The profitability of the Group in FY2019, 2020 and 2023 had been impacted by non-recurring items in the USA.
2 EPS is calculated as earnings after preference share dividends.
3 DMPL ordinary shares were listed on 2 August 1999 on the Singapore Exchange and on 10 June 2013 on the Philippine Stock Exchange (PSE). Singapore share prices are converted to US cents for the purpose of computing financial ratios. DMPL did a 2:10 Bonus Issue with ex-date of 9 April 2013. It also did a Rights Issue in March 2015. New shares issued resulted in a 33% dilution.
4 Preference Shares started trading on the PSE on 7 April 2017 for Series A-1 and on 15 December 2017 for Series A-2. Series A-1 had been redeemed on 7 April 2022 and Series A-2 on 15 December 2022.
5 Based on fiscal yearend prices, i.e. 30 April.
6 A special dividend was declared in FY2020 as the private equity investment in Del Monte Philippines, Inc. generated a net gain of US$77 million for DMPL.

FY2023 HIGHLIGHTS

- DMPL generated record sales of US$2.4bn in FY2023, up 3% from prior year on higher sales in the U.S. and international markets
- Del Monte Foods, Inc. (DMFI) delivered US$1.7bn sales or 72% of Group revenue, mainly driven by branded retail sales growth
- DMFI acquired the brand and inventory of Kitchen Basics for US$99.0m; Kitchen Basics contributed US$35.1m to FY2023 sales
- Market leadership maintained in nearly all core categories in the U.S. and Philippines, and for fresh pineapple in China
- However, higher costs amidst the inflationary environment led to lower Group gross margin of 25.1% from 26.6%, and 3% lower gross profit to US$607.0m
- New loans taken to fully redeem the US$300m Preference Shares in April and December 2022 led to interest expense of US$14.4m booked in the P&L, whereas before Preference Share dividends were accounted for in the balance sheet, not P&L
- One-off costs of US$55.2m mainly due to the early redemption of DMFI's Notes which had a high interest rate of 11.875%
- Without one-off costs, the Group generated:
  - EBITDA of US$337.2m, down 4%
  - Net profit of US$72.2m, down 28%
- Including one-off costs, the Group generated:
  - EBITDA of US$329.7m, down 6%
  - Net profit of US$16.9m from US$100.0m in the prior year
- Final dividend of US$0.0013 or 15% of FY2023 net profit
- DMPL won the Best Managed Board (Silver) Award from the Singapore Corporate Awards and received the Singapore Corporate Governance Award from the Securities Investors Association (Singapore)
- Del Monte Philippines obtained the Rainforest Alliance certificate for its fresh pineapple and juicing plant; moreover, following BSI's certification of its pineapple operations' negative carbon footprint last year, DMPI is now measuring a broader scope 3 beyond pineapple, including toll packers, top suppliers, and logistics providers

Notes on DMPL's Results

1. FY2023 is from 1 May 2022 to 30 April 2023.
2. DMPL owns 87% of Del Monte Philippines, Inc. and 93.6% of Del Monte Foods, Inc. DMPL, therefore, recognizes a 13% and 6.4% non-controlling interest (NCI) in these two subsidiaries, respectively. These comprise the NCI line in the P&L. Net profit is net of NCI.
3. DMPL adopted the amendments to IAS 16 and IAS 41 (Agriculture: Bearer Plants) in April 2017. The change in accounting standard was applied retrospectively. This involved reclassifying a portion of biological assets to plant, property and equipment leading to much higher depreciation expense. However, for EBITDA calculation, the Group retained the old calculation using the lower depreciation for comparability.

LETTER TO SHAREHOLDERS

MR. ROLANDO C. GAPUD
Executive Chairman

MR. JOSELITO D. CAMPOS, JR.
Managing Director and CEO

“

Amidst the evolving consumer landscape, we are *Reimagining* ways of responding to market trends and one of these is through agile innovation.

”

Dear Shareholders,

Del Monte Pacific generated record sales of US$2.4 billion in FY2023, driven by better revenue in the United States and international markets. Sales of our U.S. subsidiary, Del Monte Foods, Inc. (DMFI), topped US$1.7 billion, driven by growth across almost all categories.

DMFI acquired the Kitchen Basics brand which is the market pioneer in liquid stock and remains an industry leader in the U.S. today. The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics complements DMFI's College Inn broth business and creates an immediate national footprint within the broth and stock category.

Sales in the Philippines of US$361.6 million grew in peso terms on higher culinary, beverage and new product sales but declined in U.S. dollar terms due to the peso depreciation.

International markets generated higher sales of US$330.5 million of fresh produce and packaged goods. Our company continues to be the number 1 fresh pineapple exporter to China and among the Top 3 in Japan and South Korea.

On a recurring basis without one-off costs, DMPL delivered an EBITDA of US$337.2 million, down 4%, while net profit was US$72.2 million, lower by 28% from prior year, as discussed in detail in the Operating and Financial Review. With one-off costs, EBITDA of US$329.7 million was down 6% while net profit declined to US$16.9 million from US$100.0 million in the prior year.

DIVIDENDS

The Board approved a final dividend of US$0.0013 per share representing a 15% payout of FY2023 net profit.

STRATEGY AND OUTLOOK

The global environment remains unstable with consumers being more cautious with their spending while inflation has not abated to normal levels. It is all the more imperative to offer superior brand and product value to consumers.

In the U.S., our Company will continue to accelerate its transformation into a leading, innovative consumer packaged goods company focused on building brands. As we grow our core products, we will also expand our portfolio of newer brands JOYBA in bubble tea, Take Root Organics in culinary and Kitchen Basics in stock and broth. Innovation and expanded distribution in a number of high growth channels will continue to be drivers of growth.

We continue to scale up our premium MD2 fresh pineapple production in the Philippines to sustain the export growth of these products and our market leadership in North Asia.

We will remain vigilant in managing our operating expenses throughout the supply chain from production to distribution with better operational and energy efficiency, optimized packaging and reduced wastage in order to improve our margins.

DMPL's major priority is to reduce leverage and bring down interest expense in the coming year. We will focus on working capital improvements, especially inventory reduction, to generate more cash flow and strengthen the balance sheet with lower gearing.

The Group has embarked on a debt reduction plan to raise equity funds in order to substantially reduce debt and improve its capital structure.

Barring unforeseen circumstances, the Group expects to generate a higher net profit in FY2024.

> "We are reinvigorating our organization, reinforcing our market leadership and restoring growth momentum."

REIMAGINING

Amidst the evolving consumer landscape, we are ***Reimagining*** ways of responding to market trends and one of these is through agile innovation. In the U.S., we have entered new categories, such as ambient bubble tea drink and a new line of organic culinary products, by leveraging on supplier relationships. In the Philippines, we have forayed into the dairy and biscuits segments through strategic partnerships. We remain attuned to changing market dynamics in order to capture opportunities.

We use Nice Tech revolutionary technology to freeze pineapples without breaking the cellular structure of the fruit, making it superior to Individually Quick-Frozen (IQF) technology. With the rising global trend on healthy snacks, the Group's Nice Tech frozen pineapple spears and chunks have gained traction, now sold in more foodservice channels such as KFC in the UK, 7-Eleven in Japan and McDonald's in the Middle East, Balkan region in Europe and Canada.

Building on our record of success in high quality MD2 fresh pineapples, we have taken this to the next level with our more premium S&W Deluxe fresh pineapples. These are naturally-ripened and extra sweet with very favorable market feedback in China, Japan and South Korea. We also use MD2 pineapples to make Not from Concentrate (NFC) Pineapple Juice which our customers use as an ingredient for their pineapple smoothies, ice lollies or packaged NFC juice.

We are ***Reimagining*** ways of reshaping consumer experiences and one of these is through digital transformation. Kitchenomics, which started out as a recipe program in the Philippines in the 1980s through direct mailers, cookbooks and TV cooking shows, has evolved into a consumer engagement program with an e-commerce site where consumers can buy our products, capitalizing on consumer preferences and digital technology.

We are ***Reimagining*** ways of reengineering our processes and leveraging technology across our supply chain. In our pineapple growing operations, we utilize a number of tools to increase productivity and enhance farming practices. We use near-infrared spectroscopy to detect changes in internal maturity and translucency in fresh fruits using a non-destructive inspection. We also employ drone images in dredging ditches and installing canals to prevent soil erosion.

Given our rich brand heritage and long corporate history, we need to continue ***Reimagining*** how we nourish our consumers -- refreshing offerings, reshaping experiences, rethinking possibilities.

“We need to continue *Reimagining* how we nourish our consumers -- refreshing offerings, reshaping experiences, rethinking possibilities.”

In the process, we are reinvigorating our organization, reinforcing our market leadership and restoring growth momentum.

SUSTAINABILITY

As a leading global food company, corporate sustainability is an important part of the Group's vision, strategy and core values. In the Sustainability section of this Annual Report, we highlight our contribution to the United Nations Sustainable Development Goals.

DMPL's subsidiary in the Philippines obtained the Rainforest Alliance certificate for its fresh pineapple and juicing plant, recognizing that its plantation complies with standards that require long-term environmental, social, and economic sustainability. Following the British Standard Institution's (BSI) certification of its pineapple operations' negative carbon footprint last year, Del Monte Philippines is now measuring a broader scope 3 beyond pineapple, including toll packers, top suppliers, and logistics providers. The Company has also developed an Extended Producer Responsibility Program that is being implemented this year in collaboration with a waste management company to recycle plastic waste.

More details are in our FY2023 Sustainability Report.

RECOGNITION

Del Monte Pacific was honored to receive the Best Managed Board (Silver) Award for mid-cap companies from the Singapore Corporate Awards, its 3rd such award and 15th award overall including past years' Best CFO, Best Investor Relations and Best Annual Report awards.

DMPL also received the Singapore Corporate Governance Award from the Securities Investors Association (Singapore) or SIAS. This is DMPL's 9th award from SIAS, which recognized the company in previous years for Corporate Governance, Transparency and Shareholder Communication Excellence.

On the commercial front, JOYBA Blueberry Pomegranate Bubble Tea was named one of the best new retail products for 2023 in the USA while Mr. Milk Yoghurt Flavored Milk Drink was one of the top breakthrough innovations for ASEAN in 2022.

Del Monte Philippines was also recognized in Universum's Top 50 Most Attractive Employers in the Philippines.

We are humbled and inspired to continuously uphold our core values: championing together, healthy families, ownership with integrity, commitment to society and environment, and excellence in everything we do.

APPRECIATION

We thank our management and employees for their commitment, passion and hard work, especially during these challenging times, and encourage them to continue pursuing our vision, *Nourishing Families. Enriching Lives. Every Day*.

We are grateful to you, our shareholders, bankers, business partners, consumers and other stakeholders for your sustained support. And finally, we thank the Chairpersons of our Board Committees, our Independent Directors and the rest of the Board members for their invaluable wise counsel.

MR. ROLANDO C. GAPUD
Executive Chairman

MR. JOSELITO D. CAMPOS, JR.
Managing Director and CEO

21 July 2023

BOARD OF DIRECTORS

MR. ROLANDO C. GAPUD
Executive Chairman, 81

Appointed on 20 January 2006 and last re-appointed on 17 September 2020

Mr. Rolando C. Gapud is the Chairman of the Board of Del Monte Foods, Inc., DMPL's US subsidiary, and Chairman of Del Monte Philippines, Inc., DMPL's Philippine subsidiary. He is also a Director of Del Monte Foods Private Ltd., a joint venture of DMPL with the Bharti Group of India. He has over 45 years of experience in banking, finance and general management, having worked as CEO of several Philippine companies, notably Security Bank and Trust Company, Oriental Petroleum and Minerals Corp. and Greenfield Development Corp. He was also the COO of the joint venture operations of Bankers Trust and American Express in the Philippines. He has served in the Boards of various major Philippine companies, including the Development Bank of the Philippines, the development finance arm of the Philippine Government. He holds a Master of Science in Industrial Management degree from the Massachusetts Institute of Technology. He is a member of the Asian Executive Board of the Sloan School of MIT and the Board of Governors of the Asia School of Business, a joint venture between the Sloan School of MIT and Bank Negara, the Central Bank of Malaysia.

MR. EDGARDO M. CRUZ, JR.
Executive Director, 68

Appointed on 2 May 2006 and last re-appointed on 27 August 2021

Mr. Edgardo M. Cruz, Jr. is a Director of Del Monte Foods, Inc., DMPL's US subsidiary, and of Del Monte Philippines, Inc., DMPL's Philippine subsidiary. Mr. Cruz is a member of the Board of the NutriAsia Group of Companies. He is the Chairman and President of Capital Consortium, Inc. He is also the Chairman of the Board of Bonifacio Gas Corporation, Bonifacio Water Corporation, Bonifacio Transport Corporation and Crescent West Development Corporation. He is a member of the Board of Evergreen Holdings, Inc., Fort Bonifacio Development Corporation, BG West Properties, Inc., Bonifacio Global City Estate Association and Bonifacio Estate Services Corporation. He is also a Board member and Chief Financial Officer of Bonifacio Land Corporation. He sits on the Boards of Ayala Greenfield Development Corporation and Ayala Greenfield Golf and Leisure Club, Inc. He is a member of the Board of Trustees of Bonifacio Arts Foundation, Inc., The Mind Museum and the Del Monte Foundation, Inc. Mr. Cruz earned his MBA degree from the Asian Institute of Management and his bachelor's degrees in Accounting and Economics from De La Salle University. He is a Certified Public Accountant.

MR. JOSELITO D. CAMPOS, JR.
Executive Director, 72

Appointed on 20 January 2006 and last re-appointed on 26 August 2022

Mr. Joselito D. Campos, Jr. is the Managing Director and CEO of DMPL, and the Vice Chairman of Del Monte Foods, Inc., DMPL's US subsidiary. He is a Director of Del Monte Philippines, Inc., DMPL's Philippine subsidiary, and Del Monte Foods Private Ltd., a joint venture of the Company with the Bharti Group of India. Mr. Campos is Chairman and CEO of the NutriAsia Group of Companies, a major food conglomerate in the Philippines. He is also Chairman of Fort Bonifacio Development Corp. and Chairman of Ayala Greenfield Development Corp., two major Philippines property developers. He is a Director of San Miguel Corporation, one of the largest and oldest business conglomerates in the Philippines. He was formerly Chairman and CEO of United Laboratories, Inc. and its regional subsidiaries and affiliates. Unilab is the Philippines' largest pharmaceutical company with substantial operations in the Asian region. Mr. Campos is the Consul General in the Philippines for the Republic of Seychelles. He is also Chairman of the Metropolitan Museum of Manila, Bonifacio Arts Foundation, Inc., The Mind Museum and the Del Monte Foundation, Inc. He is a Trustee and Global Council Member of the Asia Society in the Philippines; a Trustee of the Philippines-China Business Council and the Philippines Center for Entrepreneurship; a National Advisory Council Member of the World Wildlife Fund-Philippines; and a Director of the Philippine Eagle Conservation Program Foundation, Inc. Mr. Campos holds an MBA from Cornell University.

MR. BENEDICT KWEK GIM SONG
Lead Independent Director, 76

Appointed on 30 April 2007 and last re-appointed on 17 September 2020

Appointed as Lead Independent Director on 11 September 2013

Mr. Benedict Kwek Gim Song is DMPL's Chairman of the Audit and Risk Committee and is a Director of Del Monte Foods, Inc., DMPL's US subsidiary. Mr. Kwek was Chairman of previously SGX-listed Pacific Shipping Trust from 2008 to 2012. He was also a Director and Chairman of the Audit Committee of listed companies including Ascendas REIT. He has over 30 years of banking experience, having served as the President and CEO of Keppel TatLee Bank. He has held various key positions at Citibank in the Philippines, Hong Kong, New York and Singapore. He holds a Bachelor of Social Science (Economics) degree from the then University of Singapore and attended a management development program at Columbia University in the United States.

MR. GODFREY E. SCOTCHBROOK

Independent Director, 77

Appointed on 28 December 2000 and last re-appointed on 27 August 2021

Mr. Godfrey E. Scotchbrook is DMPL's Chairman of the Remuneration and Share Option Committee. He is also a Director of Del Monte Foods, Inc., DMPL's US subsidiary, and of Del Monte Philippines, Inc., DMPL's Philippine subsidiary. Mr. Scotchbrook is an independent practitioner in corporate communications, issues management and investor relations with more than 50 years of experience in Asia. In 1990, he founded Scotchbrook Communications and his prior appointments included being an executive director of the then publicly listed Shui On Group. A proponent of good corporate governance, he is a Non-Executive Director of Hong Kong-listed Convenience Retail Asia. He is a Fellow of the Hong Kong Management Association and also of the British Chartered Institute of Public Relations. Mr. Scotchbrook earned his DipCam PR having studied Media and Communications at City University, London.

DR. EMIL Q. JAVIER

Independent Director, 82

Appointed on 30 April 2007 and last re-appointed on 26 August 2022

Dr. Emil Q. Javier is an Independent Director of Del Monte Foods, Inc., DMPL's US subsidiary, and of Del Monte Philippines, Inc., DMPL's Philippine subsidiary. He is a Filipino agronomist with a broad understanding of developing country agriculture. He was the first and only developing country scientist to Chair the Technical Advisory Committee of the prestigious Consultative Group for International Agricultural Research (CGIAR), a global consortium led by the World Bank and the Food and Agriculture Organization of the United Nations (FAO). He was Director General of the Asian Vegetable Research and Development Center (AVRDC) based in Taiwan and has served as Chairman of the Board of International Rice Research Institute (IRRI), and as Chairman and Acting Director of the Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA). In the Philippines at various periods, he had been President of the University of the Philippines, Minister for Science and Technology and President of the National Academy of Science and Technology. He was also conferred the rank of National Scientist by the President of the Philippines, the highest honor given by the President to a Filipino in the field of science and technology. Dr. Javier is an Independent Director of Philippine-listed Centro Escolar University. He holds doctorate and master's degrees in plant breeding and agronomy from Cornell University and University of Illinois at Urbana-Champaign, respectively. He completed his bachelor's degree in agriculture at the University of the Philippines Los Baños.

MRS. YVONNE GOH

Independent Director, 70

Appointed on 4 September 2015 and last re-appointed on 26 August 2022

Mrs. Yvonne Goh is DMPL's Chairperson of the Nominating and Governance Committee and is a Director of Del Monte Foods, Inc., DMPL's US subsidiary. Mrs. Goh is also a Director of UNLV Singapore Limited, the Singapore branch of the University of Nevada Las Vegas (UNLV), USA. She had served two terms on the Board of EQUAL-ARK Singapore Ltd., a charity registered under the Charities Act and an Institution of a Public Character (IPC), assisting at-risk-kids and the elderly through equine-assisted learning and therapy. Mrs. Goh is also a Board member of the National Arthritis Foundation, a charity and an IPC devoted to helping Arthritis sufferers, educating patients and the public on Arthritis and supporting Arthritis research. Mrs. Goh was previously Managing Director of the KCS Group in Singapore, a professional services organization and Managing Director of Boardroom Limited, a company listed on the SGX. Mrs. Goh had served on the Board of WWF Singapore Limited, the Singapore chapter of WWF International, a leading global NGO. She was a Council Member and Vice Chairman of the Singapore Institute of Directors as well as Chairman of its Professional Development Committee. Mrs. Goh was also a Director of the Accounting and Corporate Regulatory Authority (ACRA) and a past Chairman of the Singapore Association of the Institute of Chartered Secretaries and Administrators. Mrs. Goh is a Fellow of the Singapore Institute of Directors.

Directorships in other listed companies, both current and in the past three years:
MR. JOSELITO D. CAMPOS, JR. Director of Philippine-listed San Miguel Corporation (since 2010)
DR. EMIL Q. JAVIER Independent Director of Philippine-listed Centro Escolar University (since 2002)
MR. GODFREY E. SCOTCHBROOK Non-Executive Director of Hong Kong-listed Convenience Retail Asia (since 2002)
None of DMPL's Directors are Chairman in other listed companies.

BOARD OF DIRECTORS

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information on Mr. Rolando C. Gapud and Mr. Benedict Kwek Gim Song, both of whom are seeking re-appointment as Directors at the Company's Annual General Meeting are set out below:

Information as required in Appendix 7.4.1	Mr. Rolando C. Gapud *Executive Chairman*	Mr. Benedict Kwek Gim Song *Lead Independent Director*
Date of appointment	20 January 2006	30 April 2007
Date of last re-appointment	17 September 2020	17 September 2020
Age	81	76
Country of principal residence	Hong Kong	Singapore
The Board's comments on this re-appointment	The Nominating and Governance Committee (NGC) had recommended to the Board the re-appointment of Mr. Gapud as a Director and took into account his attendance at meetings, contributions and performance in its assessment and recommendation. The Board concurred with the NGC's recommendation on Mr. Gapud's re-appointment as a Director of the Company.	The NGC had recommended to the Board the re-appointment of Mr. Kwek as a Director and took into account his attendance at meetings, contributions and performance in its assessment and recommendation. The Board concurred with the NGC's recommendation on Mr. Kwek's re-appointment as a Director of the Company.
Whether re-appointment is executive, and if so, the area of responsibility	Yes Strategy, performance and business development of the Group	N.A.
Job Title	Executive Chairman, Member of the NGC	Lead Independent Director and Chairperson of the ARC, member of the NGC and the RSOC
Professional qualifications	• Master of Science in Industrial Management from the Massachusetts Institute of Technology (MIT) • Member of the Asian Executive Board of the Sloan School of MIT and the Board of Governors of the Asia School business, a joint venture between the Sloan School of MIT and Bank Negara, the Central Bank of Malaysia	• Bachelor of Social Science (Economics) degree from the then University of Singapore • Attended a management development program at Columbia University in the United States
Working experience and occupation(s) during the past 10 years	<u>2013 – Present</u> Director in Del Monte Pacific's affiliated companies. Please refer to the "Board of Directors" section	<u>2013 – Present</u> Director in Del Monte Pacific's affiliated companies. Please refer to the "Board of Directors" section
Shareholding interest in the Company and its subsidiaries	Please refer to the Directors' Interest discussion under Directors' Statement section.	Please refer to the Directors' Interest discussion under Directors' Statement section.
Any relationship (including immediate family relationship) with any existing director, existing executive officer, the Company and/ or substantial shareholder of the Company or any of its subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil

Information as required in Appendix 7.4.1	Mr. Rolando C. Gapud *Executive Chairman*	Mr. Benedict Kwek Gim Song *Lead Independent Director*
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the SGX-ST has been submitted to the Company	Yes	Yes
Other Principal Commitments[1] including Directorships[2]	Past Directorships (for the last 5 years) Nil Present / Existing Directorships • Del Monte Foods, Inc. • Del Monte Philippines, Inc. • Del Monte Foods Private Ltd. • S&W Fine Foods International Limited • DMPL India Limited • DMPL India Private Limited • Del Monte Foods Holdings, Inc. • Del Monte Foods Holdings II Inc. • Del Monte Foods Holdings Limited • DMPL Foods Limited • NutriAsia Pacific Limited • Del Monte Foundation, Inc.	Past Directorships (for the last 5 years) Nil Present / Existing Directorships • Del Monte Foods, Inc.
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he/she was a director or an equivalent person or a key executive, at the time when he/she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him/her?	No	No

1 "Principal Commitments" has the same meaning as defined in the 2018 Code of Corporate Governance (i.e. includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organizations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments).

2 Not applicable for announcements of appointment pursuant to Rule 704(9) of the Listing Manual of the SGX-ST (i.e. appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the Company to a managerial position in the Company or any of its principal subsidiaries).

BOARD OF DIRECTORS

Information as required in Appendix 7.4.1	Mr. Rolando C. Gapud *Executive Chairman*	Mr. Benedict Kwek Gim Song *Lead Independent Director*
(d) Whether he/she has ever been convicted of any offense, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such purpose?	No	No
(e) Whether he/she has ever been convicted of any offense, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No	No
(g) Whether he/she has ever been convicted in Singapore or elsewhere of any offense in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

Information as required in Appendix 7.4.1	Mr. Rolando C. Gapud *Executive Chairman*	Mr. Benedict Kwek Gim Song *Lead Independent Director*
(i) Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No	No
(j) Whether he/she has ever, to his/her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, In connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?	No	No
(k) Whether he/she has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

SENIOR MANAGEMENT

MR. JOSELITO D. CAMPOS, JR.
Managing Director and Chief Executive Officer
Joined the DMPL Group on 16 March 2006

Mr. Joselito D. Campos, Jr. is the Managing Director and CEO of DMPL, and the Vice Chairman of Del Monte Foods, Inc., DMPL's US subsidiary. He is a Director of Del Monte Philippines, Inc., DMPL's Philippine subsidiary, and Del Monte Foods Private Ltd., a joint venture of the Company with the Bharti Group of India. Mr. Campos is Chairman and CEO of the NutriAsia Group of Companies, a major food conglomerate in the Philippines. He is also Chairman of Fort Bonifacio Development Corp. and Chairman of Ayala Greenfield Development Corp., two major Philippines property developers. He is a Director of San Miguel Corporation, one of the largest and oldest business conglomerates in the Philippines. He was formerly Chairman and CEO of United Laboratories, Inc. and its regional subsidiaries and affiliates. Unilab is the Philippines' largest pharmaceutical company with substantial operations in the Asian region. Mr. Campos is the Consul General in the Philippines for the Republic of Seychelles. He is also Chairman of the Metropolitan Museum of Manila, Bonifacio Arts Foundation, Inc., The Mind Museum and the Del Monte Foundation, Inc. He is a Trustee and Global Council Member of the Asia Society in the Philippines; a Trustee of the Philippines-China Business Council and the Philippines Center for Entrepreneurship; a National Advisory Council Member of the World Wildlife Fund-Philippines; and a Director of the Philippine Eagle Conservation Program Foundation, Inc. Mr. Campos holds an MBA from Cornell University.

MR. LUIS F. ALEJANDRO
Chief Operating Officer
Joined the DMPL Group on 16 March 2006

Mr. Luis F. Alejandro is the COO of DMPL and the President and COO of Del Monte Philippines, Inc., DMPL's Philippine subsidiary. He is a Director of Del Monte Foods, Inc., DMPL's US subsidiary, and of Del Monte Foods Private Ltd., a joint venture of DMPL with the Bharti Group of India. He has over 40 years of experience in consumer product operations and management. He started his career with Procter & Gamble where he spent 15 years in brand management before joining Kraft Foods Philippines, Inc. as President and General Manager. Later, he joined Southeast Asia Food, Inc. and Heinz UFC Philippines, Inc., two leading consumer packaged condiment companies of the NutriAsia Group, as President and COO. He then became President and COO of ABS-CBN Broadcasting Corporation, a leading media conglomerate in the Philippines. He holds a Bachelor's degree in Economics from the Ateneo de Manila University and an MBA from the Asian Institute of Management.

MR. IGNACIO C.O. SISON
Chief Corporate Officer
Joined the DMPL Group on 1 August 1999

Mr. Ignacio Carmelo O. Sison is DMPL's Chief Corporate Officer responsible for sustainability, risk management, strategy, investor relations and corporate communications. He is also the Chief Sustainability Officer of Del Monte Philippines, Inc. He has been with DMPL since 1999 and was the group's CFO for nine years. Mr. Sison has over 30 years of experience including leadership roles in finance and sustainability. Before joining DMPL, he was CFO of its previous parent company for three years. Among others, he also worked for Pepsi-Cola Products Philippines and SGV & Co. In 2010, Mr. Sison received the Best CFO award from the Singapore Corporate Awards. DMPL's sustainability initiatives have been recognized through Mr. Sison's thought leadership at the Singapore Exchange, Global Reporting Initiative and Financial Executives Institute of the Philippines webinars. He is the Vice Chairman of the Philippine Sustainability Reporting Committee and is a member of the Institute of Corporate Directors. Mr. Sison is a member of the Advisory Board of the Ateneo Institute of Sustainability and Chair of the Finance and Budget Committee of Ateneo de Manila University's Board. He served as Chairman of the National Committee of UWC Philippines. Mr. Sison holds an MSc degree in Agricultural Economics from Oxford University; an MA, Major in Economics, from the International University of Japan; a BA in Economics, magna cum laude, from the University of the Philippines; and an International Baccalaureate from the Lester B. Pearson United World College, Canada.

MR. PARAG SACHDEVA

Chief Financial Officer

Joined the DMPL Group on 21 September 2015

MR. RUIZ G. SALAZAR

Chief Human Resource Officer

Joined the DMPL Group on 12 October 2016

Mr. Parag Sachdeva is the CFO of DMPL and Del Monte Philippines, Inc., DMPL's Philippine subsidiary. He is also COO of Del Monte Foods, Inc., DMPL's US subsidiary. Mr. Sachdeva has 30 years of management and finance experience spanning planning and controllership, performance management, mergers and acquisitions, treasury, IT and human resources. Before joining DMPL, he was with Carlsberg Asia for more than a year and supported efficiency and effectiveness programs across the Asian and African regions. Prior to Carlsberg, he was with HJ Heinz for 20 years and held leadership positions in Asia Pacific regions in finance, IT and human resources. Mr. Sachdeva graduated from the Aligarh Muslim University in India, Major in Accounting and Commerce. He also has an MBA degree, Major in Finance from the same university.

Mr. Ruiz G. Salazar is the Chief Human Resource Officer of DMPL and Del Monte Philippines, Inc., DMPL's Philippine subsidiary. He is a Human Resources and Organization Development Leader with over 25 years of professional career focused on delivering strategic and effective solutions as a value-driven partner to business, most of which was spent with Johnson & Johnson (J&J). He was Regional Human Resources Director of J&J Asia Pacific, where he was responsible for talent management, organization transformation, succession pipelining and capability development covering mostly J&J's Consumer Division across the region. Prior to J&J, he was also Group Head – Human Resources and Organization Development of NutriAsia Food, Inc. Mr. Salazar completed the J&J's Senior Management Program at the Asian Institute of Management in 1996, and the J&J's Advanced Management Program at the University of California in 1995. He obtained his Bachelor of Arts degree (Major in Economics) from the University of Santo Tomas.

MR. ANTONIO E.S. UNGSON

Chief Legal Counsel, Chief Compliance Officer and Company Secretary

Joined the DMPL Group on 16 August 2006

Mr. Antonio E.S. Ungson is the Chief Legal Counsel, Chief Compliance Officer and Company Secretary of DMPL and Del Monte Philippines, Inc. (DMPI), DMPL's Philippine subsidiary. He is also Head of the Legal Department of DMPI since March 2007. Prior to joining the Group in 2006, Mr. Antonio E.S. Ungson was a Senior Associate in SyCip Salazar Hernandez & Gatmaitan in Manila, where he served various clients for eight years in assignments consisting mainly of corporate and transactional work including mergers and acquisitions, securities and government infrastructure projects. He also performed litigation work and company secretarial services. Mr. Ungson was a lecturer on Obligations and Contracts and Business Law at the Ateneo de Manila University Loyola School of Management. He obtained his MBA from Kellogg HKUST, his Bachelor of Laws from the University of the Philippines College of Law and his undergraduate degree in Economics, cum laude and with a Departmental award at the Ateneo de Manila University.

SENIOR MANAGEMENT

DEL MONTE FOODS, INC.

DEL MONTE PHILIPPINES, INC.

S&W FINE FOODS INTERNATIONAL LTD.

DEL MONTE FOODS, INC.

1. **PAUL MATTHEW BELIVEAU**
   Chief Human Resource Officer
2. **PARAG SACHDEVA**
   Chief Operations Officer
3. **BIBIE WU**
   Chief Marketing Officer
4. **TODD STILLWELL**
   Vice President, Logistics, Planning and Customer Supply Chain
5. **JAMES CALTABIANO**
   Chief Financial Officer
6. **GREGORY LONGSTREET**
   President and Chief Executive Officer
7. **WILLIAM SAWYERS**
   General Counsel, Chief Compliance Officer, Secretary
8. **ASHISH MALLICK**
   Chief Supply Chain Officer
9. **DAVID STIS**
   Chief Customer Officer
10. **JEANETTE NAUGHTON**
    Vice President, Strategic Planning

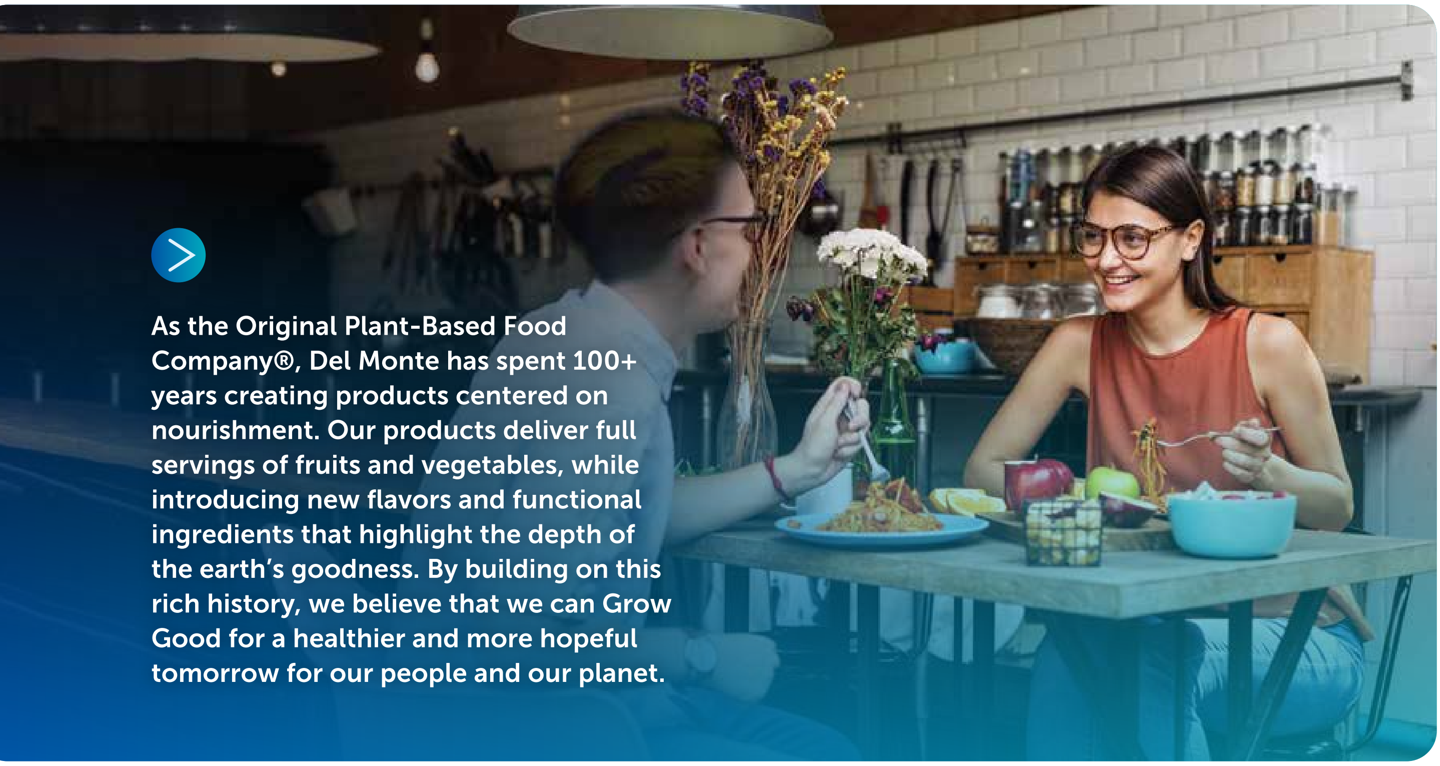
DEL MONTE PHILIPPINES, INC.

1. **ARNOLD ALVAREZ**
   Chief Supply Chain Officer
2. **FRANCISCO MOLAS**
   Group Head, Mindanao Operations
3. **EILEEN ASUNCION**
   Group Head, Commercial Joint Venture (JV) Operations
4. **ANTONIO UNGSON**
   Chief Legal Counsel, Chief Compliance Officer and Company Secretary
5. **PARAG SACHDEVA**
   Chief Financial Officer
6. **LUIS ALEJANDRO**
   President and Chief Operating Officer
7. **JOSELITO CAMPOS, JR.**
   Chief Executive Officer
8. **IGNACIO SISON**
   Chief Sustainability Officer
9. **PHILIP MACAHILIG**
   Group Head, Philippine Market Commercial Operations
10. **SHARON TANGANCO**
    Chief Marketing Officer
11. **ANGEL GATCHALIAN, JR.**
    Group Head, Corporate Procurement
12. **TAN CHOOI KHIM**
    Group Head, International Commercial Operations
13. **RUIZ SALAZAR**
    Chief Human Resource Officer
14. **IRIS UY**
    Group Head, R&D

S&W FINE FOODS INTERNATIONAL LTD.

1. **MARIA ODETTE LAGUNILLA**
   Fresh Senior Commercial Manager and Deluxe Lead
2. **MARCO DEO VERDEFLOR**
   Director, Fresh Commercial Operations
3. **RHODORA 'DHANG' GUMAPAC-NEGRIDO**
   Senior Manager, Supply Chain and Product Sourcing
4. **SUMARLEKI AMJAH**
   Head, ASEAN, MENA and Indian subcontinent (Packaged)
5. **SHARIN REBOLLIDO**
   Commercial Senior Manager, China, Korea, Hong Kong and Taiwan (Packaged) and Beyond Fresh
6. **TAN CHOOI KHIM**
   General Manager
7. **RICHARD LIN**
   Commercial Manager, China (Fresh and Packaged)
8. **WARUNEE 'GAYE' KARNASUTA**
   Commercial Manager, Europe, Middle East and Africa (Packaged)
9. **YAP SIEW LING 'ISON'**
   Commercial Manager, Europe, Middle East and Africa (Packaged)
10. **FRITZ MATTI**
    Commercial Manager, Japan (Fresh and Packaged)
11. **MA. MARIETA BRUGADA**
    Finance Head, Mindanao Operations & International Market
12. **KRISTOFFER VINCENT SAN MIGUEL**
    Senior Manager, International Markets Finance

INNOVATION IN PURSUIT OF HEALTH AND WELLNESS



As the Original Plant-Based Food Company®, Del Monte has spent 100+ years creating products centered on nourishment. Our products deliver full servings of fruits and vegetables, while introducing new flavors and functional ingredients that highlight the depth of the earth's goodness. By building on this rich history, we believe that we can Grow Good for a healthier and more hopeful tomorrow for our people and our planet.

USA

The Del Monte brand has been trusted in American households for the last 100+ years. We have continued to evolve and expand our product offerings with our consumers' needs in mind by responsibly making nutritious foods more accessible to all.

Del Monte Home Cooking Ingredients

Over the last three years during the pandemic, we have seen heightened interest in ready-made cooking ingredients as consumers double down on home meal preparation, health and wellness. This propelled both the launch of Take Root Organics and the acquisition of Kitchen Basics in the last fiscal year.

Expanding Del Monte Foods' Product Portfolio

In August 2022, Del Monte Foods completed the acquisition of Kitchen Basics, a line of ready-to-use stocks and broths, from McCormick & Company. Kitchen Basics is well-known for its culinary quality, supporting the company's desire to drive consumers to create better-for-you, delicious-tasting meals at home.

Entering the Organic Space with Take Root Organics

In November 2022, Del Monte Foods added Take Root Organics to its product portfolio to provide consumers access to affordable, organic products. Take Root Organics partners with local family farmers who practice organic farming methods and are committed to growing the highest quality produce.

Acquired Kitchen Basics ready-to-use stocks and broths

DMFI added an affordable organic line

Boost Me and Gut Love Fruit Infusions contain redirected excess pineapple juice, which would otherwise have gone to waste. Farmhouse Style and Petite Cut Green Beans are upcycled small or irregular cuts of green bean, which would otherwise have gone to waste.

Del Monte Beverages

Over the past five years, Del Monte Foods has launched a slew of new products using breakthrough technologies in ingredients, packaging and processes.

Doubling Down on JOYBA

Del Monte Foods introduced its beverage brand JOYBA in 2021 as the first shelf-stable boba tea product to enter the grocery retail space. The line of boba shop-inspired ready-to-drink beverages is made with real brewed tea and popping boba, delivering a burst of joy with every sip.

Building on the brand's success with the Gen Z market, JOYBA launched its newest flavor nationwide in summer of 2023 - JOYBA Blueberry Pomegranate Flavored Black Bubble Tea.

Del Monte Sustainability

Over the last two years, Del Monte Foods has been a pioneer in the upcycled food movement by introducing products that are helping to end food waste.

Fighting Food Waste

In 2021, the company announced the industry's first canned vegetable products to be Upcycled Certified, Del Monte Blue Lake Petite Cut, Blue Lake Farmhouse Cut and Del Monte Classics Cut Green Beans. Following these in 2022, Del Monte Gut Love and Boost Me Fruit Infusions received their own certifications.

As a result of Del Monte Foods' food waste reduction efforts, the company has diverted 10 million pounds of peach pieces from landfills through a Feeding America partnership and upcycled approximately 600,000 pounds (270 tons) of surplus green beans, pineapple juice and boba syrup in fiscal 2022.

New products accounted for 7.6% of total sales in USA in FY2023.

PHILIPPINES

Innovation in the Philippines has largely focused on strengthening its core categories behind relevant functional benefits. Health and wellness have been the anchor for new product introductions with the consumers' health needs in mind. Finding solutions to address emerging health issues has led to a host of innovative products that offer clinically-proven benefits, from promoting weight management and body fat reduction, to lower cholesterol and better bone health.

Fruits

Del Monte is the dominant market leader in the Philippine canned mixed fruit category. Given the growth of consumer interest in everyday desserts, Del Monte launched a summer season flavor for its fruit cocktail – Del Monte Fiesta with Mandarin Orange and Del Monte Fiesta with Langka (jackfruit). These flavors are a delicious medley of pineapple, papaya, nata de coco and cherries – plus feature bright wedges of Mandarin orange or festive slivers of jackfruit.

Fruit cocktail is the primary ingredient for fruit salad, the favorite holiday dessert of Filipinos. Leveraging on the Christmas season, Del Monte Fiesta launched a limited edition 385-gram size in a unique clear can perfect for

New JOYBA Bubble Tea flavor of Blueberry Pomegranate

INNOVATION IN PURSUIT OF HEALTH AND WELLNESS

Del Monte Fiesta in clear packaging

Del Monte Fiesta with Mandarin Orange and Langka (Jackfruit)

New Mr. Milk Orange flavor loved by kids

gifting. This transparent packaging highlighted the colorful fruit mix of Del Monte Fiesta, making it a festive present for friends and family.

Healthy Beverage

Innovations include:

- Innovations on 100% Pineapple Juice aggressively expanded its relevance among a broader base of consumers, with ACE vitamins delivering improved immunity for the family; and 100% Pineapple Juice Fiber-Enriched delivering daily detoxification for young adults immersed in the foodie culture.
- 100% Pineapple Juice Heart Smart with Reducol, a special blend of plant sterols and stanols that help lower bad cholesterol, and 100% Pineapple Juice Bone Smart, a calcium-fortified juice that has twice the level of calcium than a glass of milk, designed to provide the same benefit to lactose-intolerant consumers.
- We relaunched Fit 'n Right Classic for casual health enthusiasts who are taking care of their body through diet and exercise.
- We launched seasonal Del Monte Juice Drink variants with delicious and healthy flavors to drive home consumption occasions. These include Melon Cucumber, Pineapple Kiwi and Pineapple Lychee.
- We entered the fast-growing ready-to-drink milk category with Mr. Milk, an affordable fruit- and yogurt-flavored milk drink which now carries 5 flavors: Plain, Strawberry, Green Apple, Mango and Orange. To accelerate growth, Orange was introduced recently being a flavor loved by kids.
- DMPI's strategic joint venture with Vietnam Dairy Products JSC (Vinamilk), a leading regional dairy company, launched new products in September 2021 which include a line of fortified ready-to-drink dairy products that deliver superb taste and highly relevant functional benefits.

Innovative Del Monte Beverages including calcium-fortified Pineapple Juice

- Del Monte Vinamilk IQ Smart Milk Drink comes in chocolate, vanilla and strawberry flavors, and is fortified with Omega 3 & 6 for brain function, Vitamin A for the eyes and B-Vitamins for energy to help children through tough school days; and

- Del Monte Vinamilk Yogurt Drink comes in strawberry and mixed fruit flavors, and is fortified with Power 10™ vitamins to help nourish even the pickiest of eaters.

Convenience Cooking

The portfolio of products that offer healthier choices has expanded: Lycopene-rich tomato sauces and ketchup, no-MSG culinary sauces and cooking aids. Lycopene consumption is associated with lower incidence of cancer.

Del Monte Carbonara in a bigger 400g pack

Del Monte Spaghetti, a delectable, al dente pasta

As a dominant market leader in tomato-based sauces, Del Monte also invested in growing new variants and formats beyond its core products:

- Del Monte Carbonara was relaunched with a new and refreshed design with an upsized pack in recognition of the growing love of Filipinos for beyond red sauces. Del Monte Carbonara boasts of being made with real milk and real cream for a delectable pasta experience the whole family will love.

- With the growth of economy brands in the Spaghetti Sauce and Pasta segments, Del Monte strives to offer the best quality product that gives a delectable, al dente pasta experience to more discerning consumers with the relaunch of Del Monte Pasta Italiana. It is made only from the finest durum wheat semolina to give that perfect bite.

Snacking

To participate in the huge snacking segment particularly Biscuits, Del Monte launched new affordable trial pack formats and flavors under the Del Monte Potato Crisp brand. These are delicious, crispy-thin and flavorful biscuits offering consumers a healthier snack alternative with its 'baked, not fried' proposition.

New products accounted for 7.7% of total sales in the Philippines in FY2023.

Del Monte Potato Crisp Biscuits in new smaller packs. It is crispy and flavorful goodness of eating chips, without the guilt - baked, not fried.

S&W IN ASIA

S&W is our brand platform for Asia, outside the Philippines and the Indian subcontinent, which is adaptable to the diverse tastes of its markets.

Following the success of S&W Sweet 16 fresh pineapple, we launched S&W Deluxe Premium, a naturally-ripened extra sweet pineapple, in China, Japan and South Korea in November 2021 with favorable market feedback. Majority are sold in China through our distributors, and this premium fresh variety is gaining traction in China's retail segment.

As part of S&W's plan to provide high-quality, healthy products globally, it came up with Not From Concentrate (NFC) Pineapple Juice, made of 100% MD2 Pineapple Juice, i.e. from the premium fresh pineapple variety. S&W offers NFC Pineapple Juice to customers as an ingredient for their pineapple smoothies, ice lollies or packaged NFC juice.

The Group's frozen fruit product uses Nice Tech's revolutionary technology. Extra sweet and golden yellow pineapples from fully ripened fruits are cut into spears then frozen without breaking the cellular structure of the fruit. This technology is superior to the regular Individually Quick-Frozen (IQF) technology.

Naturally-ripened extra sweet S&W Deluxe Premium in China, Japan and South Korea

INNOVATION IN PURSUIT OF HEALTH AND WELLNESS

S&W customers using our NFC Pineapple Juice

With the rising global trend on healthy snacks, we are now in foodservice channels such as KFC in the UK, 7-Eleven in Japan and McDonald's in the Middle East, Balkans and Canada.

Individually packaged frozen Pineapple Stick and frozen chunks called Golden Pineapple have been sold in 7-Eleven Japan since 2018, positioned as an on-the-go healthy snack in the store's chiller section. These are also sold in the UK, Spain, Andorra, China, Hong Kong and South Korea.

INDIA

The role of innovation at Del Monte India is two-fold. The first is to enable the business to expand into bigger, adjacent categories in retail, and the second is to introduce pack type, pack size innovations that help recruit more consumers within existing categories.

In line with the first objective, we entered the Tomato (snack) sauce category with a 900-gram spout pack in August 2022 and Chocolate Syrup category with a 600-gram pack in September 2022. These two categories combined represent an opportunity of approximately US$40 million. We also relaunched our Mayonnaise bottle range in wide mouth PET jars, which form the bulk of the mayonnaise category in India, bringing our offering more in line with consumer usage.

To recruit new consumers, we introduced a Tomato Ketchup 90-gram pack priced at INR 15, a range of domestic pasta 200-gram packs priced at INR 60 and a Chocolate Syrup 100-gram spout priced at INR 50. These SKUs add to our existing low price point pack portfolio and help the business gain more retail outlets and consumers as we move forward in our journey in India.

The Group continues to innovate to offer health, wellness and nutrition through its trusted brands in pursuit of its vision, *Nourishing Families. Enriching Lives. Every Day.*

New smaller pack sizes to attract more consumers

Using revolutionary technology, these frozen pineapples have similar properties as fresh cut pineapple when thawed

U.S. CLAIMS TO FAME

As the **original plant-based food company**, we're always innovating to make nutritious and delicious foods more accessible to consumers across our portfolio of beloved brands, including Del Monte, Contadina, College Inn, JOYBA, Kitchen Basics and S&W.

98%
of U.S. consumers recognize the Del Monte brand

RECENT AWARDS AND RECOGNITIONS:

- Del Monte Blue Lake Petite Cut, Blue Lake Farmhouse Cut Green Beans, Del Monte Gut Love and Boost Me Fruit Infusions are **Upcycled Certified™**
- **Refrigerated and Frozen Foods Awards Best New Retail Products for 2023:** Blueberry Pomegranate Bubble Tea
- **#1 on San Francisco Business Times'** list of Largest Food and Beverage Manufacturers in the Greater Bay Area

LEADING MARKET POSITIONS

Canned Vegetables
#1 brand nationally
4.6x the size of the next national brand

Packaged Fruit
#1 Refrigerated fruit brand
#1 Fastest growing canned pineapple brand

Broth and Stock
#1 for College Inn brand in Northeast region[1]
#2 for Kitchen Basics stock brand[1]
#3 Broth + Stock manufacturer[1]

Canned Tomatoes
#1 Italian Tomato brand in Paste and Sauce segments
#3 fastest growing organic brand[2] for Take Root Organics

FREIGHTWAVES 2023 SHIPPER OF CHOICE
for our procurement practices, smoothness of working with shipping facilities, and doing the work to drive transportation efficiency

OUR DEL MONTE FRUIT INFUSIONS AND JOYBA BUBBLE TEA WON
2022 PRODUCT OF THE YEAR AWARD IN TWO CATEGORIES![3]

99%
TOMATOES
are from the U.S. with supply from Italy

99%
VEGETABLES
are from the U.S. with supply from Brazil, China, Netherlands, Peru and Poland

70%
FRUITS
are from the U.S. with supply from Mexico, Chile, Philippines, China, Thailand and Greece

96%
of our packaging is non-plastic and recyclable

Del Monte was the **FIRST** consumer-facing manufacturer to work with the **USDA** for **NON-GMO CERTIFICATION** for corn products

We support
627
GROWERS in USA

We support
136
FRUIT GROWERS in Mexico

98%
of U.S. consumers stated Del Monte is a brand they trust

2023	Vegetables	Tomatoes	Fruits (U.S.)	Fruits (Mexico)
Tons	261,153	320,123	193,759	67,394
Growers	93	24	510	136

1 Excluding private label.
2 Compared to previous 6 months.
3 Product of the Year is the world's largest consumer-voted award for product innovation, where winners are determined by the votes of 40,000 consumers in a national representative survey conducted by research partner Kantar, a global leader in consumer research.

PRODUCTS

DEL MONTE IN THE UNITED STATES

DEL MONTE IN THE PHILIPPINES

PRODUCTS

S&W IN ASIA AND THE MIDDLE EAST

DEL MONTE IN INDIA

ASIA CLAIMS TO FAME

Throughout our
97-YEAR JOURNEY,
Del Monte is proud to be recognized for our premium quality, nutritious and delicious products

Our operations benefit about
100,000 INDIVIDUALS

AWARDS AND RECOGNITIONS

- DMPL's Independent Director **Dr. Emil Q. Javier** was declared a **National Scientist** by the President of the Philippines
- **15 awards** for 11 years from the Singapore Corporate Awards including **Best Managed Board**, **Best CFO**, **Best Investor Relations** and **Best Annual Report**
- **Highest ranked** mid-cap company with a **ranking of #12** overall in the **Singapore Governance and Transparency Index** out of 489 SGX-listed companies
- **Finalist** in the **Asia Pacific Tambuli Awards** for **Good Health and Well-Being**, Corporate Purpose Category
- Recognized by LinkedIn as a company with the **"Most Inspirational Team"**

LEADING MARKET POSITIONS
IN ASIA

BEANS
Top 2 in Singapore and Indonesia

APPLE CIDER VINEGAR
Top 2 in ASEAN

CANNED PINEAPPLE
Top 1 in South Korea
Top 3 in China

CANNED TROPICAL FRUIT
Top 1 in China and South Korea

FRESH PINEAPPLE
#1 imported pineapple in China
Top 3 in Japan, South Korea and Middle East

LEADING MARKET POSITIONS
IN THE PHILIPPINES

PACKAGED PINEAPPLE
#1 brand nationally
Also **used for everyday cooking**

CANNED MIXED FRUIT
#1 brand nationally
Healthy snack or dessert

RTD JUICES EX FOIL POUCHES
#1 brand nationally
Healthy and refreshing juices

TOMATO SAUCE
#1 brand nationally
Versatile ingredient for various recipes

SPAGHETTI SAUCE
#1 brand nationally
For **easy-to-prepare** delicious spaghetti meals

S&W FRESH PINEAPPLE

contains **~100mg of Bromelain** enzyme per cup that reduces inflammation after injury or surgery

S&W HEART SMART PINEAPPLE JUICE

won the **Food & Beverage Award** in the Singapore Business Review Listed Companies Awards for Best Innovation

FROZEN PINEAPPLES

using patented freezing technology, retains fresh-like properties when thawed

100%
of our Culinary products contain
ZERO TRANS FAT

DEL MONTE KITCHENOMICS
has 3 million strong community on Facebook

DMPL'S CEO
MR. JOSELITO D. CAMPOS, JR.
Entrepreneur of the Year Awardee
Asia Pacific Entrepreneurship Awards

3X
EMPLOYER OF THE YEAR AWARD
from the People Management Association of the Philippines

45%
of senior management are women

16 AVERAGE TRAINING HOURS
per employee

CARBON NEGATIVE
given plantation and forest cover

~665,000 INDIGENOUS
trees planted

~28,000-HECTARE
pineapple plantation

20%
of the Cannery's power requirement supplied by renewable energy

32,000 PATIENTS BENEFITED
from the Foundation's medical, dental and mobile missions

300 YOUTHS GRANTED
scholarships to various schools in SY2022-23

AWARDS

DMPL's Lead Independent Director, Mr. Benedict Kwek Gim Song, receiving the Best Managed Board (Silver) Award from Singapore's Minister for Health Mr. Ong Ye Kung

GOVERNANCE

Del Monte Pacific Wins the Best Managed Board Award

In the Singapore Corporate Awards (SCA) held on 30 August 2022, DMPL was honored to receive the Best Managed Board (Silver) Award for mid-cap companies.

DMPL had won two Gold awards for the Best Managed Board in 2010 and 2015.

Since the SCA began in 2006, the Company has won a total of 15 awards for 11 years since 2010, a significant recognition among companies listed in Singapore.

Del Monte Pacific Ltd has received four distinct awards -- Best Managed Board, Best Chief Financial Officer, Best Investor Relations and Best Annual Report – and is one 21 companies to have achieved this feat from among 643 companies listed on the Singapore Exchange.

The SCA comprises six of Singapore's key corporate awards, including Best CEO and Best Risk Management, to recognize and celebrate the best in corporate governance among listed companies in Singapore. The awards are organized by the Institute of Singapore Chartered Accountants, Singapore Institute of Directors and The Business Times, supported by the Accounting and Corporate Regulatory Authority and Singapore Exchange.

Receiving the Corporate Governance award is Mr. Benedict Kwek Gim Song, DMPL's Lead Independent Director. Together with him in the photo are Mr. Alvin Tan, a Minister of State (center), and Mr. David Gerald, SIAS President (left).

Del Monte Pacific Receives a Corporate Governance Award from SIAS

Del Monte Pacific was honored to receive the Singapore Corporate Governance Award from the Securities Investors Association (Singapore) or SIAS. This is DMPL's 9th award from SIAS, which recognized the company in previous years for Corporate Governance, Transparency and Shareholder Communication Excellence.

High Corporate Governance Ranking in Singapore

Del Monte Pacific ranked as the highest mid-cap company and 12th overall among 489 Singapore-listed companies evaluated in the Singapore Governance and Transparency Index in August 2022.

ASEAN Asset Class

DMPL was also awarded the ASEAN Asset Class, ASEAN Corporate Governance Scorecard Award, conferred by SEC Chairman in December 2022.

New product Blueberry Pomegranate Bubble Tea ranked third of five new products in a consumer vote

Mr. Milk Yoghurt Flavored Milk Drink is one of BASES Top Breakthrough Innovations for ASEAN in 2022

COMMERCIAL

Del Monte Foods' Blueberry Pomegranate Bubble Tea is one of the Best New Retail Products for 2023

Del Monte Foods has launched a slew of new products during the past five years using breakthrough technologies in ingredients, packaging and processes. One of its latest brands, JOYBA, was recognized by the Refrigerated and Frozen Food Awards as part of the Best New Retail Products for 2023. The brand's Blueberry Pomegranate Bubble Tea ranked third of five new products for the year, decided by consumer vote.

Global M&A Network's Mergers & Acquisitions of the Year Awards

The last five years have also been a time of tremendous growth and transformation for Del Monte Foods— including the successful acquisition of the Kitchen Basics business in August 2022.

The Merger & Acquisition industry in the U.S. is vast and highly competitive. Del Monte Foods along with our legal advisor were presented the Mid-Cap Corporate Deal of the Year (US$100-500 million). President & CEO Gregory Longstreet was recognized for his hands-on involvement and leadership in closing this transaction.

Pictured left to right: Gregory Longstreet, DMFI's President & CEO; Mark Wilhelm of Troutman Pepper Hamilton Sanders law firm; and Alfred Artis, VP Treasurer, accept Mid-Cap Corporate Deal of the Year award

Del Monte Philippines' Mr. Milk Yoghurt Flavored Milk Drink Bags an Innovation Recognition

NielsenIQ BASES has awarded Del Monte Mr. Milk Yoghurt Flavored Milk Drink as one of BASES Top Breakthrough Innovations for ASEAN in 2022.

BASES Top Breakthrough Innovations showcases the best of the best in new product launches. Over the past decade, over 800 initiatives have been awarded globally, highlighting innovation responsible for bringing standout, strategic, and truly meaningful products to the market. Del Monte's Mr. Milk Yoghurt Flavored Milk Drink is now part of this impressive group.

Breakthrough innovations deliver on many core objectives, including: generating broad appeal, achieving longevity in the market, growing their brand, expanding the category, and developing their product with a key consumer and struggle in mind.

AWARDS

Pictured left to right: Margot Stanford, F&M Bank, past Chamber of Commerce Board Chair; Bibie Wu, DMFI Chief Marketing Officer; and Matt Francois, Mayor of Walnut Creek

Del Monte Philippines among the Top 50 most attractive employers

The Mindful Awards highlight conscious companies and products in the Consumer Packaged Goods (CPG) industry that stand up for what is right and take action to make a positive impact on people and the planet.

The Del Monte Gut Love and Boost Me Fruit Cup Snacks with Infusions are made with real fruit such as mangos and pineapples, and are infused with antioxidants and natural ingredients including Vitamin C, nourishing prebiotics and coffee extract, making better for you snacking delicious and convenient.

HUMAN RESOURCES

Del Monte Foods Earns Legacy Award from Walnut Creek Chamber of Commerce

The Walnut Creek, California Chamber of Commerce recognized Del Monte Foods with the Legacy Award for being a part of the community for 50+ years! What an honor to grow a healthier, more hopeful tomorrow in the Walnut Creek community and beyond.

Del Monte Foods Ranked #1 Largest Food & Beverage Manufacturer in the Greater Bay Area by San Francisco Business Times

As an original Bay Area innovator for the past 100+ years, Del Monte Foods continues to transform the company to meet consumers' changing needs — making nutritious, plant-based foods more accessible to all. Del Monte Foods is very proud to once again see the company's growth and impact recognized with the #1 rank in the San Francisco Business Times' list of Largest Food and Beverage Manufacturers in the Greater Bay Area.

Del Monte Philippines among the Top 50 Most Attractive Employers

Del Monte was recognized in Universum's Top 50 Most Attractive Employers in the Philippines for STEM (Science, Technology, Engineering and Mathematics) and Business/Commerce students in the recent Universum Student Survey.

Universum is an independent global employment branding consulting company who runs surveys across schools. It also provides analytics and data relevant to a company's brand positioning when it comes to attracting talent and helps employers better understand competitors, communication channels, etc.

Del Monte's Employer Branding through LinkedIn, Facebook and other social media sites are all working well—these are on top of our campus recruitment events and Office of Student Affairs partnerships with key universities and colleges.

SUSTAINABILITY

Upcycled Del Monte Foods Products Named Snack Products of the Year by the 2023 Mindful Awards

Del Monte Gut Love and Boost Me Fruit Cup Snacks with Infusions were recognized as the Overall Snack Products of the Year by the 2023 Mindful Awards in the U.S.

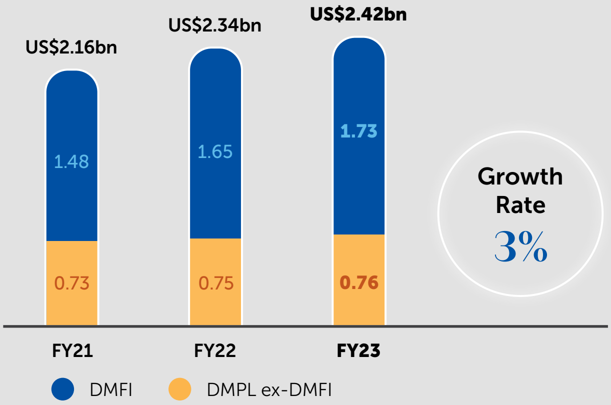
The two new products add to Del Monte's existing products that are Upcycled Certified. Through Gut Love and Boost Me Fruit Cup Snacks, the company is re-directing approximately 130,000 pounds of pineapple juice each year, helping to provide nutritious and affordable food, while reducing greenhouse gas emissions.

Boost Me and Gut Love Fruit Infusions contain redirected excess pineapple juice, which would otherwise have gone to waste

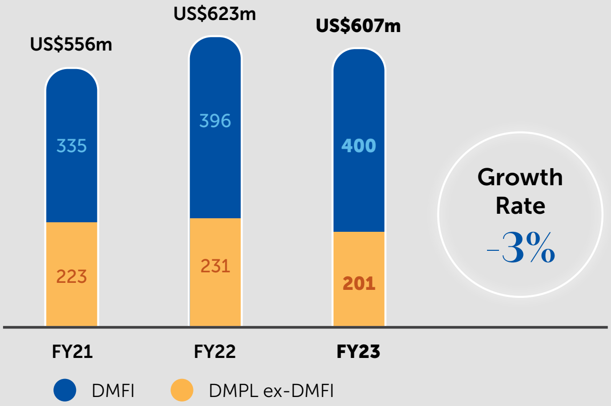
OPERATING AND FINANCIAL REVIEW

DMPL FINANCIAL PERFORMANCE ON RECURRING BASIS

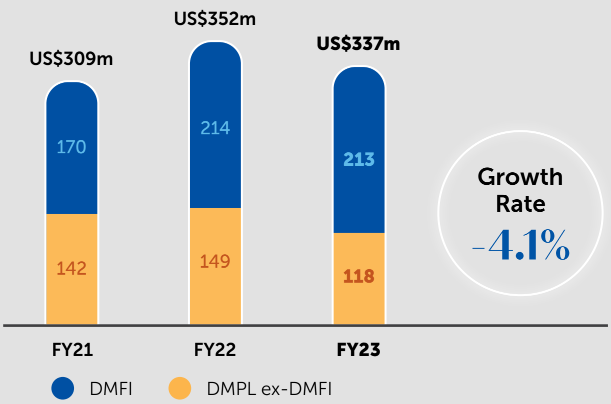
Net Sales



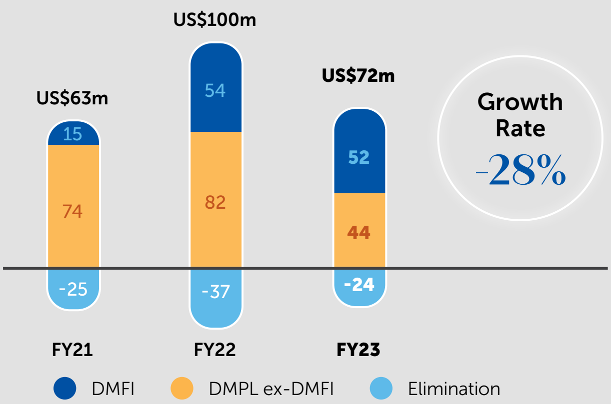
Gross Profit



EBITDA

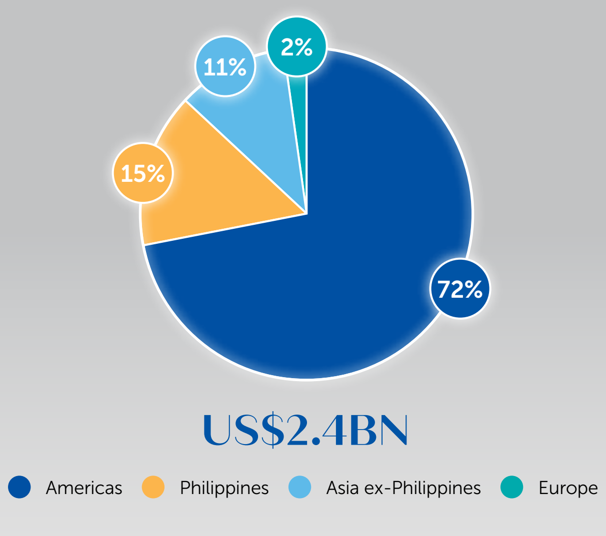


Net Profit

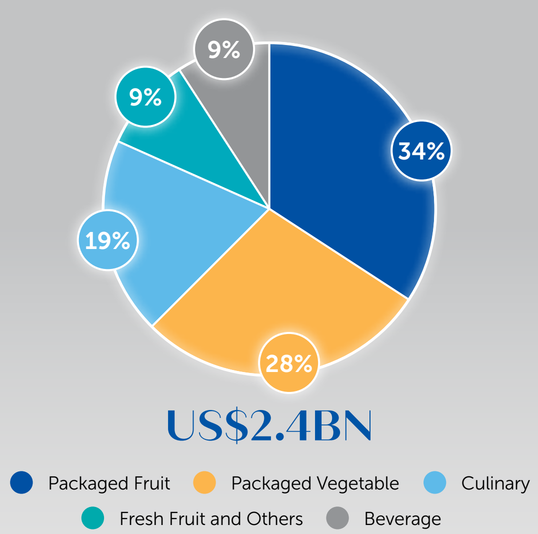


Notes: There were no one-off items in FY2021–22
The figures do not sum up to the totals due to elimination adjustments on consolidation

DMPL FY2023 SALES
(By Geography)



DMPL FY2023 SALES
(By Product)



OPERATING AND FINANCIAL REVIEW

Kitchen Basics complements our College Inn broth business

SUMMARY

For the year ended FY2023, DMPL grew sales by 3% to US$2.4 billion on higher USA and international sales. However, gross profit and EBITDA were lower by 3% and 6% to US$607.0m and US$329.7 million, respectively, on higher costs.

Net income declined to US$16.9 million from US$100.0 million largely due to one-off costs of US$55.2 million as DMFI refinanced its loan earlier with a long-term credit facility that has lower interest rates. Without these one-off costs, DMPL EBITDA and net income would have been US$337.2 million and US$72.2 million, lower by 4% and 28%, respectively.

SALES

DMPL generated sales of US$2.4 billion, up 3% versus prior year driven by higher sales in the U.S. and international markets. Excluding Kitchen Basics, Group sales were higher by 2%.

USA

The Group's U.S. subsidiary, Del Monte Foods, Inc, (DMFI), generated US$1.7 billion of sales or about 72% of Group sales, higher by 5% driven by sustained growth across almost all categories, attributed to pricing adjustments to mitigate inflation, distribution gains for vegetable club and JOYBA bubble tea, increased sales of fruit cups, as well as incremental sales of US$35.1 million from Kitchen Basics.

Branded retail which accounted for 75% of DMFI's sales grew by 8%. Other channels of mass merchandizers, e-commerce and foodservice also expanded. Latin America which generated sales of US$49.7 million was also up 12%.

In August 2022, DMFI acquired the intellectual property of the Kitchen Basics brand and its extensive inventory of conventional and organic stocks and broths from McCormick & Company for US$99 million (of which US$17 million was inventory with market value of US$25-27 million). The consideration was established through an auction process and negotiations between the parties. The acquisition was financed through available credit facilities. No property, plant and/or equipment were acquired.

Kitchen Basics products are distributed nationally in the United States. The brand was founded in 1996 as the pioneer in liquid stock and remains an industry leader in the U.S. today.

The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics complements DMFI's College Inn broth business and creates an immediate national footprint within the broth and stock category.

DMFI continues to pursue its innovation efforts and expand on new product offerings. It launched Take Root Organics, its new organics brand, which includes six tomato products grown throughout California's Central Valley. The launch of Take Root Organics provides DMFI with an exciting and competitive new brand to reach the growing consumer base that seeks high-quality and accessibly-priced organic food. It also launched Del Monte specialty vegetable items Artichoke and Mushrooms.

New products sales reached US$134.3 million and contributed 7.6% to DMFI's total sales in FY2023.

Our exciting new organic brand - Take Root Organics - that is accessibly-priced

We also launched specialty vegetable items Artichoke and Mushrooms

KEY TRENDS WE ARE ADDRESSING

	Key Trend We are Addressing	Del Monte Approach	Succcessful New Products
REINVENTING CORE CATEGORIES	Rise in Morning Snacking	Bring consumers into the category with high value/ on-trend options	
EXPAND INTO PREMIUM PRICE TIERS	Filling White Space Between Private Label and Niche Organics	Give consumers organic options at more accessible price points	
ADDRESSING CONSUMER NEEDS WITH SPEED	Consumers Seeking Value through Multipacks	Nimble supply chain able to deliver multipacks across core products ahead of competitors	

DMFI continues to hold leading market share positions across its core business. Canned vegetable, canned tomato and fruit cup snacks achieved higher shares on the back of strong commercial execution, increased distribution of core products, and new product expansion, all supported by improved supply chain service.

Foodservice sales in the U.S. improved by 12% to US$99.2 million bringing it to 5.7% of total DMFI sales. This was achieved by building strong partnerships and targeting both commercial and non-commercial segments which demand high quality branded fruits and vegetables. Del Monte has placed its JOYBA bubble tea in over 20 college campuses and has started selling its pineapple juice to Bloomin Brands' which operates Outback and Fleming's Steakhouse, among others. JOYBA Bubble Tea is the Company's new brand targeting Millennials and Gen Z with a line of boba shop-inspired beverages made with real brewed tea infused with vibrant fruit flavors and popping boba. Del Monte's new foodservice peach salsa with morita chiles is receiving positive feedback and has gained new distribution in the healthcare sector.

Market Position in Key Categories in the USA

Products	Market Position	Market Share	Change vs. prior year	Brands
Canned Vegetable	#1	21.9%	+0.3 ppt	Del Monte
Canned Fruit	#1	21.4%	0.0 ppt	Del Monte
Fruit Cup Snacks	#2	27.7%	+1.1 ppts	Del Monte
Canned Tomato	#3	6.1%*	+0.3 ppt	Del Monte, S&W, Contadina
Broth	#2	9.4%	0.0 ppt	College Inn, Kitchen Basics

Canned market shares are for branded only, ex-private labels
**Combined share for Del Monte, S&W and Contadina brands*
Source: Nielsen RMS / Scantrack DMFI Custom DBs, Equivalent Volume share, Total xAOC, 12M ending 29 April 2023


JOYBA Bubble tea, a hit with Millennials and Gen Z

OPERATING AND FINANCIAL REVIEW

Tomato Saucy campaign: 'Sauce is so good, it's a meal on its own!'

Philippines

Sales in the Philippines in FY2023 of US$361.6 million grew by 7% in peso terms but declined by 4% in U.S. dollar terms due to the peso depreciation.

Peso sales increased on higher culinary, beverage and new product sales. This performance was driven by the combined impact of compelling communication campaigns that built relevance for Del Monte products in family meals, low-cash outlay SKUs and multipacks value offers to help consumers cope with high inflation, and improved distributor operations.

However, mixed fruit was negatively affected by lower dessert consumption which consumers deprioritized. 100% Pineapple Juice also declined as consumers shifted preference to more indulgence drinks, with sales of multi-flavored juice drink large packs growing. A new campaign on 100% Pineapple Juice was launched highlighting immunity with bromelain and antioxidants. The classic line of Del Monte Fit 'n Right was also relaunched at a lower price with the same efficacy and taste.

Innovations grew strongly due to higher sales of Mr. Milk, Potato Crisp and Munchsters in the snacking segment. As schools in the Philippines shifted to in-person classes from online, Del Monte activated its milk sampling activities in a number of schools, and also tied up with a leading book store chain and toy store chain to promote its dairy product. Mr. Milk added the popular orange flavor to its offering while Potato Crisp launched smaller packs.

New products launched in the past three years, including dairy and snacks, contributed 6.5% to total Philippine market sales in FY2023.

Del Monte continues to enjoy strong market share leadership across all its major categories, with higher shares in packaged pineapple behind consumption-building efforts. Del Monte spaghetti sauce also grew share by staying ahead of competition amidst a declining category.

However, RTD juices lost share due to the aggressive growth of the PET segment, which offers low-priced products with broadened distribution and on-the-go

New Mr. Milk Orange flavor tie-up sampling with #1 toy store chain

Full back-to-school support

Del Monte Potato Crisp selective regional launch of singles trial packs

100% Pineapple Juice campaign: All-out nutrients for immunity

Del Monte Fit 'n Right relaunched at a lower price convenience. Canned mixed fruit and tomato sauce shares were impacted by price brands. But in the fourth quarter of FY2023, RTD juices and canned mixed fruit registered higher shares versus the prior year quarter behind juice drinks, canned pineapple juice and the re-entry of Fit 'n Right classic line, while tomato sauce maintained its share with the support of its Saucy Meals campaign, spurring brand and category offtake.

Foodservice sales increased by 18% behind the accelerating business of quick service restaurants (QSRs), while convenience store sales jumped 39% as schools and transport sectors opened up. 9,917 foodservice outlets are now open at 92% of pre-pandemic level, while 3,995 convenience stores are now open at 120% of pre-pandemic level.

Del Monte continues to supply ketchups in large chain accounts such as Burger King and Shakey's while gaining new businesses with Landers, Peri-Peri, Domino's and Ikea; pineapple tidbits to Domino's; and juices to Tapa King and Mactan Cebu International airport.

International/Exports

International markets, composed of fresh produce and packaged goods, generated sales of US$330.5 million, up 12%. Packaged sales accounted for US$181.4 million, higher by 11% while fresh sales accounted for US$149.1 million, up 14%. S&W branded business achieved sales of US$136.2 million, higher by 14%.

Market Leader in Various Categories in the Philippines

Products	Market Position	Market Share	Change vs. prior year	Brands
Packaged Pineapple	#1	95.5%	+2.2 ppts	Del Monte
Canned Mixed Fruit[1]	#1	75.4%	-0.5 ppt	Del Monte, Today's
RTD Juices ex-foil pouches	#1	40.9%	-2.3 ppts	Del Monte
Tomato Sauce	#1	84.6%	-1.0 ppt	Del Monte
Spaghetti Sauce[2]	#1	37.8%	+0.5 ppt	Del Monte, Today's, Contadina

[1] Combined share for Del Monte and Today's brands
[2] Combined share for Del Monte, Today's and Contadina brands
Source: The Nielsen Company - Retail Audit Data, 12M to April 2023

Fresh sales rose driven by stronger demand particularly in North Asia, better pricing and improved supply. The Company's new naturally-ripened extra sweet S&W Deluxe premium fresh pineapple in China, Japan and South Korea continued to gain momentum in China's retail segment. Fresh sales benefitted from favorable consumer and trade response to this variety.

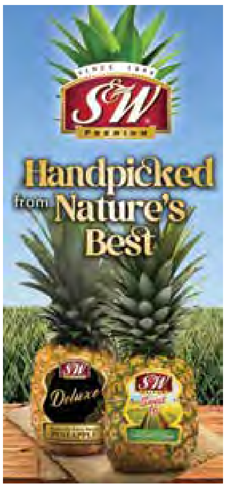
The Group's high quality, premium MD2 pineapple makes it the largest fresh pineapple exporter to China with a 53% share and one of the three biggest exporters to Japan, South Korea and the Middle East.

Sales of packaged products grew behind higher sales of pineapple, mixed fruit and various retail and industrial juice formats. In the U.S., a major QSR launched new summer drinks, one of which - Pineapple Passionfruit Refreshers – uses the Company's pineapple product.

The Group's frozen fruit product uses Nice Tech's revolutionary technology. Extra sweet and golden yellow pineapples from fully ripened fruits are cut into spears then frozen without breaking the cellular structure of the fruit. This technology is superior to Individually Quick-Frozen (IQF) technology.

With the rising global trend on healthy snacks, the Group's Nice Tech frozen pineapple spears and chunks healthy snack/dessert has gained traction, now sold in more foodservice channels such as KFC in the UK, 7-Eleven in Japan and McDonald's in the Middle East, Balkans and Canada.

Del Monte pineapple in Domino's pizza



Sought after S&W pineapples

Frozen pineapples sold in various countries

Del Monte Chocolate Syrup, our new product in India, with 50% more cocoa than that of leading competitor

New premium Del Monte Royal Arabian Dates amidst a market of unbranded players

India

Sales at our joint venture Del Monte Foods Private Limited in India (formerly FieldFresh Foods), which are equity accounted and not consolidated, were US$66.3 million, flat versus prior year in U.S. dollar terms but up 8% in rupee terms. There was overall growth across all channels of B2B, B2C, modern trade and e-commerce. B2B business delivered strongly driven by increase in foodservice sales coming off a lower base last year due to the pandemic.

Del Monte introduced a 600-gram Chocolate Syrup in September 2022, with 50% more cocoa than that of leading competitor. After a successful launch, Del Monte came up with a smaller 100-gram spout pack to recruit new consumers. This added to the Company's existing low price point pack portfolio and helped the business gain more retail outlets and consumers.

Del Monte also launched the Royal Arabian Dates, entering a US$36 million market and seizing an opportunity for a premium branded player in a sea of unbranded players.

The Company also relaunched its mayonnaise bottle range in wide mouth PET jars, which form the bulk of the mayonnaise category in India, bringing its offering more in line with consumer usage.

DMPL's share in India was a US$0.1 million profit from a US$3.2 million loss in the prior year.

GROSS PROFIT AND MARGIN

DMPL's gross profit decreased by 3% to US$607.0 million while gross margin declined to 25.1% from 26.6% due to higher raw material, packaging, manufacturing and logistics costs coupled with unfavorable sales mix.

DMFI generated a gross profit of US$400.3 million, slightly higher versus last year's US$396.1 million, on higher sales; however, gross margin was lower at 23.1% from 23.9%. Price increases were insufficient to cover higher costs of raw produce, packaging materials, labor and logistics.

DMPL ex-DMFI delivered gross profit of US$201.4 million, 13% lower than US$230.7 million in the prior year. Gross margin declined to 26.3% from 30.7% as price increases to manage inflation were offset by higher product costs driven by commodity headwinds, lower productivity both in plantation and production which resulted in higher cost of growing, harvesting and processing.

DEL MONTE FOODS REFINANCING

In May 2022, DMFI raised US$600 million through a 7-year Term Loan B facility maturing in 2029

Del Monte ropes in Michelin star Chef Vikas Khanna to promote its culinary range in India, with the key brand message "Made by chefs, loved by all" at Adjusted Secured Overnight Financing Rate (SOFR), with a floor of 0.5% plus 4.25% p.a. Proceeds were used to primarily redeem the US$500 million Senior Secured Notes plus redemption fees and accrued interest. The said Notes had an interest rate of 11.875% p.a. and were due to mature in 2025. The new Term Loan B had a hedged interest rate of 8.1% as of end April 2023. The early redemption of the Notes incurred a one-off cost of US$71.9 million or US$50.2 million post tax and non-controlling interest. US$26.3 million of the US$71.9 million was non-cash.

DMFI Non-Recurring Expenses (in US$m)	FY2023	FY2022	Booked under
Early redemption fee for US$500m Notes	45.5	-	Interest Expense
Write-off of deferred financing costs (non-cash)	26.3	-	Interest Expense
Excess of net realizable value over inventory cost related to the Kitchen Basics acquisition	5.0	-	Other Income/ Expense
Settlement of legal claims	2.5	84.6%	Other Income/ Expense
Total (pre-tax basis)	**79.3**	**-**	
Tax impact	(20.3)	-	
Non-controlling interest	(3.8)	-	
Total (post tax and NCI)	**55.2**	**-**	

REDEMPTION OF PREFERENCE SHARES

In April 2022 of fiscal year 2022, DMPL redeemed US$200 million of its Series A-1 Preference Shares which had a dividend rate of 6.625% p.a. In December 2022 of fiscal year 2023, DMPL redeemed US$100 million of its Series A-2 Preference Shares which had a dividend rate of 6.5% p.a.

The redemption was refinanced by a combination of fixed rate Senior Notes and floating rate loans with an average interest rate of 5.52% in FY2023.

There are no more outstanding Preference Shares.

EBITDA AND NET PROFIT

The Group generated an EBITDA of US$329.7 million, 6% lower than prior year's US$351.5 million.

DMFI delivered an EBITDA of US$206.0 million, 4% lower than prior year's US$213.6 million driven by lower margins as discussed. Contributing to the lower EBITDA were losses from consolidation of distribution centers and discontinuation of pocket pies amounting to US$6.6 million and US$2.8 million, respectively.

DMPL ex-DMFI generated an EBITDA of US$118.2 million, lower by 21%, also driven by lower margins as discussed.

The Group registered a net profit of US$16.9 million, lower than last year's US$100.0 million. This was mainly driven by the one-off costs of US$55.2 million, as discussed above, and the impact of cost increases due to inflation across all business segments and higher interest expense. The Group's profitability was impacted by the additional US$14.4 million of interest expense for the new loans taken to redeem the Preference Shares. The latter's cost was previously accounted for in the balance sheet in the form of dividend payments against equity, i.e. outside the income statement, whereas the interest expense for the new loans is booked in the income statement, i.e. impacting net profit.

Without the one-off costs, DMPL's net profit would have been US$72.2 million, lower by 28% from prior year's US$100.0 million, while EBITDA would have been US$337.2 million, down 4%.

As a result of the one-off costs, and also higher costs, DMFI incurred a net loss of US$2.8 million versus the net profit of US$54.3 million in the prior year. Excluding one-off costs, DMFI's net profit would have been US$52.5 million, slightly lower by 3% versus the net profit of US$54.3 million in the prior year. Excluding one-off costs, DMFI's EBITDA would have been US$213.5 million, same as last year's.

INVENTORIES

DMPL's inventories increased to US$1.1 billion as at 30 April 2023, from US$686.0 million as at 30 April 2022, primarily due to DMFI driven by the inflationary impact on overall cost of inventories, increase in certain segments to support customer service levels and higher growth projections for FY2024, and Kitchen Basics acquisition.

CAPEX

Capital expenditures were US$237.9 million in FY2023, higher than US$202.7 million in FY2022. DMFI accounted for US$55.4 million of Group capex in FY2023, higher than US$32.1 million in FY2022 due to higher additions to CIP for various process and improvements. DMPL ex-DMFI's capex accounted for US$182.5 million in FY2023 from US$170.6 million in FY2022 driven by higher additions to biological assets. DMPL ex-DMFI capex was comprised mostly of biological assets at US$147.0 million, with the balance of US$35.5 million for building, CIP, machinery and equipment.

CASH FLOW AND DEBT

The Group's cash flow from operations was negative US$2.8 million for FY2023 from positive US$280.7 million in the prior year mainly due to higher inventories and lower profit as explained above.

OPERATING AND FINANCIAL REVIEW

The Group's working capital decreased to US$205.3 million net liability in FY2023 from US$168.4 million net asset in the prior year. The negative working capital was due to the shift to current from non-current liability for long-term loans maturing in the next 12 months, and the new loans taken to redeem the Preference Shares.

The Group's net debt (borrowings less cash and bank balances) amounted to US$2.25 billion as at 30 April 2023, higher than US$1.5 billion as at 30 April 2022. Out of the total net debt of US$2.25 billion, DMFI accounted for US$1.16 billion while DMPL ex-DMFI accounted for US$1.09 billion.

The Group's net debt to EBITDA increased to 6.8x from 4.4x while net debt to equity rose to 5.8x from 3.1x due to higher loans as a result of the redemption of DMPL's Preference Shares, DMFI's Senior Secured Notes refinancing in May 2022, DMFI's ABL (working capital) loans which includes the US$100 million acquisition of Kitchen Basics, and lower equity due to net losses arising from refinancing costs.

Although debt levels had gone up, the refinancing of the Preference Shares with bank loans at an average interest rate of 5.52% versus the Preference Share coupon of 10% on a step-up basis, if not redeemed, saved the company about US$10 million during the year.

A major priority of the Group is to reduce leverage, strengthen its capital structure and bring down interest expense in the coming year.

DIVIDENDS

On 7 October 2022, the Company paid cash dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.325 per Series A-2 Preference Share for the six-month period from 8 April 2022 to 7 October 2022.

On 15 December 2022, the redemption date of the Series A-2 Preference Shares, the Company paid the accrued cash dividends equivalent to US$0.12278 per Series A-2 Preference Share for the period from 8 October 2022 to 15 December 2022.

Under the Company's Articles of Association and the terms of the Preference Shares, the Company may declare and pay dividends on Common Shares provided there are adequate and available funds for dividends on Preference Shares which have priority over Common Shares. Subject to the foregoing, the Board approved a final dividend of 0.13 US cents (US$0.0013) per share to Common Shareholders representing 15% payout of FY2023 net profit.

	For the fiscal year ended 30 April	
	2023	**2022**
Name of dividend	Final Ordinary	Final Ordinary
Type of dividend	Cash	Cash
Rate of dividend	**US$0.0013 per ordinary share**	**US$0.0170 per ordinary share**
Tax rate	Nil	Nil
Book closure date	11 July 2023	13 July 2022
Payable date	25 July 2023	27 July 2022

QUARTERLY RESULTS

FY2023 Quarterly Results					
(Amounts in US$ million unless otherwise stated)	1Q	2Q	3Q	4Q	Total
Turnover	456.6	698.9	681.2	584.6	2,421.3
Gross Profit	131.7	205.3	152.2	117.8	607.0
EBITDA	70.0	124.4	80.2	55.0	329.7
Operating Profit	50.4	103.2	57.2	34.7	245.6
Net Profit	(30.5)	49.5	9.8	(11.9)	16.9
Net Profit - without one-offs	19.6	51.1	11.9	(10.5)	72.2
Gross Margin (%)	28.9	29.4	22.3	20.2	25.1
Operating Margin (%)	11.0	14.8	8.4	5.9	10.1
Net Margin (%)	(6.7)	7.1	1.4	(2.0)	0.7
EPS to common (cents)	(1.65)	2.46	0.46	(0.61)	0.66
Net Debt	1,730.2	2,037.5	2,187.3	2,253.5	2,253.5
Net Debt to Equity (%)	416.5	446.7	582.5	584.2	584.2
Net Debt to EBITDA (x)	5.0	5.6	6.2	6.8	6.8
Cashflow from operations	6.0	(156.9)	71.9	76.3	(2.8)

FY2022 Quarterly Results					
(Amounts in US$ million unless otherwise stated)	1Q	2Q	3Q	4Q	Total
Turnover	462.1	651.0	659.4	569.5	2,342.1
Gross Profit	133.4	178.5	163.2	147.6	622.7
EBITDA	75.0	107.4	91.0	78.2	351.5
Operating Profit	56.8	83.2	70.1	57.2	267.3
Net Profit	18.3	35.8	25.9	20.0	100.0
Net Profit - without one-offs	18.3	35.8	25.9	20.0	100.0
Gross Margin (%)	28.9	27.4	24.7	25.9	26.6
Operating Margin (%)	12.3	12.8	10.6	10.0	11.4
Net Margin (%)	4.0	5.5	3.9	3.5	4.3
EPS to common (cents)	0.69	1.59	1.08	0.82	4.17
Net Debt	1,303.7	1,532.4	1,449.9	1,545.5	1,545.5
Net Debt to Equity (%)	206.0	232.1	211.0	312.4	312.4
Net Debt to EBITDA (x)	3.8	4.3	4.2	4.4	4.4
Cashflow from operations	48.5	(144.3)	173.1	203.4	280.7

QUARTERLY RESULTS

FIRST QUARTER FY2023

The Group generated sales of US$456.6 million for the first quarter of FY2023, lower by 1.2% versus the prior year quarter driven by lower sales in the Philippines partly offset by higher sales in the US as well as higher exports of fresh and packaged pineapples and other products.

The Group's US subsidiary, Del Monte Foods, Inc. (DMFI), generated US$302.4 million or 66.2% of Group sales. DMFI's sales increased by US$4.3 million or 1.5% driven by branded retail in the US and growth in Latin America. Revenue growth was mainly driven by pricing taken across categories in line with inflation offsetting impact of inventory de-loading by key customers and supply constraints mainly in Plastic Fruit Cup and Produce segments.

DMFI continues to pursue its innovation efforts and expand on new product offerings in recent years. New products launched in the past three years contributed 6.8% to DMFI's total sales in the first quarter. The higher sales performance in the first quarter more than offset cost increases driven by inflation and logistics headwinds resulting in DMFI generating a gross profit of US$78.4 million, higher by 1.5% versus prior year quarter's US$77.3 million. Gross margin at 25.9% was in line with prior year.

DMPL ex-DMFI generated sales of US$173.7 million (inclusive of the US$19.5 million sales by DMPL to DMFI which were netted out during consolidation) which were 5.3% lower than the US$183.4 million sales in the prior year quarter. The higher exports sales of S&W fresh and processed pineapples and other products were offset by lower sales and unfavorable forex impact on the Philippines.

DMPL ex-DMFI delivered a lower gross margin of 30.3% from 30.8% in the same period last year as overall pricing improvement was offset by higher product costs brought about by increase in prices of raw and packaging materials particularly tinplate, sugar, tomato paste as well as fuel and related inputs.

The Group's second largest subsidiary, DMPI, achieved sales of US$168.5 million, up 3.6% in peso terms versus the prior year period driven by increased sales of S&W branded processed and fresh pineapples. However, net profit of US$19.7 million was down 16.9% in peso terms, as higher sales were offset by higher product and distribution costs attributed to inflation. About half of DMPI's sales are in the Philippines, with the balance in the international market and others.

In the Philippines, sales were lower by 18.2% in US dollar terms and 9.7% in peso terms driven by the decline in volume across core categories as consumers continued to adjust to a high inflationary environment. Packaged mixed fruits and beverage sales were down as consumers shifted priorities in the face of high food prices, and are spending more on necessities and products offering improved value. Del Monte Philippines capitalized on this trend by highlighting the superior value and post-pandemic relevance of multi-flavored juice drinks in large packs, which grew by 12%. Value promotions also encouraged higher purchases, especially tomato sauce, among the households. The first quarter also saw the temporary impact of transition to new distributors which are expected to deliver increased reach and downline availability across categories.

Furthermore, we also de-loaded inventory in the trade by three weeks. Our offtake in General Trade grew by 7% versus prior year and, with reduced inventory across categories, we are poised for a stronger festive season. Del Monte's volume and market share of packaged pineapples in the Philippines increased from sustained marketing programs.

New innovations in dairy and snacking are gaining traction, now accounting for 8.2% of Philippine market sales. Foodservice sales rose 19.8% with increased consumer traffic and dining out. Convenience stores also started to fully re-open, with first quarter sales up by 38.5%.

Sales of packaged products in the international markets grew by 12.3% on the back of robust sales of S&W canned pineapple and mixed fruit in North Asia, canned Del Monte Deluxe Gold premium pineapple in USA and pineapple juice concentrate in Europe and North Asia.

In FY2022, the Company launched the naturally-ripened extra sweet S&W Deluxe Premium fresh pineapple in China, Japan and South Korea with favorable market feedback, which has continued to gain traction in China's retail segment. The fresh business performed strongly, up 19.8%, driven by additional sales from this premium pineapple along with improved supply of S&W Sweet 16 pineapple.

DMPL's share in Del Monte Foods Private Limited (formerly FieldFresh), the joint venture in India, was a US$0.6 million profit which is an improvement from prior year quarter's share in losses of US$0.7 million. B2B business delivered solid performance with a 66% sales increase supported by growth in foodservice, key accounts and exports. B2C sales also grew double digit at 19% coming from increases in core categories both in modern and general trade channels.

DMFI delivered an EBITDA of US$36.0 million, down 4.1% versus the US$37.5 million in the prior year quarter driven by higher logistics and operating costs which more than offset the favorable impact of higher sales.

In May 2022, DMFI raised US$600 million through a 7-year Term Loan B facility maturing in 2029 at Adjusted Secured Overnight

Financing Rate (SOFR), with a floor of 0.5%, plus 4.25% p.a. Proceeds were used to primarily redeem the US$500 million Senior Secured Notes plus redemption fees and accrued interest. The said Notes had an interest rate of 11.875% p.a. and were due to mature in 2025. The much lower interest rate from the Term Loan B, currently at 6.45% p.a., is expected to result in about US$20-30 million interest savings per year. The redemption of the Notes incurred a one-off cost of US$71.9 million or US$50.2 million post tax and NCI. US$26.3 million of the US$71.9 million was non-cash.

As a result of this one-off cost, DMFI generated a net loss of US$42.2 million. Excluding the one-off cost, DMFI delivered a net income of US$8.0 million, 66.8% higher versus prior year quarter which was mainly driven by savings from lower interest as a result of the refinancing.

DMPL ex-DMFI generated an EBITDA of US$33.1 million, lower by 12.4%, and a net profit of US$17.1 million lower by 17.1% versus the US$20.6 million in the same quarter last year driven by lower margins as discussed above.

The Group generated an EBITDA of US$70.0 million which was lower versus prior year's US$75.0 million and a net loss of US$30.5 million versus prior year quarter's net income of US$18.3 million, mainly driven by the one-off redemption cost of DMFI. On a recurring basis, the Group generated a net income of US$19.6 million which was 7.2% higher versus prior year quarter mainly driven by savings from interest and improved results from joint ventures Del Monte Foods Private Limited (India) and Nice Fruit.

The Group's net debt/adjusted EBITDA increased to 5.0x from 3.8x last year and gearing to 4.2x from 2.1x due to higher loans from DMPL's US$200 million Series A-1 Preference Shares redemption in April 2022, DMFI's Senior Secured Notes refinancing in May 2022, and increase in DMFI's ABL (working capital) loans, and lower equity due to net losses arising from refinancing costs. The impact of the one-off redemption cost on leverage was about 0.5x and is expected to be diluted with higher profitability projected in the coming quarters.

The Group's cash flow from operations in the first quarter was US$6.0 million which was lower versus last year's US$48.5 million mainly due to higher inventories.

SECOND QUARTER FY2023

The Group generated sales of US$698.9 million for the second quarter of FY2023, higher by 7.4% versus the prior year quarter, driven by higher sales in the US, improved sales performance of the Philippine business, as well as higher exports of S&W branded fresh and processed pineapples and other products. Excluding Kitchen Basics (KB), Group's net sales were higher by 5.5 % versus the prior quarter.

The Group's US subsidiary, Del Monte Foods, Inc. (DMFI), generated US$506.3 million or about 72% of Group sales. DMFI's sales increased by US$28.8 million or 6.0% driven by sustained growth in core branded retail business, foodservice and in Latin America partly offset by reduced sales from low-margin private label and co-pack items. Branded retail sales grew by 11.1% attributed to pricing taken to address inflation, distribution expansion for JOYBA bubble tea and acquisition of Kitchen Basics. KB contributed revenue of US$12.1 million, representing 2.4% of net sales. Excluding KB, DMFI's net sales increased by US$16.7 million or 3.5%.

As announced on 4 August 2022, DMFI has acquired certain assets associated with the Kitchen Basics brand of ready-to-use stock and broth from McCormick & Company. The assets, which were comprised mainly of intellectual property and inventory, were acquired for an aggregate consideration of US$99 million. Such price was established through an auction process and negotiations between the parties. The acquisition was financed through available credit facilities. No property, plant and equipment were acquired.

Kitchen Basics products are distributed nationally in the United States and include a range of conventional and organic stock and broth offerings.

The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics complements Del Monte's brand portfolio as the company expands its retail presence in the category.

DMFI continues to pursue its innovation efforts and expand on new product offerings in recent years. Recently, DMFI launched Take Root Organics, its new organics brand, which includes six tomato products grown throughout California's Central Valley. The launch of Take Root Organics provides DMFI an exciting new brand to reach the growing consumer base that seeks high quality and accessibly priced organic food. It also launched Del Monte specialty vegetable items Artichoke and Mushrooms, as well as three new Pocket Pie Pizza flavors – Plant-Based Pepperoni, Plant-Based Sausage & Mushroom, and 4 Cheese. New products launched in the past three years contributed 5.3% to DMFI's total sales in the second quarter.

The higher sales performance in the second quarter resulted in DMFI generating a gross profit of US$141.8 million, higher by 19.1% versus prior year quarter's US$119.1 million. Gross margin at 28.0% was 306 basis points higher than prior year quarter's 24.9% driven by pricing, in line with inflation, and improved margins from reduced sales of low-margin products.

However, this was partly offset by unfavorable sales mix in retail with shifts to multi-pack as the company addresses shifts in consumer spends in line with inflation. Kitchen Basics contribution to gross profit amounted to US$4.3million with a gross margin of 35.1%. Excluding the impact of Kitchen Basics, DMFI's gross margin is favorable at 27.8% or an improvement of 289 basis points versus prior quarter period.

DMPL ex-DMFI generated sales of US$206.9 million (inclusive of the US$14.0 million sales by DMPL to DMFI which were netted out during consolidation) which were 8.8% higher than the US$190.2 million sales in the prior year quarter. Higher sales were mainly driven by strong sales performance from the Philippines as well as significantly higher exports of S&W branded fresh and processed pineapples and other products. This was however negatively impacted by peso devaluation on sales in the Philippines.

DMPL ex-DMFI delivered a lower gross margin of 30.1% from 32.1% in the same period last year as overall increase in volume as well as pricing improvements were offset by higher product cost attributed to commodity headwinds which caused prices of raw materials, packaging, traded goods, tomato paste, sugar, fuel and coal, among others, to soar. This was further aggravated by the negative impact of peso devaluation on all imported products.

The Group's second largest subsidiary, DMPI, achieved sales of PhP11.3 billion, up 21.6% in peso terms, and up 4.9% in US dollar terms, driven by increased sales in the Philippines as well as higher exports of S&W branded fresh and processed pineapples. However, resulting net profit of PhP1.3 billion was down 2.1% in peso terms, and down 15.6% in US dollar terms, as higher sales were offset by commodity headwinds and higher distribution costs. About 55% of DMPI's sales are in the Philippines, with the balance in the international market and others.

After declining in the first quarter, the Philippine market recovered strongly and generated sales of US$107.9 million, 21.9% higher in peso terms and 7.7% higher in US dollar terms. Core categories delivered higher volume and sales especially for packaged fruit, culinary and innovation on the back of improved distributor operations and successful transition of new distributors, in-store programs to help consumers cope with high inflation, and launch of a new pineapple juice media campaign. Foodservice and Convenience stores sales rose 20.7% and 48.2%, respectively, as the economy opens up post extended COVID lockdowns.

New innovations in dairy and snacking are gaining traction, accounting for 7.5% of Philippine sales. As schools in the Philippines shifted to onsite from online learning, Del Monte activated its milk sampling activities in a number of schools, and also tied up with a leading book store chain to promote its milk product.

International markets generated higher sales of US$84.9 million, up 13.1%, driven by the strong performance of fresh pineapple which offset declines in processed industrial products. Fresh sales rose 46.3% on the back of higher demand and consumer promotions in North Asia and Middle East, coupled with improved supply availability this quarter. Fresh sales also benefitted from continued favorable consumer and trade acceptance of the naturally-ripened extra-sweet S&W Deluxe premium. However, erratic demand in North Asia due to high inflation and extended COVID lockdowns in China had started to impact sales towards the end of the quarter. In the U.S., a major QSR launched new summer drinks, one of which, Pineapple Passionfruit Refreshers, includes our pineapple product. Meanwhile, S&W packaged products grew by 13.9% driven by higher sales of mixed fruit and juice drinks.

DMPL's share in Del Monte Foods Private Limited (formerly FieldFresh), the joint venture in India, was a US$0.1 million profit, an improvement from prior year quarter's share in losses of US$0.5 million driven by better sales performance and margins, as well as overall improvement in cost management.

DMFI delivered an EBITDA of US$86.5 million, up 22.2% versus the US$70.7 million in the prior year quarter, driven by improved gross margin as discussed above. DMFI generated a net profit of US$37.8 million, significantly higher by 66.4% versus prior quarter's US$22.7 million. This was mainly due to higher sales, better sales mix, and lower interest expense driven by refinancing. Kitchen Basics contribution was a net loss of US$0.7 million attributed to a one-off expense of US$1.7 million, net of tax and minority, pertaining to a write-off of excess net realizable value over cost of inventory.

DMPL ex-DMFI generated an EBITDA of US$36.7 million, lower by 5.6%, and a net profit of US$17.5 million lower by 18.4% versus the US$21.4 million in the same quarter last year driven by lower margins as discussed above.

The Group generated an EBITDA of US$124.4 million, 15.9% higher versus prior quarter's US$107.4 million, mainly driven by the strong operating results of DMFI. Consequently, the Group delivered a net profit of US$49.5 million, 38.3% higher than prior quarter's US$35.8 million which was also partly attributed to savings from interest due to refinancing of high yield bonds in May 2022.

The Group's cash outflow from operations in the second quarter was US$156.9 million, higher versus last year's US$144.3 million mainly due to higher inventories.

THIRD QUARTER FY2023

The Group generated sales of US$681.2 million for the third quarter of FY2023, higher by 3.3% versus the prior year quarter driven by higher sales in the US and international markets. Excluding Kitchen Basics (KB), Group's net sales were higher by 1.1% versus the prior quarter.

The Group's US subsidiary, Del Monte Foods, Inc. (DMFI), generated US$495.7 million or about 73% of Group sales. DMFI's sales increased by US$27.3 million or 5.8% on higher retail branded sales of canned vegetables, canned fruit and tomato, coupled with incremental sales of US$14.3 million contributed by the recently acquired KB ready-to-use stock and broth business. Excluding the latter, DMFI's sales were up 2.8%. DMFI continues to hold leading market share positions across its core business on the back of strong commercial execution, increased distribution of core products, and new product expansion, all supported by efficient supply chain operations.

DMFI continues to pursue its innovation efforts and expand new product offerings in recent years. In foodservice, Del Monte has placed its JOYBA bubble tea in over 20 college campuses and has started selling its pineapple juice to Bloomin Brands' which operates Outback and Fleming's Steakhouse, among others. New products launched in the past three years contributed 7.0% to DMFI's total sales in the third quarter.

The higher sales performance in the third quarter resulted in DMFI generating a gross profit of US$98.8 million, slightly higher by 1.1% versus prior year quarter's US$97.7 million. However, gross margin at 19.9% was lower by 93 basis points from prior year quarter's 20.9% as inflationary pressures resulted to higher conversion and logistics costs, which more than offset the pricing adjustments taken to address inflation.

DMPL ex-DMFI generated sales of US$203.7 million (inclusive of the US$18.1 million sales by DMPL to DMFI which were netted out during consolidation) which was slightly higher than the US$202.5 million sales in the prior year quarter. This was mainly driven by strong sales performance in the international market due to higher exports of packaged pineapples and other products and better pricing across all markets. This was however offset by lower sales of fresh pineapples due to extended lockdown in China and lower sales in the Philippines driven mainly by peso devaluation.

DMPL ex-DMFI delivered a lower gross margin of 26.1% from 32.5% in the same period last year. This was mainly driven by commodity headwinds which drove higher costs of raw material, packaging, farm inputs, fuel and related products including energy costs, and freight. The above factors heavily weighed on the margins despite strong volume performance as well as adjusted pricing of our products to offset inflation. This was further aggravated by the negative impact of peso devaluation on all imported products including local sales.

The Group's second largest subsidiary, DMPI, achieved sales of PhP11.3 billion, up 13.1% in peso terms versus the prior year period mainly driven by higher sales of the Philippines and the international markets. However, net profit of PhP1.2 billion was down 22.4% in peso terms as higher sales were offset by higher costs driven by commodity headwinds, higher distribution costs, and increased interest rates. About 54% of DMPI's sales are in the Philippines, with the balance in international market and others.

The Philippine market delivered sales of US$109.8 million, 5.8% higher in peso terms but 6.4% lower in US dollar terms due to peso depreciation. Higher sales of beverage, culinary and innovation categories offset the decline in packaged tropical fruit. Del Monte reinforced its leadership presence during the key Christmas season with superior holiday in-store merchandising and promotions across its core categories. Compelling communication campaigns built relevance for Del Monte products in family meals and value-for-money offers amidst the high inflationary environment. Del Monte improved its market shares and maintained its dominance across core categories. Foodservice sales increased by 15.5% behind the accelerating business of quick service restaurants (QSR), while convenience store sales grew by 67.6%. Innovation especially dairy and snacking are gaining traction, accounting for 6.9% of Philippine sales.

International markets, composed of fresh produce and packaged goods, generated higher sales of US$80.8 million, up 19.3%, driven by strong performance of packaged pineapple, mixed fruit and juice drink exports to USA and Europe. Higher volume and better pricing led to robust sales growth of 53.3% for packaged products. However, sales of fresh pineapple were lower by 8.4%, driven by China due to reduced volume from extended lockdowns. During Chinese New Year, S&W Deluxe Premium and S&W Sweet 16 pineapples in China had special promotions in key chains such as Pagoda, Hema and Xianfeng.

DMPL's share in Del Monte Foods Private Limited (formerly FieldFresh), the joint venture in India, was a profit of US$0.4 million, an improvement from prior year quarter's share in losses of US$0.5 million. This was driven by strong sales performance across B2B and B2C channels as well as sustained margins from continued cost management.

DMFI delivered an EBITDA of US$46.9 million, down by 1.4% versus the US$47.6 million in the prior year quarter; and a net profit of US$5.9 million, lower by

23.0% versus prior quarter's US$7.7 million. This was mainly driven by commodity headwinds, logistics cost as well as increased interest rates. Moreover, a one-off cost of US$2.1 million, net of tax and non-controlling interest, was booked from the write-down of excess of costs of KB inventory over net realizable value as well as legal claims settlement. Excluding the impact of the one-off costs, DMFI delivered a net income of US$8.0 million which was higher by 4.0% versus the prior period net income.

DMPL ex-DMFI generated an EBITDA of US$33.2 million, lower by 25.9%, and a net profit of US$13.2 million lower by 52.0% versus the US$27.5 million in the same quarter last year driven by gross margin decline, as discussed above, as well as higher interest rates.

The Group generated an EBITDA of US$80.2 million, 11.8% lower versus prior quarter's US$91.0 million, mainly driven by higher cost of sales and logistics, as discussed above. Consequently, the Group delivered a net profit of US$9.8 million, 62.0% lower than prior quarter's US$25.9 million mainly due to unfavorable operating results, and higher interest rates. Excluding the one-off cost, the Group delivered a net income of US$11.9 million lower by 53.9% versus the prior period net income.

The Group's cash outflow from operations in the third quarter was US$71.9 million, lower versus last year's US$173.1 million mainly due to the decrease in trade payables of DMFI mainly due to higher settlement of payables in the third quarter versus prior year quarter.

FOURTH QUARTER FY2023

The Group generated sales of US$584.6 million for the fourth quarter of FY2023, slightly higher by 2.6% versus the prior year quarter driven by higher sales in the US and fresh pineapple exports. Excluding the recently-acquired Kitchen Basics (KB), Group net sales were higher by 1.1% versus the prior year quarter.

The Group's US subsidiary, Del Monte Foods Inc. (DMFI), achieved sales of US$428.7 million or 73% of Group turnover. DMFI's sales increased by 4.3% on pricing actions taken to address inflation, distribution gains of JOYBA bubble tea and higher sales of specialty vegetables and multipacks. In addition, KB stock and broth business contributed US$8.7 million of sales. Excluding KB, DMFI's sales were up 2.2%. DMFI continues its leading market share positions across its core businesses on the back of strong commercial execution, increased distribution of core products, and new product expansion, all supported by improved supply chain service.

In foodservice, Del Monte continued to succeed in growing its branded pineapple and pineapple juice business with sales up 24.3% in the quarter. Del Monte's new foodservice peach salsa with morita chiles received positive feedback and gained new distribution in the healthcare sector.

DMFI continued to pursue its innovation efforts and expand new product offerings in recent years. New products launched in the past three years contributed 9.0% to DMFI's total sales in the fourth quarter.

DMFI generated a gross profit for the quarter of US$81.4 million, lower by 20.3% versus prior year quarter's US$102.1 million. Gross margin at 19.0% declined by 580 basis points from prior year quarter's 24.8% attributed to unfavorable cost rate from higher cost of production, input prices and logistics driven by global inflationary headwinds. In addition, margins were further impacted by higher sales of lower margin multipacks as customers preference shifted to more value-added products in the face of rising prices of basic commodities. These factors more than offset the pricing adjustments taken during the year and incremental sales from KB.

DMPL ex-DMFI generated sales of US$180.3 million (inclusive of the US$24.4 million sales by DMPL to DMFI which were netted out during consolidation) which were slightly higher than the US$175.8 million sales in the prior year quarter. This was mainly driven by higher exports of fresh pineapples to China, including the premium quality Deluxe fresh pineapples. Philippine market sales were higher in peso terms but the weaker peso had an unfavorable impact on local sales in US dollar terms.

DMPL ex-DMFI delivered a lower gross margin of 18.5% from 27.0% in the same period last year driven by higher product cost caused by inflation, lower productivity for both plantation and production, increased growing cost for raw pineapple and conversion cost. Unfavorable sales mix from Philippine market and Exports was not fully offset by pricing adjustments taken to counter inflation and cost headwinds.

The Philippine market delivered sales of US$68.5 million, 6.6% higher in peso terms and 0.3% higher in US dollar terms due to peso depreciation. Sales of packaged fruit, culinary and new products were higher behind compelling communication campaigns and value-for-money offers amidst the inflationary environment. Del Monte improved its market shares in fruits and beverage and maintained its number one ranking across core categories. Modern trade and foodservice sales increased by 10% and 18%, respectively. Innovations especially in dairy and snacking are gaining traction, accounting for 8.0% of Philippine sales.

Exports of S&W branded fresh pineapples and packaged pineapples and other products increased by 1.6% due to higher sales of premium fresh pineapples in China and the Middle East. S&W had been actively promoting its products in various food fairs in Asia.

DMPL's share in Del Monte Foods Private Limited (formerly FieldFresh), the joint venture in India, was a loss of US$0.9 million, which was lower versus prior year quarter's share in losses of US$1.5 million. This was driven by better performance of the India business and the one-off losses from the discontinuance of fresh business in the prior year quarter.

DMFI delivered an EBITDA of US$36.7 million, lower by 36.5% versus the US$57.8 million in the prior year quarter driven by lower gross profit as discussed above. Moreover, this quarter's EBITDA included a one-off cost of US$1.4 million, net of tax and non-controlling interest, relating to legal claims settlement as well as a write-down of excess of costs of KB inventory over net realizable value. Excluding the impact of these one-off costs, DMFI delivered an EBITDA of US$38.6 million, lower versus prior quarter's EBITDA of US$57.8 million.

DMPL ex-DMFI generated an EBITDA of US$15.2 million, lower by US$12.5 million, and a net loss of US$3.7 million lower by US$16.6 million versus the prior year quarter's EBITDA and net profit of US$27.7 million and US$13.0 million, respectively. This was mainly driven by the gross margin decline, as discussed above, as well as higher interest rates impacting the bottomline.

The Group's EBITDA of US$55.0 million was lower than prior year quarter's EBITDA of US$78.2 million mainly driven by higher cost as discussed above. The Group reported a net loss of US$11.9 million versus prior year quarter's net profit of US$20.0 million driven by unfavorable operating results as well as higher interest rates. Excluding one-off costs, the Group delivered an EBITDA of US$56.9 million and a net loss of US$10.5 million, lower by 27.2% and 47.3%, respectively, versus the prior year quarter period.

The Group's cash inflow from operations in the fourth quarter was US$76.3 million, lower versus last year's US$203.4 million mainly due to the lower profit as well as lower trade payables due to timing.

BUSINESS OUTLOOK

The global environment remains unstable with certain cost pressures and consumers being more cautious with their spending. With these challenges, it becomes imperative to offer superior brand and product value to consumers.

In the U.S., there will be more focused innovation while increasing penetration in a number of high growth channels. We will grow our consumer-centric products including new brands JOYBA, Kitchen Basica and Take Root Organics.

The Group is also planning to substantially increase its MD2 fresh pineapple production to support higher exports of these premium products.

To improve our margins, we will remain vigilant in managing our operating expenses which include packaging materials optimization; power and fuel initiatives; investments to improve efficiency, productivity and wastage reduction; and product bundling initiatives in distribution centers.

DMPL is resolute on working capital improvements in FY2024, especially inventory reduction, to generate more cash flow and strengthen the balance sheet with lower debt. The Group will improve its capital structure with equity fund raising, subject to market conditions.

Barring unforeseen circumstances, the Group expects to generate a higher net profit in FY2024.

USA

In the U.S. market, we have built a strong foundation for growth with our strengthened management team, a product portfolio that is on-point with consumer behavior, a multi-channel sales strategy, and proactive margin management.

We have strengthened the talent in our organization with new additions including Chief Financial Officer, Chief Technology and Sustainability Officer, Human Resources leadership, and Supply Chain leadership.

This is an incredibly exciting time at Del Monte Foods as we continue to accelerate our transformation into a leading, innovative CPG company focused on building brands. We continue to develop efficient and effective operations and cross-functional collaboration to transform our customer supply chain to deliver best-in-class service and adapt our technology infrastructure to capitalize on thoughtful solutions.

We plan to continue stoking the growth of our core business and our new products. We are expanding our core categories with line extensions, pack sizes that address consumers' need for value, and new varieties such as the highly successful Mushroom line. We will keep expanding our new brands like JOYBA bubble tea, recently acquired Kitchen Basics businesses, and Take Root Organics through distribution expansion, marketing investment, and new products. New product innovation pipeline will continue to be a significant contributor to future growth.

There will be increased penetration in channels such as club, e-commerce, dollar, convenience, natural, drugstores and foodservice. International sales growth is expected in Mexico, Latin America and Canada driven by the new resources dedicated to expanding distribution of Del Monte Foods' branded portfolio in those markets, including Kitchen Basics.

We will be investing to strategically aid and increase capacity for new processing, labeling and distribution capabilities; accuracy with new tools, training and systems to help run our business; and speed with streamlined data to drive alignment and simplify decision making.

Cost reduction remains a key imperative in FY2024. Our goals are to achieve conversion cost and recovery targets across each of our production sites; reduce supply chain costs including trade and transfer freight; reduce waste and lower inventory levels by efficiently storing and deploying finished goods, supported by new demand planning systems.

Successful new product JOYBA bubble tea

We will execute strategic pricing actions while monitoring price gaps to ensure core business health. A 6% price increase was implemented in May 2023 and will be reflected in the company's planned gross margin performance beginning in the second quarter of FY2024.

There will be increased Environmental, Social & Governance (ESG) commitments and investments, and improved team member engagement taking clear action from survey learnings.

We are excited for Del Monte Foods' next chapter of growth and development. We believe we have created the climate for success with our talented people and excellent brands, products and systems. We expect higher profit as we drive sales expansion and proactive margin management in the coming year.

ASIA

The Del Monte Pacific Group will continue to expand its branded business in Asia, through the Del Monte brand in the Philippines, where it is a dominant market leader.

S&W, with its packaged, fresh and frozen offering, will continue to gain more traction as it leverages its distribution expansion in Asia and the Middle East.

The Group will drive revenue growth and margin improvement through the continued execution of its commercial strategy and operational excellence programs.

We have embarked on the 'Great Place to Work' journey and have started with a survey of employees across our Asian worksites. Our goal is to improve Del Monte as a home for all current and future generations of employees. With this, we hope to achieve the 'Great Place to Work' accolade in the future.

PHILIPPINES

In light of inflation and competition, the Group will offer and highlight the good value proposition of its products. Focus on product quality is key, reinforcing our leadership position and strengthening brand equity. This includes building brand relevance and new positioning for certain products to recruit new consumers such as the youth, and regaining lapsed users.

The Group will continue to drive increased consumption frequency among a wider base of consumers through expanded trade availability, integrated marketing communication, and promotional offers that provide super value to increase consumption. We will increase traditional trade penetration especially with the rise of community, neighborhood stores. We will expand Mr. Milk, Potato Crisp single packs, Del Monte Ketchup in stand-up-pouch and other products in the tertiary channel. We will grow the e-commerce channel leveraging third-party partnerships and create brand loyalists by widening the membership of Del Monte Kitchenomics beyond its 3 million followers in social media.

In order to sustain growth, marketing, including digital communications, will continue to highlight health and wellness aside from quality and taste, as well as meal planning and preparation especially for our pineapple and culinary products. We will also capitalize on special occasions such as birthdays and Christmas given our staple products in these celebrations.

We expect higher raw material costs for tomato paste, sugar and certain packaging materials in the coming year. We will actively manage costs through improvements in our pineapple plantation yield and conversion metrics, reduction of

Promoting our products for special occasions

BUSINESS OUTLOOK

waste, increased factory and logistics efficiencies, new solar facilities, tighter working capital management including inventory reduction.

Del Monte Philippines has developed an Extended Producer Responsibility Program that will be implemented beginning this calendar year in collaboration with a waste management company to recycle plastic waste. Moreover, following the certification of its pineapple operations' negative carbon footprint last year, Del Monte Philippines is now measuring a broader scope 3, including toll packers, top suppliers, and logistics providers.

Sought after pineapple in North Asia

S&W

The Group aims to maintain market leadership in premium fresh pineapple in key North Asian markets, especially China, where it is a market leader, through its quality and enhanced distribution relationships. Our more premium fresh pineapple, S&W Deluxe Premium, is expected to gain more traction in China, Japan and South Korea. This variant is naturally-ripened and sweeter with favorable market feedback.

We will expand store coverage for fresh pineapple in Tier 2-3 cities in China through existing and new distributors, and expand further in the fresh cut segment in Japan and South Korea retail, where we are among the top three exporters, while also increasing e-commerce sales especially in Coupang in South Korea.

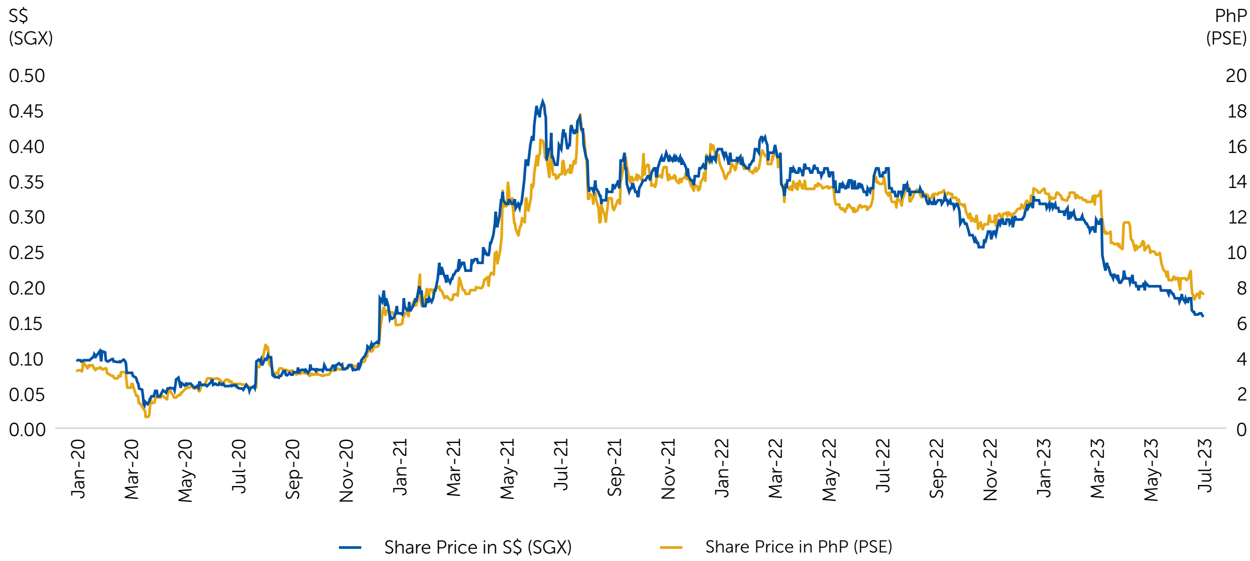
We will further grow value-added pineapple offerings such as Nice Fruit frozen pineapple sticks and Not From Concentrate pineapple juice. Prospects for frozen pineapple sticks are promising as fast food chains and convenience stores start to offer this product as a healthier dessert or snack alternative.

INDIA

Pre-pandemic, B-to-B accounted for more than 50% of sales of Del Monte Foods Private Ltd. (formerly known as FieldFresh), the Group's JV in India. In the past fiscal year, the leadership team had increased the share of retail sales as well as substantially tapped e-commerce. This trend is expected to continue with sustained focus on e-commerce, broader and deeper reach in retail, along with new product innovation and ongoing cost optimization efforts to mitigate unprecedented cost inflation.

SHARE PRICE AND CALENDAR

DEL MONTE PACIFIC SHARE PRICE ON THE SINGAPORE EXCHANGE AND THE PHILIPPINE STOCK EXCHANGE



DEL MONTE PACIFIC SHARE PRICE HIGHLIGHTS*

	in SGX (S$)				in PSE (PhP)			
	up to 3 July 2023	2022	2021	2020	up to 3 July 2023	2022	2021	2020
Low	0.191	0.280	0.194	0.067	8.51	12.10	7.26	2.50
High	0.335	0.385	0.465	0.225	14.18	14.80	17.98	8.10
End of period	0.191	0.335	0.405	0.196	8.80	14.00	15.52	7.21
Average	0.262	0.341	0.338	0.114	11.79	13.56	12.82	4.72

*Calendar Year basis

CALENDAR FOR FY2024 (MAY 2023 - APRIL 2024)

29 Aug 2023	FY2023 Annual General Meeting
7 Sep 2023	1Q FY2024 results announcement
13 Dec 2023	2Q FY2024 results announcement
13 Mar 2024	3Q FY2024 results announcement
26 Jun 2024	4Q FY2024 results announcement

From December onwards, the schedule is indicative and is subject to changes. The final dates will be announced about a week before the results announcement.

Del Monte Pacific's virtual AGM

RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK

The Del Monte Pacific Group (DMPL) has an established enterprise-wide risk management framework that sets out the governance structure to proactively manage risks, including financial, operational, information technology, compliance and sustainability risks in all levels of the organization, and mitigate the potential impact on people, the environment, corporate governance and performance.

The framework provides the following considerations for the Board with respect to its risk oversight responsibilities: strategy and goal setting, performance and value creation, governance and policies, culture and practices, communication and reporting.

RISK MANAGEMENT APPROACH

The Board, with the assistance of the Audit and Risk Committee (ARC), is responsible for the risk governance of the Group. The Board reviews the adequacy and effectiveness of the Group's risk management and internal controls system to safeguard shareholders' interests and the Group's assets. Internal controls are discussed under Principle 9, while the terms of reference of the ARC are outlined under Principle 10 of the Corporate Governance section of the Annual Report.

The Board reviews the principal risks as well as emerging risks. Based on their potential impact and probability, the top risks are mapped and categorized as critical, urgent or pre-emptive and are reviewed accordingly. The assessment of risks includes actions taken to date and further steps to mitigate the risks based on objectives, goals, strategies and measures, management concerned, timeline, an estimate of the potential impact, and an evaluation of whether the risks are rising or declining.

Risk assessment and mitigation are aligned with strategy and form an integral part of the annual planning and budgeting process. Risks are identified and managed to reduce the uncertainty associated with executing business strategies and to maximize opportunities that may arise. The Board believes that risk management provides the framework for management to assess risk and embrace a mindset of mitigation and resilience.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Group maintains an effective system of risk management and internal controls addressing financial, operational, compliance and information technology (IT) controls, and risk management policies and systems established by Management. These controls are designed to provide reasonable assurance as to the adequacy, effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

The adequacy and effectiveness of these controls are subject to a periodic review by the Group's Internal Audit department and monitored by the ARC. In addition, the Group's external auditors also review the effectiveness of the Group's key internal controls as part of their audit for the year with respect to financial reporting. Significant non-compliance in internal controls, if any, together with recommendations for improvement, is reported to the ARC. A copy of this report is also issued to the relevant department for follow-up action.

FINANCIAL AUTHORITY LIMITS

The Board has adopted a set of internal guidelines specifying matters requiring Board approval. These include approval of annual budgets and major investment proposals. Management is also given clear directions on matters, including set thresholds for certain operational matters relating to subsidiaries that require the Board's approval. Certain material corporate actions or material transactions that require the Board's approval include major transactions and investments exceeding certain thresholds and capital expenditure exceeding certain material limits, among others.

CODE OF BUSINESS ETHICS

Del Monte Pacific Limited has a Code of Business Ethics in place which sets out the principles and policies upon which businesses are conducted. It asks that the Group conduct its businesses in a manner which, in all reasonable circumstances, is above reproach. In line with this, the Company expects from all officers and employees the highest standards of business and personal ethics. Company employees must act with the utmost fairness and according to the highest moral principles when dealing with the Company's stakeholders – co-employees, customers, suppliers, shareholders, the government and surrounding communities. Employees are asked not to engage in activities that could conflict with those of the Company and have to answer a Conflict of Interest questionnaire annually. The Company abhors any form of corruption and bribery by its employees and suppliers. The policy is available on DMPL's website. (https://www.delmontepacific.com/corporate-governance/code-of-business-ethics)

The Group has a Human Rights Policy which embodies the responsibility of business to respect human rights in all aspects of its operations. DMPL expects its employees, suppliers and contractors to adhere to the same human rights principles. The Group does not tolerate human rights abuses and violations and shall enforce this zero tolerance policy for any human rights violations that its operations might come across. Del Monte recognizes an opportunity to promote human rights in the various areas where it makes positive contributions to society. The Group respects the legitimate role of civil society organizations and human rights defenders in promoting rights, and in working with businesses to prevent and mitigate human rights abuses.

WHISTLEBLOWER POLICY

The Company has a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices without fear of retaliation or reprisal and has designated the ARC to oversee whistleblowing reports that are investigated by Internal Audit and other relevant departments. A Whistleblower Policy has been in place since 2004 to promote the highest standards of business and personal ethics in the conduct of the Group's affairs. As representatives of the Group, officers and employees must uphold honesty and integrity, and strictly comply with all applicable laws, rules and regulations.

The said policy, with respect to which the ARC is responsible for oversight and monitoring, aims to deter and uncover corrupt, illegal, unethical, fraudulent practices or other conduct detrimental to the interest of the Group committed by officers and employees, as well as third parties, such as, but not limited to, suppliers and contractors. The Group encourages its officers, employees, suppliers and contractors to provide information about unsafe, unlawful, unethical, fraudulent or wasteful practices. The ARC and the officers who administer the policy do not disregard anonymous complaints.

This policy enables the Group to effectively deal with reports from whistleblowers in a manner that will protect the identity of the whistleblower and provide for the appropriate use of the information provided. It also establishes policies for protecting whistleblowers against reprisal by any person internal or external to the Company, and provides for the appropriate infrastructure, including the appointment of a Whistleblower Protection Officer and a Whistleblower Investigations Officer, as well as alternative means of reporting.

The Board, together with the ARC Chairman, has appointed the Group CFO as the Protection Officer and the Head of Internal Audit as the Investigations Officer to administer the Company's Whistleblower program.

For more information, please refer to the Corporate Governance section Principle 10 of this report.

RISK APPETITE

The risk appetite framework ensures that the Group's risk profile remains within tolerable boundaries as it maximizes opportunities. The risk appetite sets out the nature and extent of risks the Group is willing to take and capable to manage as it seeks to achieve its strategic and business objectives.

- The Group is committed to delivering value to our shareholders through sustainable growth
- Markets where it has brand ownership and competitive advantage are the main focus of expansion
- Innovation initiatives and new investments are in line with the Group's vision and strategic objectives
- Due diligence is undertaken for new investments to prevent potential losses that may have a significant impact
- Market, operational and technological risks are minimized
- Actions that may negatively affect reputation and brand image are avoided
- Compliance with laws and regulations, including those with respect to health and safety of people, the environment and good corporate governance, is a core principle
- Shareholder value creation is pursued while financial prudence is exercised

The risk appetite framework recognizes the importance of balancing risks and rewards to achieve the optimal level of risk that the Group can tolerate in its pursuit of its strategic, business and sustainability objectives.

The following are the principal risks and mitigation measures of the Group.

IMPACT \ PROBABILITY	Low	Medium	High
High	Urgent	Critical	Critical
Medium	Pre-emptive	Urgent	Critical
Low	Pre-emptive	Pre-emptive	Urgent

RISK MANAGEMENT

Principal Risk	Specific Risk We Face	Mitigation
Cost Increases and Inflationary Pressures	Del Monte Pacific Group's subsidiaries have experienced cost increases in raw materials, packaging and other inputs, including tin plate, raw produce, fuel and labor. Geo-political conflict, inflation, and supply chain challenges put pressure on the company's margins and working capital.	• Cost reduction initiatives, productivity improvements and price adjustment • Socialize inflationary cost increases with customers and private labels to mitigate the risk on price actions to address inflation • Expand plant direct shipment to minimize freight cost and explore giving incentives for customers who can pick-up their orders • Expand the global sourcing strategy • Collaborate value engineering initiatives with cross-functional teams • Renegotiate supplier contracts, vendor bidding and contracts by collaborating with a cross functional team and prioritize strategic sourcing • Rationalize trade spending where gross margins are not in accordance with strategy • Reduce conversion cost year-on-year • Optimize packaging base weight • Minimize increases in overhead spending
Leverage and Liquidity	The Group has availed loan facilities, resulting in a leveraged balance sheet. Risks arise if the Group is unable to service its interest and principal obligations in full and on time affecting its liquidity. This will also impact the Group's performance, cash flow and may breach the financial covenants set under the relevant loan facility.	• Improve cash flows through the following: › Improve working capital by reducing inventory › Monitor sales and selling, production levels, productivity enhancements and operational efficiencies › Move out of over-packed and surplus items › Generate more cash flow › Conduct monthly working capital and cash flow review / forecast › Pay down debt • Work with agent bank to increase the amount available to borrow under the Asset-Based Line of credit • Raise capital to repay debt
Supply Chain Optimization and Excellence	The Group entered into supply agreements with third-party co-manufacturers which are subject to a number of regulations. Unanticipated and unbudgeted cost increases on material, labor factory overheads, transportation, raw produce and tin plate cost exacerbate the risks. Lower cost may not be realized due to organization culture, resources and capabilities of co-manufacturers.	• Put in place new plant management with strong leadership and transformation skills in most locations • Implement a robust transformation program that instills ownership and accountability across the supply chain and support function to deliver the plans • Standardize and simplify processes and procedures where appropriate, and embed new processes and procedures to control supply and costs • Seek strategic partnerships with co-manufacturers to maximize production, introduce new capabilities, increase speed to market and find less seasonal options • Improve planning, forecasting and communication with Demand Planning and Sales to ensure products are at the distribution centers to meet customer demand • Address gaps during consolidation of production facilities and distribution centers • Optimize transportation rates through third parties • Maximize rail transportation to realize savings • Improve transportation planning and cross functional interaction between departments to optimize ocean freight • Monitor line losses, bill of material variances, and recovery yields • Conduct regular contract review to seek cost saving opportunities and assess creative ways to ensure labor availability during the pack season • Improve coordination and align deployment plans • Put in place a process with clear performance expectations and targets, and benchmarking per plant

Principal Risk	Specific Risk We Face	Mitigation
Cybersecurity and Optimization of Systems and Automation	Cyberattacks can disrupt operations by exploiting weaknesses in network devices and servers, corrupting information and stealing confidential data which can lead to financial losses, among others. New systems and systems enhancements are complex and resource intensive. Inability to realize return on investment on these new systems and system enhancements, security upgrades and management processes may hamper the Group's digitization and transformation.	• Address and monitor malicious activities identified by tools and routines that have been deployed by a dedicated Security Incident Monitoring and Operations Group • Provide alerts from applications and network hardware and put in place cadence and tools for security information and event monitoring • Conduct regular security patching for Windows, servers and computers • Put in place an incident response plan and team • Build and stabilize a high performance Information Technology organization and assess systems, processes, risks, and develop people resources • Initiate an IT Steering Committee to provide oversight • Implement weekly working sessions with business partner to improve coordination • Establish IT Governance to rationalize and prioritize systems enhancements and project demand funnel to focus on business value, protect the overall IT environment, and simplify and harmonize business processes • Implement digitization and transformation Initiatives and priorities: warehouse management system, sales and promotion planning, supply and demand planning, materials resource planning, procurement processes, raw produce and growers payables, supply chain metrics, and cybersecurity, among others
Efficient and Effective Processes	Efficient and effective processes ensure the Group makes sound business decisions, overcomes challenges and disruptions and sustains its growth and profitability. Certain processes are not reviewed and may be inconsistent and/or not optimized.	• Effective leaders were put in place in Sales, Operations, Information Technology, Supply Chain, Finance and plant management to drive results and improvements • Implement a more rigorous review process along with performance rating alignment to incentivize and reward results • Include cost reduction and improvement initiatives in employees' key objectives • Fix the basics, enhance process improvements and include functional goals in several departments • Adjust work flows to address changes in the organization • Use Information Technology and ERP functionality to drive process improvements • Reduce variations through a revised packaging strategy and assessment to eliminate complexity and waste • Update policies and responsibility assignment matrix
Product Supply	Insufficient product inventory to meet consumer demand may affect the Group's revenue and profitability. Permanent loss of shelf space and non-acceptance of new products are possible consequences. Adverse weather conditions and competing crops could limit raw product supply and increase prices. Pineapple tonnage brought about by climate change, pests and plant disease may affect our ability to meet our targets.	• Improve long run demand and supply planning capability • Improve weeks of supply to targeted levels • Supplement fresh pack supplies of certain vegetables with Individually Quick Frozen (IQF) • Develop alternate raw product sourcing and implement a global sourcing strategy • Extend the growing season to improve plant capacity and utilization • Identify alert pineapple fields • Intensify soil conservation measures • Sustain better root health thru Integrated Pest Management (IPM) Program • Install grub traps and fast-track alternative safe chemicals to control pest and disease • Implement plans to mitigate climate change and weather disturbances such as El Niño and La Niña

RISK MANAGEMENT

Principal Risk	Specific Risk We Face	Mitigation
Evolving Market Trends and Parameters of Commercial Excellence	The Group's results depend highly on the performance of our products in the categories where we compete. Inability to meet the plan may result to impairment of goodwill and the Group's ability to fund operations, manage obligations, and maintain its reputation. Volume loss due to price increases, reduced promotional and marketing activities, category growth assumptions, acceptance of new products, private labels, customer service and program execution are market challenges the Group needs to hurdle to deliver the objectives. Consumer preferences and purchasing habits have evolved after the pandemic. Dining trends are shifting to fresh, convenient products away from the center of store. Consumers have strong preference to healthy, nutritious and sustainably grown or produced products, especially the younger generation. E-commerce continues to grow even after the COVID-19 pandemic.	• Monitor and manage price gaps by tracking competitive price points • Implement SKU rationalization through brand recognition and quality to improve profitability and increase market share • Limit private labels to select strategic customers only in areas of excess capacity • Establish new capabilities to expand the Group's presence in growing channels such as e-commerce through online retail sites and convenience stores • Enhance relevance of existing portfolio and brands through consumer communication and marketing strategy • Increase trade funding to reinstate price gaps • Pursue profitable high margin bids • Enhance sales processes to improve forecasting and a new profit mindset to increase gross margin • Improve new products forecast accuracy from added knowledge from customers, velocities and marketing support needed • Monitor market trends and vaccine distribution leading to reopening of schools, offices and food service businesses • Implement a quarterly customer business review with executive management to address challenges • Identify categories and products that perform well • Minimize customer service issues • Drive distribution in new channels
Workforce Management **– Pack Planning** **– Employee Turnover**	In the U.S., seasonal labor is scarce and the minimum wage is high, especially in certain states. Capabilities and skills need to be sustainable. Wages including overtime and training cost increases need to be addressed. While there is an increase in the number of workers re-entering the workforce, challenges abound in keeping seasonal employees and work on the scheduled pack season. In some plants, the high turnover rate impacts the facility's ability to fully staff the operations especially during peak seasons.	• Provide standardized pack season incentives and help share recruiting resources • Implement seasonal labor wage increase and close the wage gap between certain facilities • Use of technology as part of pre-pack planning by sending out communication to engage with recall candidates and inform them of upcoming recall events • Explore housing options for seasonal employees instead of providing hotel rooms and monthly stipend • Collaborate with Talent Acquisition in holding recall events through various job fairs • Use of technology solution for a wider reach of candidates in addition to the in-house teams • Redesign the onboarding experience for seasonal employees • Put in place a retention strategy to address employee experience and create a Great Place to Work culture • Provide a structured training program • Automate packaging process, reallocate headcount to another production process to optimize productivity • Modify the production plan and use the demand to ensure productive continuity of the manufacturing facilities and ensure work is available all year round

Principal Risk	Specific Risk We Face	Mitigation
Recruitment and Retention of Talent	The Group's capability to recruit and retain diverse talents has an impact on the execution of the strategic plan and is critical in enhancing organization's success. Employees' demand for flexible work arrangements and work-life balance are key considerations especially with the Gen Z's. Organizational changes can cause employee fatigue, increase workload and job uncertainty.	• Recruit and retain talents who can execute corporate strategies: › Continue to pull the New Employee Value Proposition through all internal and external channels › Rebrand Careers Website as well as Talent Network to generate candidate pipelines › Reduce usage of external recruitment search partners and agencies › Enforce and monitor measurable functional goals • Continue the positive momentum on corporate inclusion and diversity › Increase frequency of Diversity, Equity and Inclusion events and recognitions through the employee resource groups › Execute current Great Place to Work action plans, launch a new survey, communicate results and update action plans › Create awareness, and improve work culture and retention › Increase focus on recognition platforms › Showcase employee resource groups in the careers website to encourage diverse candidates to apply › Strengthen relationships to broadcast job openings to diversity groups and diversity job boards › Launch the alumni page to encourage boomerang employees and promote an inclusive culture › Maintain 100 score and ranking as a "Best Place to Work for LGBTQ+" in Human Rights Foundation's Corporate Equality Index • Manage the effects of the Great Resignation and gig economy impact › Register as an employer in additional states to find the right talent › Consider Gen Z's preference for flexible work arrangements and work-life balance consideration
Third Party Risks	The Group has strategic relationships with a number of key third parties, including certain large suppliers and trade customers, among others. The frequency and scale of use and sale by the company raises regulatory expectations as to how organizations manage third party risks. These third parties include packaging suppliers, co-manufacturers and co-packers, global sourcing partners, accounting and IT partners and outsourced transportation. The Group may not have the tools, guidance and time to effectively manage and monitor third-party risks. Ongoing monitoring, risk assessment and communication may not be effective to elevate third-party risks to the leadership.	• Ensure secondary or back-up suppliers are in place or pursued where business continuity or relationship risks have a material impact to the Group • Negotiate a win-win approach for long-term relationship • Conduct regular contract review for opportunities to save on cost • Perform a risk assessment of key strategic partners and communicate the risks and action plans • Implement a robust due diligence process for new or significant third parties • Consider a third party due diligence vendor for broader and deeper due diligence process • Conduct quarterly business reviews with clear key performance indicators addressing our priorities • Implement regular benchmarking to measure competitiveness

RISK MANAGEMENT

Principal Risk	Specific Risk We Face	Mitigation
Operations	As an integrated producer of packaged, frozen and fresh fruit products for the world market, the Group's earnings are inevitably subject to certain other risk factors, which include general economic, market and business conditions, change in business strategy or development plans, international business operations, production efficiencies, input costs and availability, disruption of logistics and transportation facilities, obsolescence, litigious counterparties, insurgent activities, virulent disease, and changes in government regulations, including environmental regulations.	• Execute a long-term strategic plan and Annual Operating Plan with clear targets and accountabilities, supported by a BCP, risk management and a corporate sustainability program • Enhance relevance of existing products across key brands and segments through marketing strategy and consumer communication • Implement price adjustments to cover cost inflation • Rationalize low margin products • Optimize packing operations, procurement, logistics and transportation cost • Pursue productivity-enhancing and efficiency-generating work practices and capital projects • Continue to comply with new legislations on the environment, taxation and labor that affect operations and proactively develop strategies to reduce the impact of these regulations • Manage security risks in operating units by strengthening security measures and improving stakeholder relations in local communities
Environmental Risks	Production output is subject to certain risk factors relating to weather conditions, calamities, crop yields, crop diseases, contract growers and service providers' performance, leasehold arrangements and changes in regulations. There is no assurance that climate change and/or weather disturbances will not materially disrupt the Group's business operations in the future or that the Group is fully capable to deal with these situations with respect to all the damages and economic losses resulting from these risks. New regulations in packaging format, recyclability of materials or packaging taxes may increase product cost.	• The Group develops and executes a long-term strategic plan and Annual Operating Plan, supported by risk mitigation measures • The Group also has disaster recovery plans and a Business Continuity Plan in place • The Group has Good Agricultural Practices and Rainforest Alliance certification, and complies with agricultural standards • Develop initiatives to mitigate climate change, weather disturbances and changing weather patterns • Implement carbon emissions reduction strategies and projects › Increase renewable energy projects by implementing solar power › Conduct soil conservation initiatives › Adopt regenerative, and sustainable farming and manufacturing practices › Harness technology to increase farm yields, productivity and safety › Reduce practices that could adversely affect the environment and biodiversity • Develop a strategic plan to address possible changes in regulations on sustainable packaging • Implement phase-out program for hazardous materials through replacement with alternative sustainable materials • Conduct safety training drills and chemical handling training which covers earthquake, firefighting , evacuation, medical response and chemical response drills • Work with insurance brokers to assess the risk exposure and secure adequate insurance coverage, if cost effective
Innovation Challenges	The Group's branded business in the US, the Philippines and the Indian subcontinent through Del Monte and other brands, and in Asia and the Middle East through the S&W brand, is affected by evolving consumer preferences and trends. Product innovation is one of the Group's strategic pillars. The success of new product launches is a major driver to achieve the Group's strategic plan.	• Develop new products that capitalize on category trends, especially health and wellness, and generate sales • Ensure new product launches and platform criteria are met to improve likelihood of new product success and breakthrough by implementing the following measures: › Shift to branded, value-added and packaged products and limit private label business › Leverage brand heritage for growth and position new products that address consumer needs and preferences › Fast track innovation projects that have oversight from the Executive Leadership Team › Prioritize effective execution and project management to improve margins, profitability and cash flow

Principal Risk	Specific Risk We Face	Mitigation
Occupational Health and Safety	Lost work days due to accidents in the workplace can have a huge impact on the business. DMPL may experience loss of productivity, reduction of sales, low staff morale and loss of reputation. The effects of medical outbreaks of infectious diseases, such as the coronavirus, could affect business and results of operations. The Group may experience volatility in demand for and supply of our products due to supply chain challenges, lockdown restrictions, closing of businesses and unemployment, among others. Accidents and infectious diseases pose a risk to our employees' health and well-being and may reduce employee productivity due to lost work days, illness and government restrictions.	• Comply with the Department of Labor and Employment regulation on Occupational Health and Safety of employees by promoting health and safety programs to prevent accidents in the workplace › Monitor recordable injuries, work-related illnesses, high-consequence injuries, and fatalities especially those who are considered as high risks › Conduct safety training to all workers and ensure safety officers are on site to monitor any incidence of unsafe acts or unsafe conditions in the workplace › Comply with government regulation on setting-up a properly equipped medical clinic based on the number of employees in a facility › Procure the services of a third-party nurse and/or doctor who can provide first-aid and attend to employees' medical emergencies and condition › Provide first aid training to key personnel • Implement safeguards and protocols to minimize operational disruption, due to infectious diseases while adhering to government regulations on health and safety: › Implement guidelines of global and national health agencies, including the Department of Health (DOH) and Department of Labor and Employment (DOLE) to protect our employees › Mandate annual physical examination for all employees › Partner with third party medical providers to conduct health examinations and monitor employee health › Monitor new and emerging infectious disease and its health risks › In case of medical outbreaks, implement various health and safety protocols as required by the DOH and/or the DOLE › Provide hybrid work arrangement and technology support for employees to have continuous access to the ERP network, videoconferencing facilities, online applications, emails and files • Promote health, wellness and nutrition to employees to provide added health protection, increase resistance and immunity when medical outbreaks occur › Conduct learning sessions and training programs for employees to attain a healthy lifestyle › Encourage consumption of a healthy and nutritious diet

OUR SIX SUSTAINABILITY PILLARS

OUR VISION:

NOURISHING FAMILIES. ENRICHING LIVES. EVERY DAY.

Sustaining Growth

- Market leader with iconic brands
- Essential food industry to address consumer needs

Nourishing Consumers

- Plant-based products
- Healthy and nutritious products

Strengthening Governance

- Majority of 4 Independent Directors
- 2022 Best Managed Board (Silver) Singapore Corporate Award

Nurturing Employees

- 40% women leaders in senior management
- 11,000 full-time and seasonal employees

Preserving Nature

- Pineapple operations certified as carbon negative
- 665k trees planted to date

Developing Communities

- 32k medical and dental patients served
- 200k people nourished during the year

KEY SUSTAINABILITY GOALS

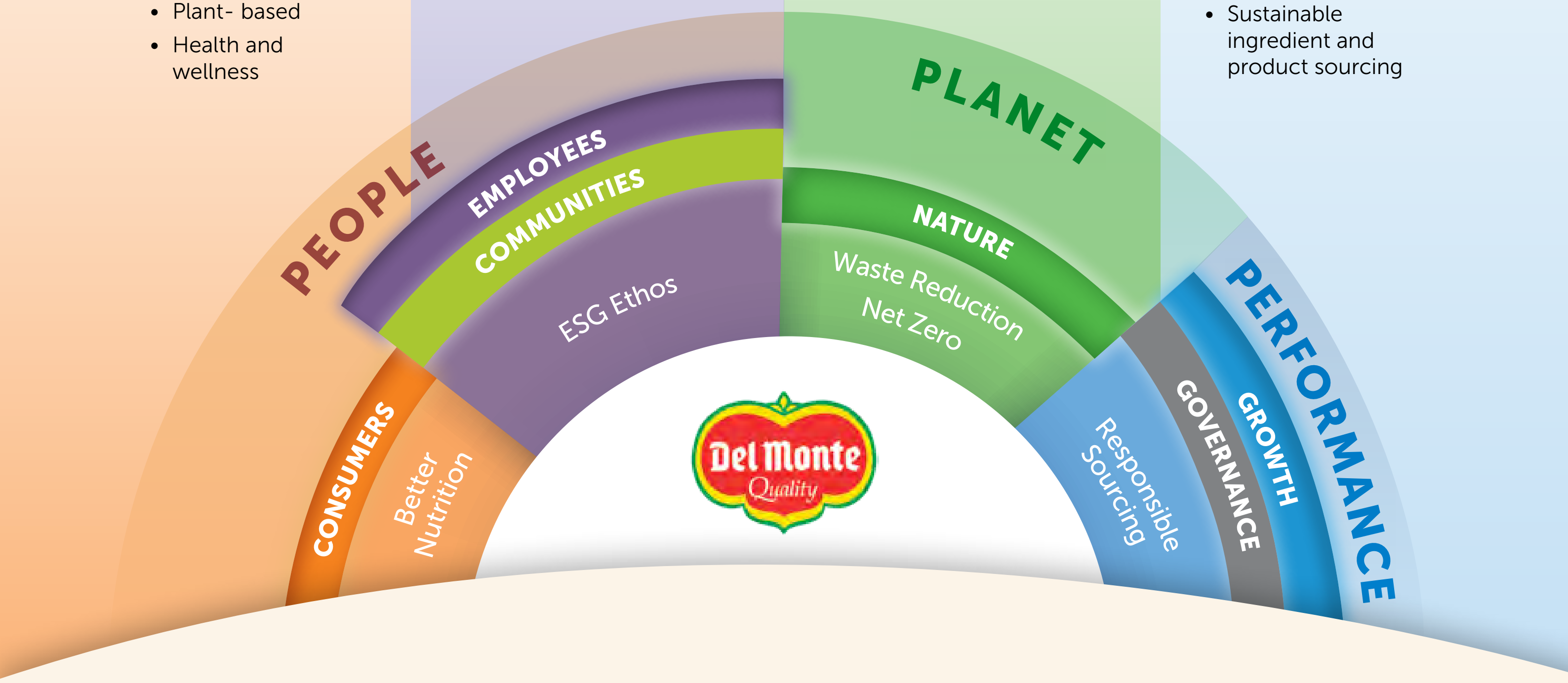
BETTER NUTRITION
- More nutritious products
- Product innovation and renovation with more positive nutrients
- Reduced sugar and sodium
- Plant- based
- Health and wellness

ESG ETHOS
- Environmental, Social, Governance corporate culture
- Sustainability goals
- Employee engagement, well-being
- Diversity, equality, inclusion
- Community development

WASTE REDUCTION
- Reduce wastage from production to distribution
- Manage material usage
- Plastic solution
- Recycle, reuse and repurpose
- Lower environmental impact

NET ZERO
- Net zero carbon emissions by 2050
- Pineapple operations negative carbon footprint
- Renewable energy
- Sustainable agriculture, manufacturing and supply chain

RESPONSIBLE SOURCING
- Supplier code of conduct adherence
- Environmental and social compliance
- Sustainability programs of suppliers
- Sustainable ingredient and product sourcing

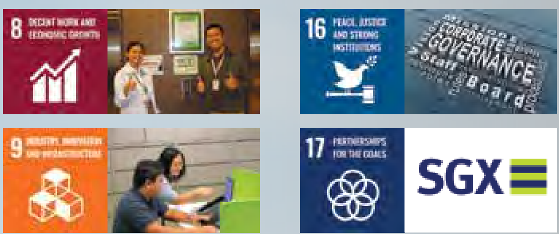


OUR SUSTAINABILITY GOALS ARE ALIGNED WITH THE UN SUSTAINABLE DEVELOPMENT GOALS.

DMPL'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

SUSTAINING GROWTH

STRENGTHENING GOVERNANCE



PRESERVING NATURE

NOURISHING CONSUMERS

NURTURING EMPLOYEES

DEVELOPING COMMUNITIES

DMPL'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

UN SDGs	Description	DMPL's Position	Contribution to the SDGs	Linked to
1 NO POVERTY	**Goal 1: No Poverty** End Poverty in all its forms everywhere	DMPL Group strives to uplift the lives of poor families by providing employment to people in communities where we operate	• About **6,300** full-time and **4,700** seasonal employees, and **17,700** service providers in Del Monte Philippines, Inc. (DMPI) are paid the minimum wage or above • In the US, Del Monte Foods, Inc. (DMFI) meets the **living wage** in each of our major operating areas based on the Massachusetts Institute of Technology definition	GRI 13.21
2 ZERO HUNGER	**Goal 2: No Hunger** End hunger, achieve food security and improved nutrition and promote sustainable agriculture	DMPL implements sustainable agricultural practices to increase productivity and production, help maintain ecosystems, adapt processes to combat climate change and reduce soil erosion to 10 metric tons per hectare annually	• DMFI works with growers and the **Stewardship Index of Specialty Crops (SISC)** to implement sustainable farming practices and ensure stable crop yields • DMFI and its growers use **CropTrak™** software to track various data including sustainability • DMPI manages soil health through various sustainable practices • DMPI has a **Smart Farm Roadmap** that uses big data analytics, to harness technology in farm management	GRI 13.9 GRI 13.10 Task Force on Climate-Related Financial Disclosure (TCFD) GlobalG.A.P.
3 GOOD HEALTH AND WELL-BEING	**Goal 3: Good Health and Well-Being** Ensure healthy lives and promote well-being for all at all ages	As a food and beverage company, DMPL is committed to **'Better Nutrition'** to promote health and well-being of people	• In FY2023, DMPI reduced sugar and sodium by an average of **8.5%** and **7.0%**, respectively • **80%** of Del Monte products in the Philippines provide better nutrition based on a global nutrition profile system • Over **32,200 patients** were served by the Foundation's Mobile Clinic during the fiscal year	GRI 13.10 GRI 13.12
4 QUALITY EDUCATION	**Goal 4: Quality Education** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	DMPL ensures equal opportunity for employees to develop their skills through training courses for all women and men, and provide communities with access to proper education and skills training through the Del Monte Foundation	• Provided training to DMPL employees: › **12.0 average training** hours for male › **10.0 average training** hours for female • The Foundation supported **300 scholars** from high school to college levels during the school year 2022-2023 • In partnership with TESDA, **160** women, out-of-school, unemployed heads of families and farmers were provided with technical skills training such as dressmaking, defensive driving, and organic farming • **80 Indigenous Peoples families** participated in the Citronella Growing Project of the Foundation in Talakag, Bukidnon	GRI 13.15 GRI 13.12

UN SDGs	Description	DMPL's Position	Contribution to the SDGs	Linked to
	Goal 5: Gender Equality Achieve gender equality and empower all women and girls	The Group promotes a diverse workforce of women and men, provides equitable livelihood opportunities, and ensures women are given equal opportunities for leadership roles at all levels	• **40%** of the Group's senior management team are women • Workforce gender ratio: **63% men, 37% women** • DMPL provides equal opportunity for men, women, LGBTQ+ for vacant job postings • Del Monte Foods, Inc. received a **score of 100** on the Human Rights Campaign Foundation's 2022 Corporate Equality Index annual assessment and was designated as one of the **Best Places to Work for LGBTQ+ Equality**	GRI 13.15
	Goal 6: Clean Water and Sanitation Ensure water availability and sustainable management of water and sanitation for all	DMPL pledges to provide clean drinking water, adequate sewage disposal, and access to clean, safe water and sanitation	• The Foundation implemented water system projects to provide water access and availability to **290 families** in two locations in Bukidnon • In partnership with the local government units and a private NGO, **312 families** improved their sanitation and hygiene through the Foundation's toilet construction project	GRI 13.12
	Goal 7: Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all	The Group commits to increase usage of renewable energy, and optimize efficiency across energy sources in its operations	• In the US, Del Monte's solar panels in Hanford produced **401 megawatt-hours** of electricity • DMPI's waste-to-energy facility contributed **20% of the electricity** of the cannery contributing to its carbon emissions reduction	GRI 13.1
	Goal 8: Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	DMPL commits to protect labor rights, the right to freedom of association, and promote safe and secure working environments for all workers	• **79% of DMPI Mindanao-based employees** are members of an Employee Union • **73% of full-time and seasonal workers** in DMFI are union members • **100 % of Cabuyao-based employees** in the Bottling Plant are members of an Employees Council	GRI 13.18
	Goal 9: Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	The Group advocates inclusive growth by providing opportunities for small and medium enterprises as part of **'Responsible Sourcing'**, promotes innovation, leverages technology to improve production efficiency and infrastructure	• About **60% of DMPI suppliers** are small and medium enterprises supplying various products and services – e.g. papaya outgrowers, service providers, Nata de Coco supplier and wooden pallets supplier • New product innovations contributed **9% of total Group sales**	GRI 13.22

DMPL'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

UN SDGs	Description	DMPL's Position	Contribution to the SDGs	Linked to
	Goal 10: Reduced Inequalities Reduce inequality within and among countries	DMPL's Human Rights policy and Supplier Code of Conduct promote respect for human rights, and provide equal opportunity for all genders	• DMPL has a Code of Business Ethics which serves as a guide for its close to **6,300 full time** employees in the US and the Philippines, and about **4,700 seasonal workers** in the US • Del Monte has Data Privacy, and a Policy and Data Relating to Health, Safety and Welfare of Employees that ensures employees are not discriminated on the grounds of nationality, ethnic group, religion, age and gender	GRI 13.15 13.20
	Goal 11: Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable	Provide employees and communities with a safe and sustainable living environment	• Del Monte in the Philippines provides close to **1,400 houses and 50 dormitories** for plantation workers • The **camp sites** around the plantation, where DMPI employees and their families reside, have schools, churches and sports facilities	GRI 13.22
	Goal 12: Responsible Consumption and Production Ensure sustainable consumption and production patterns	The Group implements **'Waste Reduction'** in its operations through material reduction, recycling, reuse and repurposing, and promotion of clean emissions and effluent	• DMFI's paper-based products are **100 percent certified by** Sustainable Forestry Initiative® or Forest Stewardship Council® • DMFI received **five Upcycled Certified™ recognition from Upcycled Food Association** by transforming surplus ingredients into new, high-quality products • Del Monte in the US re-diverted more than **25 million pounds** of food from landfills through a upcycling and food donations • DMPI reduced rigid plastic bottles and caps material usage by **9%**, tin cans by **7%** and stand-up pouches by **4%**	GRI 13.8
	Goal 13: Climate Action Take urgent action to combat climate change and its impacts	DMPL commits to **'Net Zero Carbon Emissions'** by reducing its greenhouse gas emissions in its operations and implementing climate change risk mitigation including renewable energy and reforestation	• Del Monte Pacific Limited commits to achieving **net-zero emissions by 2050** • Both DMFI and DMPI are measuring their carbon emissions to include **scope 3** upstream and downstream GHG emissions • Del Monte Foundation embarked on a multipartite agreement for **bamboo-growing** at the riverbanks and slopes of the Bubonawan watershed in Mt. Kitanglad to protect the watershed, prevent soil erosion and provide livelihood for Indigenous People	GRI 13.1 GRI 13.2 GRI 13.4
	Goal 14: Life Below Water Conserve and sustainably use the oceans, seas and marine resources for sustainable development	The Group commits to protect marine and coastal ecosystems to avoid significant adverse impacts, and take action to conserve marine life by treating waste that goes to waterways	• Through the wastewater-to-energy facility, DMPI cleansed its Bugo facility water discharge at Macajalar Bay which has Biochemical Oxygen Demand levels better than government mandated **100mg /liter** • **2% reduction** in the Group's Water Use Ratio in FY23 vs. FY22	GRI 13.7

UN SDGs	Description	DMPL's Position	Contribution to the SDGs	Linked to
	Goal 15: Life on Land Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	DMPL commits to protect biodiversity through sustainable agricultural practices and reforestation, and promote environmental stewardship of natural resources	• **35,000 trees** were collectively planted by the Foundation and its partners for reforestation and soil conservation purposes • The Foundation continues its **7-hectare agro forestry project** in Mt. Kitanglad with the indigenous community that grows coffee and bamboo for livelihood in order to protect the forest from denudation • Del Monte Foundation and the Environment and Natural Resources Office of a locality in Bukidnon collaborated to rehabilitate the mangroves in coastal areas through a **Mangrove Tree Growing Project**	GHG 13.1 GHG 13.3 GHG 13.13
	Goal 16: Peace, Justice and Strong Institutions Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Part of DMPL's **'ESG Ethos'** is to uphold good governance, eliminate corruption and bribery in all its forms and promote industrial peace	• DMFI provides **anti-corruption training** biennially to management and certain personnel that interact with government officials • DMPI has a stringent **policy against fraud and corruption** through the Code of Business Ethics, supplemented by the Employee Code of Conduct and Supplier Code of Conduct, which helps employees and business partners to have harmonious business relationships • DMPL's employees, suppliers and contractors should adhere to its **Human Rights policy and Supplier Code of Conduct**	GRI 13.15 GRI 13.16 GRI 13.17
	Goal 17: Partnerships for the Goals Strengthen the means of implementation and revitalize the Global Partnerships for Sustainable Development	Del Monte Pacific pursues global partnerships with stakeholders for sustainable development	• The Group **engages stakeholders** such as Feeding America, Upcycled Food Coalition, SBTi, Rise Against Hunger, Packaging Institute of the Philippines and the Philippine Chamber of Food Manufacturers, Inc. as partners in the Group's sustainability goals	GRI 13.9

CLIMATE-RELATED REPORT

Peach orchard in Northwest Valley

INTRODUCTION

Del Monte Pacific's (DMPL) climate-related report outlines actual and potential impacts on our business, as well as opportunities and strategies to mitigate risks. DMPL adapts to the evolving climate change and adjusts its mitigation strategies accordingly.

The company's operations have experienced first-hand how climate change has impacted its operations such as water stress in the US, drought caused by El Niño, and heavy rainfall due to La Niña in the Philippines. Del Monte in the Philippines also experienced more frequent typhoons in recent years.

DMPL commits to net-zero carbon emissions goals by 2050. The goal is to reduce scopes 1, 2 and 3 carbon emissions and support the call to limit the rising of the global temperature. Del Monte Foods, Inc. (DMFI) has registered with the Science Based Targets Initiative (SBTi) to align with its net zero standards and define a measurable path not only to the net-zero emissions goal, but also to drive near-term, consistent progress for reducing emissions across the supply chain versus specific 2030 emissions reduction targets as aligned with SBTi criteria. Del Monte Philippines, Inc. (DMPI) is expanding its scope 3 GHG emissions report to include emissions of our toll packers, top suppliers, transportation and logistics service providers.

The Group will pursue opportunities to reduce its carbon emissions. DMPL will work with its value chain, suppliers, third party manufacturers and customers to develop a glide path to net-zero emissions and report on progress against these goals.

DMPL developed its metrics and targets with various stakeholders based on an assessment and understanding of its climate-related risks. Under different climate scenarios, the Group will update its strategies, mitigate risks and implement opportunities. DMPL will integrate these assessments into the Group's strategic planning and enterprise risk management frameworks to ensure it adapts to climate change.

GOVERNANCE

Board Oversight

DMPL is committed to high standards of corporate governance and supports the principles of openness, integrity and accountability advocated by the Singapore Exchange Securities Trading Limited (SGX-ST), and similarly upheld by the Philippine Stock Exchange, Inc. (PSE) and the Philippine Securities and Exchange Commission (SEC). The Board of Directors and Management are also committed to uphold the Company's governance framework.

DMPL's governance on climate change is evolving. Management is responsible for overseeing the Group's risks across functions. Risk assessment and mitigation are aligned with the Group's strategy and form an integral part of the annual business planning and budgeting process. Climate-related risks and its impact on DMPL's business have been part of the Company's risk assessment.

THE BOARD OF DIRECTORS AND MANAGEMENT

Sustainability is part of the Board's agenda at least twice a year. The Board approves the Group's sustainability objectives, goals and projects which include, among others, climate-related projects. The Board also oversees their progress and disclosures in the Annual Report and Sustainability Report.

Management is responsible for overseeing the Group's risks across functions. Risk assessment and mitigation are aligned with the Group's strategy and form an integral part of the annual business planning and budgeting process.

CHIEF CORPORATE OFFICER

Leads the sustainability agenda of the Group and updates the Board and management on sustainability goals and projects.

SUSTAINABILITY TEAM

Provides direction and supports the sustainability initiatives of different departments, follows up their goals and progress. The sustainability team updates the Board and also reviews the Risk Management report for the Board. The leadership team has been tasked by the Board to include ESG-related goals and KPIs in their annual performance goals.

NOMINATING AND GOVERNANCE COMMITTEE

Headed by an independent director, tasked with ensuring compliance with and proper observance of corporate governance principles and practices

AUDIT AND RISK COMMITTEE

Reviews climate-related risks quarterly as part of the Risk Management report on principal risks. Risk assessment and evaluation is an integral part of the Annual Operating Plan. Identified risks are also included and monitored in the corporate risk register, and mitigating measures are followed up with the relevant stakeholders.

Next Steps

We have engaged an independent third party firm to conduct a materiality assessment of the company's material topics, including climate change. DMPL will continue to benchmark with the best practices of leading organizations, engage experts on climate change, and include climate-related challenges in decision making on strategy and performance objectives.

STRATEGY AND RISK MANAGEMENT

Scenario Analysis

Part of strategy development is to use scenario analysis of possible outcomes brought about by climate change. Scenario analysis can aid companies as a tool for strategic planning and risk management. The Company engaged an external firm to conduct a climate scenario analysis of our operations in Mindanao, Philippines. The results will form part of the Group's climate-related risks and opportunities which we will report on next fiscal year.

Task Force on Climate-Related Financial Disclosures (TCFD) requires companies to assess their resilience under different external conditions. Companies can use the Intergovernmental Panel on Climate Change (IPCC) and the Representative Concentration Pathway (RCP) on greenhouse gas emissions using climate model simulations to

Pineapple operations certified carbon negative project their consequences. The information published by the IPCC assessment report on the scientific, technological, environmental, economic and social aspects of mitigation of climate change can be used.

Risks are classified as physical or transition risks. Physical risks relate to the physical impact of climate change such as extreme weather conditions, e.g. drought, heat waves, extreme heavy rainfall and water stress, and chronic longer-term climate shifts, e.g. rising sea levels and sustained high temperatures. Transition risks relate to shifts in the policy, technology, social and economic landscape that are likely to occur in the transition to a low carbon economy. Companies need to assess the potential impact of these risks, and the strategies and timeline to mitigate these risks.

Climate-related Risks in the US

Del Monte Foods, Inc. (DMFI), a subsidiary of DMPL, operates eight manufacturing facilities in North America focused on the canning of vegetables and fruits. Vegetable plants are located in Washington and Wisconsin, while fruit plants are located in California, Washington, and Mexico, and one tomato plant is located in California.

DMFI has a seasonal production cycle that generally runs between the months of June and October. This seasonal production primarily relates to the majority of processed vegetable, fruit and tomato products. The seasonal nature of DMFI's fresh harvest leaves the company vulnerable to extreme weather events that could affect crop development or crop harvest as there is only one main season per year that we are able to source our raw materials.

Climate change poses a risk to the business as weather patterns across the United States and Mexico have changed since the company started its operations in its growing areas. Wind storms, droughts, extreme heat, and extreme rainfall are increasing in these areas, which may affect agricultural output and the operations of production facilities.

Pear Orchard Bloom in the US

DMFI has been adapting its agricultural procurement practices to address potential disruptions caused by changing weather conditions, which may result in higher cost of operations, decreased production output and profitability. The Company has implemented various measures to protect itself from the business impacts of climate change.

While DMFI implements these measures, monitors situations of weather disturbances and executes its mitigating plans accordingly, the Company is not able to eliminate the risks relating to the exposure of the agricultural sector to fluctuations in weather conditions.

DMFI Mitigating Measures against Climate Change
Breed seeds for peas, beans, corn, and spinach to exhibit beneficial characteristics such as high yield, hardiness, and pest-resistance which increases their resilience to chronic climate-related events and changing climatic zones, such as drought and increasing pest pressures.
Issue monthly crop reports monthly during planting and harvesting seasons detailing how weather events affect the quality and recovery of contracted crops, and to manage raw product inventory.
Source raw materials from a number of regions instead of a single region and have back-up procurement on hand.
Embark on an irrigation optimization project with growers, other food processors, and the California Tomato Growers Association to optimize water use while maintaining crop productivity, thus lessening the strain of drought.
Install a combined heat and power system, selective catalytic reduction unit, condensing economizer, and backpressure turbine generator in the boiler system of its Modesto, California facility that cut natural gas use by 20%.
Implement lighting, compressed air, and other electric efficiency upgrades that reduced energy use by 12%.
Purchase a previously leased solar power generation installation in Hanford, California to reduce our energy bills and emissions.
Work with growers to mitigate their GHG emissions and manage their water use.

Climate-related Risks in the Philippines

DMPI, a subsidiary of Del Monte Pacific Limited, operates a 28,000-hectare pineapple plantation in Bukidnon and Misamis Oriental, Philippines and a Processing Plant in Bugo, Cagayan de Oro City. Pineapple-related products account for a large component of the Company's total production and revenue, and pineapples comprise the Company's main crop. About 66% of DMPI's total revenue is from the sale of pineapple-related products sourced from its Mindanao plantation.

DMPI's business is susceptible to natural phenomena, such as weather disturbances and other natural disasters. The Philippines, which is located along the Pacific Ring of Fire and a typhoon belt, experienced a number of major natural catastrophes over the past years, including typhoons, volcanic eruptions, earthquakes, tsunamis, mudslides, fires, droughts and floods related to El Niño and La Niña weather event, respectively. DMPI's plantations are located in northern Mindanao, which is outside the typhoon belt and earthquake faults. The plantations are located on a high elevation which minimizes the risk of flooding. However, there is no assurance that natural catastrophes will not materially disrupt the Company's business operations in the future.

Climate change poses a risk to the business as weather patterns in Mindanao have changed since the Company started its operations in the area. The occurrence of droughts, typhoons and flooding is increasing in Bukidnon and Cagayan de Oro, which may affect agricultural output and the operations of the Bugo Processing and Production Facility. DMPI has been adapting its agricultural and production practices to address disruptions caused by changing weather conditions, which may result in decreased production output, higher cost of operations, and lower profitability.

DMPI Mitigating Measures against Climate Change
Continuous enforcement of land preparation activities, soil management practices and reinforcing root health, among others.
Implement Seed-to-Mouth program and strictly comply with good agricultural and manufacturing practices.
Manage the potential impact from drought or heavy rainfall and floods by planting crops on various locations over a large area to minimize tonnage loss.
Use backhoes and wheel tractors as towing units for continuity of harvest during wet conditions.
Implement the Business Continuity and Disaster Recovery Plans to mitigate the effects of environmental incidents such as El Niño and La Niña.
Use Unmanned Aerial Vehicles (drones) to monitor crop health and enhance field design.
Employ proactive cost management across the plantation operations to reduce higher pineapple cost resulting form climate-related risks.
Insure potential damage and economic loss resulting from climate-related catastrophes through a business interruption insurance.

Pineapple field in the Philippines

CLIMATE-RELATED REPORT

RISK MANAGEMENT

IMPACT \ PROBABILITY	Low	Medium	High
High	Urgent	Critical	Critical
Medium	Pre-emptive	Urgent	Critical
Low	Pre-emptive	Pre-emptive	Urgent

While DMPI implements these measures, monitors weather disturbances and executes its mitigating plans accordingly, the Company is not able to eliminate the risks relating to the exposure of the plantation to fluctuations in climate conditions.

As a food and beverage company, climate change is a key risk that can impact our business. The Group has a Risk Management framework to assess all types of business risks.

Risk Management is a fundamental part of Del Monte Pacific Limited's processes and planning. Our risk management process is based on industry best practices and provides the principles and guidelines in managing risks.

The Board believes that risk management provides the framework for management to assess climate-related risks and embrace a mindset of resilience. The Group identifies and manages climate-related risks to reduce the uncertainty associated with executing our business strategies and to maximize opportunities that may arise. Climate risks can take various forms and can have material adverse impact on our operations, human resources and financial performance. Mitigating measures are implemented to address these risks.

DMPL's Risk Management framework helps in incorporating climate-related risks and opportunities into our business strategies efficiently. As more data, studies and insights become available, the Group will continue to refine our risk assessment framework.

METRICS AND TARGETS

Del Monte Pacific Limited has set environmental, social and governance goals for the Company. The Group strives toward its ambition to reduce its environmental impact. Our focus is on safeguarding the environment by mitigating the risk of climate change, managing water use and reducing waste. The Group measures and discloses these three focus areas, and other metrics and targets in our operations.

DMPL commits to net-zero emissions goals by 2050. The goal is to reduce scopes 1, 2 and 3 carbon emissions and support the call to limit the rising of the global temperature.

The Group will continue to enhance its metrics and targets and develop a roadmap to our net-zero emissions target by 2050. DMPL will work closely with key stakeholders to identify and measure emissions, and explore best practices in using analytics and digitalization to enhance accountability, transparency and decision-making.

DMPL is committed to setting climate goals for a *healthier planet, healthier produce and healthier people*. The Group's business depends on responsible stewardship of nature, the source of our produce. Part of this responsibility is to ensure we reduce our net carbon emissions. Del Monte continues to invest in the present to sustain our future.

Tomato field in California, USA

CORPORATE GOVERNANCE REPORT

SUMMARY OF DISCLOSURE

Pursuant to Rule 710 of the Listing Manual, the table on Summary of Disclosures below describes our corporate governance practices with specific reference to the principles and provisions of the Code.

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CORPORATE GOVERNANCE REPORT

Del Monte Pacific Limited (Company or DMPL) is committed to the highest standards of corporate governance and supports the principles of openness, integrity and accountability promoted by the Singapore Exchange Securities Trading Limited (SGX-ST), and similarly upheld by The Philippine Stock Exchange, Inc. (PSE) and the Philippine Securities and Exchange Commission (SEC).

The Board of Directors (Board) and Management are also committed to use their best endeavors to align the Company's governance framework with the recommendations of the 2018 Code of Corporate Governance issued on 6 August 2018 by the Monetary Authority of Singapore (MAS) (2018 Code) and the SEC Code of Corporate Governance for Publicly Listed Companies which took effect on 1 January 2017 (SEC CG Code), as well as the Singapore Governance and Transparency Index (SGTI) and the ASEAN Corporate Governance Scorecard (ACGS).

The Company confirms that it has adhered to the principles and provisions set out in the 2018 Code and principles and recommendations set out in the SEC CG Code, where applicable, and has identified and explained areas of non-adherence in this report (Report).

This Report describes the Company's corporate governance policies and practices with specific reference made to each of the principles and provisions of the 2018 Code in compliance with the Listing Manual of the SGX-ST (Listing Manual).

BOARD MATTERS

Principle 1
The Board's Conduct of Affairs

The Board oversees Management and ensures that the long-term interests of the Company's shareholders are served.

The Board provides entrepreneurial leadership and sets the strategic direction for the Company which includes sustainability matters. A section of the Company's Sustainability Report can be found in the "Sustainability" section of this Annual Report. (The complete Sustainability Report is available for download from www.delmontepacific.com and upon request starting August 2023).

The Board is responsible for the overall policies and integrity of the Group to ensure success. The Board, among other things, reviews on an annual basis: (i) the vision and mission of the Company; and (ii) Management's performance. The Board had, on 20 June 2023, reviewed and confirmed the Company's vision and mission.

The Board has adopted a set of internal guidelines specifying matters requiring the Board's approval. These include approval of the Group's strategic plans, appointment of Directors and Key Management Personnel, annual budgets, major investment proposals, and review of the financial performance of the Group. Key Management Personnel refers to the CEO and other persons having authority and responsibility for planning, directing, and controlling the Group's activities. The Board, on the Remuneration and Share Option Committee's (RSOC) recommendation, also approves all remuneration matters involving Directors and Key Management Personnel.

Management is also given clear directions on matters (including set thresholds for certain operational matters relating to subsidiaries) that require the Board's approval.

Certain material corporate actions or material transactions that require the Board's approval include:

- the Group's strategic plans;
- the Group's annual operating plans (AOP);
- quarterly results announcements;
- annual results and financial statements;
- issuance of shares or securities, and grant of share awards or options;
- remuneration and HR matters;
- declaration of dividends;
- convening of shareholders' meetings;

- merger and acquisition transactions;
- certain interested person transactions;
- major transactions and investments exceeding certain thresholds;
- capital expenditure exceeding certain material limits;
- gearing levels and financial risk appetite of the Group; and
- succession plans for Directors and Key Management Personnel, including appointments and the appropriate level of compensation.

The Company's Memorandum of Association and Articles of Association require Directors to abstain from participating in Board discussions on any agenda item in which they are conflicted. All Directors are required to declare if they have a conflict of interest in any matter including corporate transactions, and to voluntarily recuse themselves from all discussions and decisions pertaining to such matters.

The Board likewise reviews and approves all corporate actions for which shareholders' approvals are required.

To facilitate effective management, certain functions have been delegated to various Board Committees, each of which has its own written terms of reference (TOR) and whose actions are reported to, and monitored by, the Board.

The Board Committees, namely, the Audit and Risk Committee (ARC), the Nominating and Governance Committee (NGC), and the RSOC support the Board in discharging its responsibilities. The role and responsibilities of each of the Board Committees are set out separately in this Report. Each committee has been constituted with clearly written TOR that set out its duties, authorities and accountabilities. The TOR are reviewed on a regular basis, at least once annually, to ensure continued relevance and consistency with the 2018 Code and the SEC CG Code.

To achieve its goals, the Board ensures that the Company is equipped with the necessary financial, operational and human resources. The Board, together with Management, shapes the Company's values and standards to be more strategic, innovative, and global in its mindset and outlook.

The Board works closely with Management to drive the Group's business to a higher level of success. Management is accountable to the Board and the performance of Key Management Personnel is reviewed by the Board annually. The Board approves the AOP with key performance metrics. The Board then sanctions and works with the Del Monte Performance Management System as a tool for alignment on annual key result areas (key results performance objectives, with assigned weightage and ratings).

The Board has also put in place a framework of prudent and effective controls that allows risks to be assessed and managed, including the safeguarding of shareholders' interests and the Company's assets.

The Board ensures that obligations to shareholders and other stakeholders are understood and complied with. Stakeholders include shareholders, employees, business partners, suppliers, communities (in areas where the Group has presence), customers and government regulators. With the Company Secretary's assistance, the Board and Management are kept continually apprised of their compliance obligations and responsibilities arising from various regulatory requirements and changes.

The Board meets at least quarterly, or more frequently when required, to review and evaluate the Group's business results and performance, major initiatives and any issues affecting these, and to address key policy matters.

Board meetings are scheduled in advance to enable all Directors to attend and perform their duties. An annual calendar of meetings is prepared and circulated before the start of each financial year. For these meetings or any matter for which the Board's guidance and approval are sought, Management has an obligation to supply the Board with complete, adequate information, in a timely manner. Management endeavors to provide the Board papers and related materials, background, or explanatory information, relating to matters to be brought before the Board, at least five business days before the date of meetings.

The Board and the Board Committees can request further clarification and information from Management on all matters within their purview.

During the year under review, the Board held four meetings. The Company's Articles of Association allow for tele-conference and video-conference meetings to facilitate participation by Board members and Management. In addition, typically during a financial year, Board meetings are held twice in the United States and once in the Philippines, where the Company's key subsidiaries, Del Monte Foods, Inc. and Del Monte Philippines, Inc., respectively operate. This allows the Board to develop a good understanding of the Group's businesses and to promote active engagement with the Group's Key Management Personnel in these subsidiaries.

Attendance for FY2023
(from 1 May 2022 to 30 April 2023)

Directors	Board Meetings	Audit and Risk Committee Meetings	Remuneration and Share Option Committee Meetings	Nominating and Governance Committee Meetings	Annual General Meeting
Mr. Rolando C. Gapud	4	NA	NA	4	1
Mr. Joselito D. Campos, Jr.	4	NA	NA	NA	1
Mr. Edgardo M. Cruz, Jr.	4	NA	NA	4	1
Mr. Benedict Kwek Gim Song	4	4	2	4	1
Mr. Godfrey E. Scotchbrook	4	4	2	4	1
Dr. Emil Q. Javier	4	4	2	4	1
Mrs. Yvonne Goh	4	4	2	4	1
Total No. of Meetings Held	**4**	**4**	**2**	**4**	**1**

New Directors undergo an orientation program whereby they are briefed by the Company Secretary on their obligations as Directors, as well as the Group's corporate governance practices, and relevant statutory and regulatory compliance issues, as appropriate. They are also briefed by Management on the Group's industry and business operations. Ongoing orientation includes visits to the Group's plantation and manufacturing facilities for Board members to gain a first-hand understanding and appreciation of the Group's business operations. During the year under review, there were no new Director appointments in the Company.

Timely updates on developments in accounting matters, sustainability, legislation, jurisprudence, government policies and regulations affecting the Group's businesses and operations are likewise provided to all Directors. The Board had been duly updated on changes to the 2018 Code and SEC CG Code, as well as on any developments affecting other relevant laws and related matters. The Board also receives regular training updates on matters affecting the Group's businesses and operations. In addition, all Directors are required to undergo annual continuing training as may be relevant to the effective discharge of their responsibilities, at the expense of the Company, as set out in the table below:

DIRECTORS AND OFFICERS TRAINING AND SEMINARS ATTENDED IN FY2023 (MAY 2022 – APRIL 2023)

Date	Location	No. of hours	Training/Seminar/Conference	Organizer	Attendees
11 May 2022	Online	1.0	Creating competitive advantage through sustainability	Grant Thornton	Edgardo Cruz, Jr.
12 May 2022	Online	1.5	Getting ahead of the changing consumer and disruption	Ernst & Young	Edgardo Cruz, Jr.
31 May 2022	Online	2.0	Board and Audit Committee Priorities	KPMG	Edgardo Cruz, Jr. and Benedict Kwek
15 Jun 2022	Online	4.0	Environmental, Social and Governance Essentials	Singapore Institute of Directors	Yvonne Goh
15 Jun 2022	Online	4.0	Environmental, Social and Governance Essentials	Singapore Institute of Directors	Benedict Kwek
14 Jul 2022	Online	4.0	Environmental, Social and Governance Essentials	Singapore Institute of Directors	Edgardo Cruz, Jr.

Date	Location	No. of hours	Training/Seminar/Conference	Organizer	Attendees
2 Aug 2022	Online	4.0	Environmental, Social and Governance Essentials	Singapore Institute of Directors	Emil Javier
25 Aug 2022	Online	2.5	CSO Sustainability Leaders Network in Singapore	SGX	Ignacio Sison
13-14 Sep 2022	Online	4.0	2022 HR BEAT Virtual Conference	Willis Towers Watson	Ruiz Salazar
10 Oct 2022	Online	2.0	Corporate Governance Webinar	SIAS	Ignacio Sison
11 Oct 2022	Online	1.0	ESGenome Onboarding Seminar	SGX	Ignacio Sison
11 Nov 2022	Online	3.0	The Corporate Board's Roadmap to ESG-Driven Sustainability Strategy and Reporting The Business Case for Integrity	Center for Global Best Practices	Joselito Campos, Jr.
21 Nov 2022	Online	1.0	ESG Data and Ratings	Standard Chartered Bank and SGX	Ignacio Sison
9 Dec 2022	Online	4.0	Sustainability E-Training for Directors	Institute of Singapore Chartered Accountants and SAC Capital	Godfrey Scotchbrook
5 Jan 2023	Online	4.0	Sustainability E-Training for Directors	Institute of Singapore Chartered Accountants and SAC Capital	Ignacio Sison
1 Feb 2023	Online	1.5	Enabling Sustainable Supply Chains	SCMAP	Ignacio Sison
3 Feb 2023	Online	1.5	Economic Briefing	Credit Suisse and BDO	Ignacio Sison
3 Mar 2023	Online	7.0	Validation of GHG Inventory Management Plan	Synchronized Macro Solutions	Ignacio Sison
29 Mar 2023	Online	1.0	Setting the Pace of Sustainability Reporting	GRI	Ignacio Sison
3-26 April 2023	Online	8.0	Willis Towers Watson's Driving Value in an Age of Disruption	Willis Towers Watson	Ruiz Salazar
17 Apr 2023	Online	1.5	AAF ASEAN Launch Event Empowering Sustainable Agriculture, Aquaculture, and Fishing in Southeast Asia	GRI	Ignacio Sison

All seven Directors had also registered for ESG courses in FY2023, based on the list provided by the SGX, as part of their sustainability training as Board members. Among others, the courses include the Board's roles and responsibilities with respect to sustainability, ESG developments, value creation through ESG, sustainability reporting and climate-related risks reporting.

The NGC had formalized procedures for the selection, appointment and re-appointment of Directors. Letters of appointment are issued to new Directors setting out their duties, obligations, and terms of appointment, as appropriate.

The Board is of the view that all Directors had objectively discharged their duties and responsibilities at all times as fiduciaries, in the Company's best interest.

The Board had received the Best Managed Board (Gold) Award twice from the Singapore Corporate Awards (for companies with a market capitalization of between S$300 million to less than S$1 billion), and it will continue to uphold the Company's high corporate governance standards.

Principle 2
Board Composition and Guidance

The Board comprises seven Directors, three of whom are Executive Directors. The four Non-Executive Directors are Independent Directors. The composition of the Board is as follows:

Mr. Rolando C. Gapud	Executive Chairman
Mr. Joselito D. Campos, Jr.	Executive Director (also Managing Director and CEO)
Mr. Edgardo M. Cruz, Jr.	Executive Director
Mr. Benedict Kwek Gim Song	Lead Independent Director
Mr. Godfrey E. Scotchbrook	Independent Director
Dr. Emil Q. Javier	Independent Director
Mrs. Yvonne Goh	Independent Director

The profiles of the Directors, including information on their appointments and re-appointments, are set out in the "Board of Directors" section of this Report.

The Board is of the view that a strong element of independence is present in the Board with Independent Directors making up a majority of the Board. The Board exercises objective and independent judgment on the Group's corporate affairs. No individual or group of individuals dominates the Board's decision-making.

The Non-Executive Directors contribute to the Board process by monitoring and reviewing Management's performance against pre-determined goals and objectives. Their views and opinions provide an alternative and objective perspective to the Group's business. The Directors exercise independent judgment and discretion on the Group's business activities and transactions, in particular, in situations involving conflicts of interest and other complexities.

The NGC, on an annual basis, determines whether or not a Director is independent, taking into account the 2018 Code's definition and Rule 210(5)(d) of the Listing Manual.

Independence is taken to mean that Directors are independent in conduct, character and judgment, and have no relationship with the Company, or its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interest of the Company. Disclosures of Directors' interests and their interest in transactions are standing agenda items in all Board meetings, and such disclosures would be circulated and tabled for Board members' information, as appropriate.

The Board considers the existence of relationships or circumstances, including those identified by the listing rules of the SGX-ST and the Practice Guidance, that are relevant in its determination as to whether a Director is independent. Such relationships or circumstances include the employment of a Director by the Company or any of its related corporations during the financial year or in any of the past three financial years; a Director who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RSOC; a Director who has been on the Board for an aggregate period of nine years.

Consistent with previous practice, the NGC had undertaken a rigorous review of the independence of each Independent Director, including those whose tenure had exceeded nine years from the date of their first appointment. Led by the NGC Chairperson and facilitated by Boardroom Corporate & Advisory Services Pte. Ltd., the Company's external corporate secretarial service provider, the assessment was conducted by means of a confidential and incisive questionnaire completed by each Director and a declaration of independence completed by each Independent Director.

As part of this rigorous review, Board members were asked to share their observations on how each of the Independent Director whose tenure had exceeded nine years, namely Messrs. Benedict Kwek Gim Song, Emil Q. Javier and Godfrey E. Scotchbrook, has demonstrated his independence on the Board. Board members were invited to cite, as appropriate, specific instances and examples.

The results were analyzed and discussed at the NGC and Board meetings. It was concluded that there is a strong sense of independence among all Board members. Management is constantly challenged and questioned on proposals that come before the Board with all Directors engaging in thorough and robust discussion and deliberation, taking into consideration the interest of the Group's stakeholders.

Based on the assessment, Messrs. Benedict Kwek Gim Song (first appointed on 30 April 2007), Emil Q. Javier (first appointed on 30 April 2007) and Godfrey E. Scotchbrook (first appointed on 28 December 2000) have each demonstrated independent mindedness and conduct at Board and Board Committee meetings. The NGC is also of the firm view and opinion that these Directors continue to exercise independent judgment in the best interest of the Company in the discharge of their duties as Directors, and their more than nine years of exemplary service on the Board have not in any way affected their independence. Throughout their tenure in office they had continually challenged and provided constructive feedback to Management.

During the Annual General Meeting (AGM) held on 26 August 2022, the shareholders of the Company had approved the continued appointments of Messrs. Benedict Kwek Gim Song, Emil Q. Javier and Godfrey E. Scotchbrook as Independent Directors, via a two-tier voting, and their appointment will remain in force until the earlier of their retirement, or resignation, or the conclusion of the third AGM.

Each member of the NGC had abstained from deliberations in respect of the assessment on his own independence.

On 11 January 2023, the SGX announced that it would limit the tenure of Independent Directors to nine years and would remove with immediate effect, the two-tier voting mechanism to retain long tenured Independent Directors. Companies listed on the SGX were given until their AGM for the financial year ending on or after 31 December 2023 to comply with this new regulation. Hence the Company will comply not later than its AGM in August 2024 to nominate new Independent Directors to form the majority of Directors in its Board.

The current Directors bring invaluable experience, extensive business network and expertise in specialized fields, such as strategic planning, mergers and acquisitions, corporate finance and restructuring, accounting, marketing and business development, risk and crisis management, corporate communications, investor relations, corporate governance and agronomy.

The size, composition, range of experience and the varied expertise of the current Board allow discussions on policy, strategy, and performance to be critical, informed and effective.

The Board has adopted a Board Diversity Policy which recognizes the importance of diversity. The Board firmly believes that its effectiveness and decision-making will be enhanced as it harnesses the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of its own diverse Board.

The NGC is responsible for administering this policy and for evaluating it annually.

During the year under review, the Independent Directors had met at least once without the presence of the Executive Directors and Management, led by the Lead Independent Director (Lead ID), and the Lead ID provides feedback to the Chairman of the Board and the CEO.

Principle 3
Chairman and Chief Executive Officer

There is a clear division of executive duties and responsibilities in the Company, providing checks and balances to ensure that there is no concentration of power in any one individual and that accountability is increased. The Company's business is managed and administered by the Managing Director and CEO, Mr. Joselito D. Campos Jr., while the Board is headed by Mr. Rolando C. Gapud as Executive Chairman. The Chairman of the Board and the CEO are not related to each other.

The duties of the Executive Chairman include, among other things, providing leadership to the Board and ensuring the Board's effectiveness in all aspects, leading the Company in its relationships with stakeholders and setting the course for the Company to reach greater heights. He works closely with the CEO, as well as the business unit heads on strategic planning. The Executive Chairman leads the Board in charting the Company's strategic roadmap including setting the vision and the key initiatives to achieve it. He is in the forefront of any acquisitions, joint ventures, and strategic alliances of the Company.

The Executive Chairman also sets the tone in Board meetings to encourage proactive participation and constructive discussions on agenda topics. At Board meetings, he ensures that adequate time is allocated for discussion of all agenda items, in particular, discussions on strategic matters and issues. Constructive discussions between the Board and Management are encouraged, as with Executive Directors and Non-Executive Directors. The Executive Chairman ensures that Directors and shareholders alike, receive clear, timely and accurate information from Management, thus maintaining the Company's high standards of corporate governance.

The duties of the CEO include, among other things, determining the Company's strategic direction, formulating, executing and implementing the strategic plan together with its Key Management Personnel. He communicates and implements the Company's vision, mission, values and overall strategy, and promotes any organization change in relation to the same. He oversees the Group's operations and manages its human and financial resources in accordance with its strategic plan. The CEO ensures that he has an in-depth working knowledge of the Group's industry and markets and keeps up to date with developments in both. He also directs, evaluates and guides the work of the Company's Key Management Personnel, provides the Board with timely information, and interfaces between the Board and Management. He builds the corporate culture and motivates the Company's employees and serves as the link between the Company and its stakeholders.

Lead Independent Director

Mr. Benedict Kwek Gim Song acts as the Lead ID and is the principal liaison to address shareholders' concerns, which for any reason direct contact through normal channels to the Chairman, CEO or Management may have failed to resolve, or for which such contact through normal channels may be inappropriate. Questions or feedback may be submitted via email to the Lead ID at ben.kwek@delmontepacific.com.

His role as Lead Independent Director includes the following:

- Acting as liaison between the Independent Directors and the Chairman of the Board, and lead the Independent Directors to provide a non-executive perspective in circumstances where it would be inappropriate for the Chairman to serve in such capacity, and contribute a balanced viewpoint to the Board;
- Advising the Chairman of the Board as to the quality, quantity and timeliness of information submitted by Management that is necessary or appropriate for the Independent Directors to perform their duties effectively and responsibly;
- Assisting the Board in ensuring compliance with and implementing governance guidelines; and
- Serving as a liaison for consultation and communication with shareholders.

During the year under review, the Lead ID met with the other Independent Directors separately from the other Directors.

Principle 4
Board Membership and the Nominating and Governance Committee

The Nominating Committee was set up on 7 February 2003 and renamed on 29 June 2017 as the Nominating and Governance Committee to include corporate governance matters in its functions. It currently comprises the following six members, a majority of whom, including the Chairperson, are Independent Directors:

Mrs. Yvonne Goh	NGC Chairperson
Mr. Benedict Kwek Gim Song	Member
Mr. Godfrey E. Scotchbrook	Member
Dr. Emil Q. Javier	Member
Mr. Rolando C. Gapud	Member
Mr. Edgardo M. Cruz, Jr.	Member

The NGC's main activities are outlined in the commentaries on "Board Composition and Guideline", "Board Membership" and "Board Performance" of this Report.

Under its TOR, the NGC is responsible for reviewing the Board's composition and effectiveness, determining whether Directors possess the requisite qualifications, skills, experience and expertise to meet the Company's needs, and whether their independence is compromised. The NGC also oversees succession planning for Directors, the CEO and Key Management Personnel of the Group. The NGC is also tasked with ensuring compliance with, and proper observance of, corporate governance principles and practices recommended by the 2018 Code and principles and recommendations of the SEC CG Code.

All appointments and re-appointments of Directors are first reviewed and considered by the NGC before recommending them to the Board for approval. The NGC has formalized and adopted procedures for the selection, appointment and re-appointment of Directors in order to increase the rigor and transparency of the nominating process.

The NGC evaluates the balance of skills and competencies in the Board and, in consultation with the Chairman of the Board determines the qualifications and expertise required for a particular appointment.

The NGC does not usually but may consider engaging the services of search consultants to identify prospective Board candidates if the need so arises. The NGC currently considers recommendations and referrals from other sources, provided the prospective candidates meet the qualification criteria established for the particular appointment.

The NGC undertakes the process of identifying the caliber of Directors aligned with the Company's strategic directions. The NGC evaluates the suitability of a prospective candidate based on his/her qualifications and experience, ability to commit time and effort in the effective discharge of duties and responsibilities, independence, past business and related experience, and track record. The NGC also identifies any core competencies that will complement those of current Directors on the Board.

There are no alternate Directors appointed in the Company's Board.

The NGC is also tasked with reviewing the performance and contribution of the Directors in order to consider them for re-election or re-appointment. The NGC reviews, in particular, the Directors' attendance and participation at meetings of the Board and Board Committees, and their efforts and contributions towards the success of the Group's business and operations.

The NGC reviews and determines the independence of each Director on an annual basis. The NGC considers an "Independent Director" as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment, in the best interests of the Company.

In accordance with SGX Listing Rule 210(5)(d), none of the Independent Directors is currently employed, or have been employed by the Company, or any of its related corporations, for the current or any of the past three financial years. None of the Independent Directors have immediate family members who are currently employed, or have been employed by the Company, or any of its related corporations, for the past three financial years, and whose remuneration is determined by the RSOC. For purposes of determining independence, the Independent Directors have also provided confirmation that they are not related to the Directors and/or substantial shareholders of the Company. The NGC is satisfied that there are no other relationships which can affect their independence. The Board concurred with the NGC's determination of the independence of the Independent Directors.

Details of each Director's academic and professional qualifications, directorships or chairmanships in other companies, and other principal commitments (where applicable) are presented in the "Board of Directors" section of this Annual Report.

DMPL's policy on Directors' conflict of interest states that Directors should consult the Chairman of the Board and the Chairperson of the NGC prior to accepting any appointments to the Board of Directors or advisory Board of another listed company or its principal subsidiaries, or any other principal commitments so that such appointments may be considered by the Board in accordance with corporate guidelines and the said policy.

In cases where a Director has multiple Board representations, the NGC also assesses whether such Director has been adequately carrying out his duties as a Director of the Company.

To address competing time commitments when Directors serve on multiple boards, the Board had set a maximum limit of four directorships and/or chairmanships that Executive Directors may hold concurrently in listed companies, and a maximum limit of five directorships and/or chairmanship in listed companies for Independent and Non-Executive Directors. None of the Directors hold more than one board seat in other listed companies.

Under Article 88 of the Company's Articles of Association, all Directors hold office for a maximum period of three years whereupon they shall retire but would be eligible for re-appointment. In addition, effective 1 January 2019, all Directors must submit themselves for re-nomination and re-appointment at least once every three years pursuant to Rule 720(5) of the Listing Manual of the SGX-ST.

Directors Retiring Under Article 88 and/or Rule 720(5) of the Listing Manual of the SGX-ST

Mr. Rolando C. Gapud
Executive Chairman
Appointed on 20 January 2006
Last elected on 17 September 2020

Mr. Benedict Kwek Gim Song
Lead Independent Director
Appointed on 30 April 2007
Last re-appointed on 17 September 2020

In reviewing the nomination for the re-appointment of Directors retiring under Article 88 of the Company's Articles of Association and/or Rule 720(5) of the Listing Manual of the SGX-ST, the NGC had considered the contributions and performance of each Director, taking into account his or her attendance and participation at Board and Board Committee meetings, as well as his or her independence.

All Directors retiring have consented to continue in office and have offered themselves for re-appointment at the Company's Annual General Meeting (AGM).

Neither Mr. Gapud nor Mr. Kwek nor their immediate family member had provided to or received from the Group any significant payments or material services other than their compensation for service on the Board and Board Committees. Neither Mr. Gapud nor Mr. Kwek nor any of their immediate family member is or was a substantial shareholder of or a partner in or executive officer or Director of any organization which had provided to or received from the Group any significant payments or material services. Please refer to the "Board of Directors" section of this Annual Report for more information on Mr. Gapud's and Mr. Kwek's other principal commitments. Both are not directors of other listed companies.

Accordingly, the NGC supports the nomination of Mr. Gapud and Mr. Kwek for re-appointment as Directors of the Company.

In its long-term drive towards excellence, the Company recognizes the importance of sustainable leadership. To support this, a Succession Planning Program was established where a leadership talent bench would be continuously developed. DMPL is committed to building and sustaining leadership capabilities by strengthening the talent pipeline, rolling out a program that identifies and sets out plans to develop expected leadership competencies, identifying high performers, and executing development and retention plans for these high performers. The Company further drives functional excellence via an integrated employee development program which includes training, on-the-job learning, coaching and mentoring.

There is a set retirement age for Key Management Personnel.

The NGC conducts a regular review of the succession plan for Board members, the CEO and Key Management Personnel of the Company.

The NGC implements an annual evaluation process to assess its effectiveness as a whole. The evaluation process is undertaken as an internal exercise and involves NGC members completing a questionnaire covering areas relating to:

- Memberships and appointments
- Conduct of NGC meetings
- Training and resources available
- Reporting to the Board
- Process for selection and appointment of new Directors
- Nomination of Directors for re-appointment
- Independence of Directors
- Board performance evaluation
- Succession planning
- Multiple Board representations
- Standards of conduct
- Communication with shareholders

The evaluation process takes into account the views of each NGC member and provides an opportunity for members to give constructive feedback on the workings of the NGC, including procedures and processes adopted, and if these may be improved upon.

During the year under review, the NGC held four meetings.

Principle 5
Board Performance

The Board, through the NGC, has implemented a formal annual evaluation process to assess the effectiveness of the Board as a whole, each of its Board Committees and individual Directors. The evaluation process is undertaken annually and involves Board members completing questionnaires covering mainly the following areas of assessment:

- Board composition
- Information to the Board
- Board procedures, training and resources
- Board accountability
- Communication with CEO and Key Management Personnel
- Succession planning for Directors, Board Chairman and the CEO
- Standards of conduct and effectiveness of the Board
- Rigorous review of the independence of each of the Independent Directors
- Board Committees' performance in relation to discharging their responsibilities under their respective terms of reference

Each Director conducts a self-assessment of his/her performance and contribution to the Board through completion of a questionnaire on a secured online portal, the results of which are collated and tabulated by an external facilitator.

The Directors' self-evaluation on their performance focuses on the following:

- Directors' duties
- Leadership
- Communication skills
- Strategy and risk management
- Board contribution
- Knowledge
- Interaction with fellow Directors, Key Management Personnel, Auditors, Company Secretary, Legal Advisors and other professional advisors

The evaluation process takes into account the views of each Board member and provides an opportunity for Directors to provide constructive feedback on the workings of the Board, including its procedures and processes and if these may be improved upon.

Led by the NGC Chairperson and facilitated by Boardroom Corporate & Advisory Services Pte. Ltd. (Boardroom), an external service provider, this collective assessment was conducted by means of confidential questionnaires completed by each Director, which are collated, analyzed and discussed with the NGC and the Board with comparatives from the prior year evaluation. A summary of the findings and recommendations was prepared based on the completed questionnaires for the Board as a whole, each of its Board Committees and individual Directors. This was reviewed and deliberated on by the NGC and thereafter tabled to the Board for its necessary action to further enhance the effectiveness of the Board, as appropriate.

The appointment and the removal of the Company Secretary is a matter for the Board as a whole.

The Company Secretary, Mr. Antonio E. S. Ungson, is a lawyer by profession. He had previously served as company secretary in various companies during the course of his career. He also has an understanding of basic financial and accounting matters.

The Directors have separate and independent access to Management and the Company Secretary. Aside from access to Management and the Company Secretary for advice and services, the Directors may, in appropriate circumstances, seek independent professional advice concerning the Company's affairs at the Company's expense.

REMUNERATION MATTERS

Principle 6
Procedures for Developing Remuneration Policies

The RSOC was set up on 7 February 2003 and for the year under review, the RSOC comprises the following members who are all Independent Non-Executive Directors:

Mr. Godfrey E. Scotchbrook	RSOC Chairman
Mr. Benedict Kwek Gim Song	Member
Dr. Emil Q. Javier	Member
Mrs. Yvonne Goh	Member

The main activities of the RSOC are outlined in the commentaries on "Procedures for Developing Remuneration Policies", "Level and Mix of Remuneration" and "Disclosure of Remuneration" of this Report.

The RSOC's principal function is to ensure that a formal and transparent procedure is in place for fixing the remuneration packages of the Directors as well as the Key Management Personnel of the Group. It is at liberty to seek independent professional advice as appropriate and has periodically sought the advice of remuneration consultants on remuneration matters for certain Directors and Key Management Personnel. For the year under review, the RSOC did not enter into any formal engagement with remuneration consultants but had consulted with them based on ongoing partnership.

Under its TOR, the RSOC is responsible for reviewing and recommending a remuneration framework and specific remuneration packages (where applicable) for the Directors and Key Management Personnel. The RSOC considers all aspects of remuneration such as Director's fees, salaries, allowances, bonuses, options, share awards and other benefits-in-kind. All remuneration matters are ultimately approved by the Board.

In conjunction with the review of remuneration matters of the Key Management Personnel, the RSOC reviews individual performance appraisal reports and benchmark studies conducted by Management.

The RSOC's recommendation for Directors' fees had been made in consultation with the Chairman of the Board and endorsed by the entire Board, following which the recommendation is tabled for shareholders' approval at the Company's AGM. No member of the RSOC or the Board participated in the deliberation of his/her own remuneration.

The RSOC implements an annual evaluation process to assess its effectiveness as a whole. The evaluation process is facilitated by Boardroom and involves RSOC members completing a questionnaire covering mainly the following areas of assessment:

- Memberships and appointments
- Conduct of the RSOC meetings
- Training and resources
- Scope of remuneration matters reviewed
- Reporting to the Board
- Standards of conduct
- Communication with shareholders

The evaluation process took into account the views of each RSOC member and provided an opportunity for members to give constructive feedback on the workings of the RSOC, including procedures and processes adopted and if these may be improved upon.

During the year under review, the RSOC held two meetings.

Principle 7
Level and Mix of Remuneration

The remuneration of the Company's Directors and Key Management Personnel has been formulated to attract, retain, and motivate these individuals to steer the Group to deliver the highest level of performance. The Board and the RSOC assure that the level and structure of remuneration are aligned with the long-term interests and risk management policies of the Company. Relative to industry practice, trends and norms, the Company has measurable standards to align the performance-based remuneration of the Executive Directors and Key Management Personnel with the long-term interests of the Company.

Where appropriate, the RSOC reviews the service contracts of the Company's Executive Directors and Key Management Personnel.

In reviewing the recommendation for Non-Executive Directors' remuneration for FY2023, the RSOC continued to adopt a framework based on guidelines of the Singapore Institute of Directors, which comprises a base fee, fees for membership on Board Committees, as well as fees for chairing Board Committees. The fees take into consideration the amount of time, responsibilities and effort that each Board member is required to devote to their role.

<u>Directors' Fee Structure</u>

- Board Chairman: US$99,000 per annum
- Directors: US$54,000 per annum
- ARC Chairman: US$24,750 per annum
- RSOC Chairman: US$12,375 per annum
- NGC Chairperson: US$12,375 per annum
- ARC Members: US$13,500 per annum
- RSOC Members: US$6,750 per annum
- NGC Members: US$6,750 per annum

The compensation structure for Key Management Personnel of the Company's subsidiaries consists of two key components – fixed cash and a short-term variable bonus. The fixed component includes salary, pension fund contributions and other allowances. The variable component comprises a performance-based bonus which is payable upon the achievement of individual and corporate performance targets such as revenue and net profit.

Principle 8
Disclosure on Remuneration

The remuneration of Directors, the CEO and the immediate family member of the CEO are disclosed in bands of S$250,000/- with a maximum disclosure band of S$500,000/- and above.

The remuneration of the top five Key Management Personnel is similarly disclosed in bands of S$250,000/- with a maximum disclosure band of S$500,000/- and above.

Although the disclosure is not in compliance with provision 8.1 of 2018 Code, the Board is of the view that it is in the best interest of the Company not to disclose such remuneration information in detail, given the confidentiality and commercial sensitivity (within the industry and within the Group itself) attached to remuneration matters and for personal security reasons, disclosure in bands of S$250,000/- in excess of S$500,000/- is not provided. As for personal security reasons, the names of, and the aggregate remuneration paid to, the Company's top five Key Management Personnel are not disclosed. Similarly, the aggregate remuneration paid to the Executive Directors is not disclosed.

Employee who is a substantial shareholder of the Company, or an immediate family member of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the year

Ms. Jeanette Beatrice Campos Naughton is Vice President, Strategic Planning of the Company's USA subsidiary, Del Monte Foods, Inc. (DMFI). She is the daughter of Mr. Joselito D. Campos, Jr., DMPL's Managing Director and CEO, and a substantial shareholder of the Company, and DMFI's Vice Chairman and Director. Ms. Naughton is responsible for spearheading DMFI's strategic planning function, with principal involvement in DMFI's mid-to-long term corporate vision, financial goals and key measures, business strategies and resources requirements. Her remuneration for the period under review was S$1,000,000-S$1,150,000. Ms. Naughton formerly held management positions at Google in their Mountain View, California headquarters. She has an MBA from the Sloan School of Management of the Massachusetts Institute of Technology.

DISCLOSURE ON REMUNERATION OF DIRECTORS FOR FY2023

REMUNERATION BANDS AND NAMES OF DIRECTORS	FIXED SALARY/ CONSULTANCY FEES %	DIRECTOR FEES %	VARIABLE INCOME / BONUS %	BENEFITS IN KIND %
EXECUTIVE DIRECTORS				
Above S$500,000				
Mr. Joselito D. Campos, Jr.	41	1	58	–
Mr. Rolando C. Gapud	34	9	57	–
Mr. Edgardo M. Cruz, Jr.	68	24	8	–
NON-EXECUTIVE DIRECTORS				
Below S$250,000				
Mrs. Yvonne Goh	–	100	–	–
Dr. Emil Q. Javier	54[1]	41	5	–
Mr. Benedict Kwek Gim Song	–	100	–	–
Mr. Godfrey E. Scotchbrook	–	100	–	–

Notes:
1 Refers to consultancy fees

DISCLOSURE ON REMUNERATION OF TOP FIVE KEY EXECUTIVES[1] FOR FY2023

REMUNERATION BANDS AND NUMBER OF KEY EXECUTIVES	FIXED SALARY %	VARIABLE INCOME / BONUS %	BENEFITS IN KIND %
Above S$500,000			
1	41	58	1
1	59	36	5
1	87	12	1
1	87	12	1
S$250,000 to below S$500,000			
1	93	6	1

Notes:
1 Key Executives who are not Directors

Share Option Plan

The Company also has the Del Monte Pacific Executive Share Option Plan 2016 (ESOP 2016), which was approved by shareholders at the general meeting held on 30 August 2016. The ESOP 2016 aims to provide an opportunity for Group executives and Directors to participate in the equity of the Company in order to motivate them to excel in their performance. The ESOP 2016 is valid for a period of ten years; however, no options have been granted to date under this plan.

ACCOUNTABILITY AND AUDIT

Principle 9
Risk Management and Internal Controls

The Group maintains an effective system of risk management and internal controls addressing financial, operational, compliance and information technology (IT) controls, and risk management policies and systems established by Management. These controls are designed to provide reasonable assurance as to the adequacy, effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

The adequacy and effectiveness of these controls are subject to a periodic review by the Group's Internal Audit department and monitored by the ARC. In addition, the Group's external auditors also reviewed the effectiveness of the Group's key internal controls as part of their audit for the year with respect to financial reporting. Significant non-compliance in internal controls, if any, together with recommendations for improvement, is reported to the ARC. A copy of this report is also issued to the relevant department for follow-up action.

Risk assessment and evaluation are carried out as an integral part of the Annual Operating Plan (AOP). Having identified key risks to the achievement of the Group's AOP, Management formulates mitigating actions in respect of each significant risk. Identified risks are also included and monitored in the corporate risk register, and mitigating measures are followed up. The approach to risk management is set out in the "Risk Management" section of this Annual Report.

IT issues are also regularly reported to the Board through the ARC. Reports include matters on business continuity, disaster recovery and cybersecurity among others. The Board, through the ARC, provides directions on these matters which Management executes and Internal Audit monitors.

Cybersecurity and IT general controls had remained focus areas in FY2023. The Group had invested in several improvements including Next Generation firewall systems and SDWAN network systems for enhanced security. Optimization is ongoing to achieve the best configuration and utilization of new firewall systems. The Group had also conducted vulnerability assessment and penetration testing (VAPT) on select company websites as it had been doing regularly in the past years. The Group had also conducted user training and awareness campaigns on cyber threats and had issued tips and reminders based on best practices in order to avoid breaches.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, assurances by the CEO, Chief Operating Officer, Chief Corporate Officer, Chief Financial Officer (CFO) and Chief Compliance Officer, and reviews performed by Management and various Board Committees, the Board is of the opinion, and the ARC concurs, that the Group's internal controls, addressing financial, operational, compliance and IT risks, and its risk management systems were adequate and effective as at 30 April 2023.

The Board and the ARC are also responsible for (a) monitoring the Group's risk of becoming subject to, or violating, any sanctions-related law or regulation; and (b) ensuring timely and accurate disclosures to SGX-ST of any such risks and other relevant authorities. The Company will inform shareholders of any material sanctions-related risks to the Group, the impact of such risk on the financials and operations of the Group, if any, and also the cessation of such risk via announcements to SGX-ST.

For the year under review, the Board had received (a) written confirmation from the CEO and the CFO that the financial records have been properly maintained, and the financial statements give a true and fair view of the Company's operations and finances; and (b) written confirmation from the CEO and other Key Management Personnel who are responsible, that the Company's risk management and internal control systems have remained adequate and effective.

The Board will, on a continuing basis, endeavor to further enhance and improve the Company's system of internal controls and risk management policies.

The Group's internal audit team, led by the Head of Internal Audit, reports directly to the ARC. An internal audit report is submitted to the ARC on a quarterly basis. The ARC reports all material updates to the Board.

Principle 10
Audit and Risk Committee

The Audit Committee was set up on 9 July 1999 and renamed Audit and Risk Committee (ARC) on 25 June 2015 as it had always served the function of overseeing the Company's risk management framework and policies. The ARC comprises the following four members who are all Independent Non-Executive Directors:

Mr. Benedict Kwek Gim Song	ARC Chairman
Mr. Godfrey E. Scotchbrook	Member
Dr. Emil Q. Javier	Member
Mrs. Yvonne Goh	Member

The members of the ARC are highly qualified with two members having the requisite financial management experience and expertise.

The ARC does not comprise any former partners or Directors of the Company's current auditing firm.

The main activities of the ARC are outlined in the commentaries on "Accountability and Audit" and "Audit and Risk Committee" of the Report.

The ARC implements an annual evaluation process to assess its effectiveness as a whole. The evaluation process is undertaken as an internal exercise and involves ARC members completing a questionnaire covering areas relating to:

- Membership and appointments
- Conduct of the ARC meetings
- Training and resources available
- Financial reporting processes
- Financial and operational internal controls
- Risk management systems
- Internal and external audit processes
- Whistleblowing reporting processes
- ARC's relationship with the Board
- Communication with shareholders

The evaluation process takes into account the views of each ARC member and provides an opportunity for members to give constructive feedback on the workings of the ARC including procedures and processes adopted and if these may be improved upon.

Led by the ARC Chairman, a summary of findings prepared based on responses from the completed questionnaires was discussed with feedback noted.

Under its TOR, the ARC reviews the adequacy, scope and results of the Company's annual audit and its cost effectiveness. The ARC also ensures the independence and objectivity of the external auditors and internal auditors. Likewise, it reviews the non-audit services provided by the Company's external auditors.

For FY2023, the ARC had reviewed the audit and non-audit services of the external auditors and was satisfied that the auditors continue to be independent, adequately resourced and effective. Non-audit fees include services related to business advisory and outsourcing of internal audit. A breakdown of the aggregate fees paid for audit and non-audit services is set out below:

	Year ended 30 April 2023
	(US$'000)
Audit fees	
– paid to auditors of the Company	172
– paid to other auditors	1,154
Non-audit fees	
– paid to auditors of the Company	–
– paid to other auditors	80

The ARC also reviews significant financial reporting issues to ensure the integrity of the Company's financial statements and any announcements relating to the Company's financial performance. The ARC further conducts periodic reviews of all interested persons transactions. The ARC also reviews the assurance from the CEO and the CFO on the Company's financial records and the Group's financial statements.

The ARC reviewed the external auditor's audit plan for the financial year ended 30 April 2023 and agreed with the auditor's proposed significant areas of focus and assumptions that would have an impact on the financial statements. In the ARC's review of the financial statements as at 30 April 2023, it had discussed with Management the accounting principles applied and their judgement of items that could affect the integrity of the statements, and it had also considered the clarity of key disclosures in the statements. The ARC also reviewed and addressed among other matters, the following key audit matters (KAMs) as reported by the external auditor for the financial year ended 30 April 2023:

Fair Value of Biological Assets	The ARC was provided with an understanding of the relevant processes the Group undertook in separating bearer plants from the agriculture produce. The ARC considered the reasonableness of the approach and methodology applied to the fair value of biological assets (fruits growing on bearer plants and fruits harvested), and reviewed Management's estimates and assumptions as well as the adequacy of disclosures related to this matter. Additionally, the ARC also considered the external auditor's assessment of the valuation methodology and assumptions adopted by Management in valuing the biological assets. The ARC was satisfied with the valuation process and the methodology adopted.

Recoverability of Goodwill and Indefinite Life Trademarks	The ARC considered the approach and methodology applied to the valuation model in the goodwill impairment assessment. The ARC reviewed the reasonableness of cash flow forecasts, long term growth rate and discount rate as well as the independence and competency of the valuer appointed to perform the valuations. The Group has assessed the following trademarks as having indefinite useful lives: "Del Monte" in the United States, South America, Philippines, Indian subcontinent and Myanmar; "College Inn" in the United States, Australia, Canada and Mexico; "Today's" in the Philippines; "S&W" in Asia (excluding Australia and New Zealand), Middle East, Western Europe, Eastern Europe and Africa, and the newly acquired "Kitchen Basics" trademark in the United States and Canada. The ARC reviewed the data, estimates and assumptions used in each valuation model as well as the independence and competency of the valuer appointed to perform the valuations. The ARC considered the findings of the external auditors with regard to the appropriateness of the assumptions used. The ARC was satisfied that there are no impairments required on the goodwill and indefinite life trademarks for the financial year.
Recoverability of Deferred Tax Assets	The ARC considered the methodology and assumptions applied to the recoverability or non-recoverability of deferred assets. The ARC reviewed the reasonableness of cash flow, forecasts, past performance and future plans associated with the Group's operations. The ARC also considered the external auditor's findings including their assessment of the key assumptions used and the procedures applied to test these assumptions. The ARC is satisfied with the methodology and assumptions used. The Group has recognized US$118.1 million of net deferred tax assets, which includes net deferred tax assets recognized by Del Monte Foods, Inc., a subsidiary in the USA, amounting to US$112.8 million.

The ARC concluded that the Group's accounting treatment in each of the significant matters was appropriate. All the KAMs that were raised by the external auditors for the financial year ended 30 April 2023 have been addressed by the ARC and covered in the above commentary. The KAMs in the auditors' report can be found on pages 106-108 of this Annual Report.

Except as disclosed, the Company did not enter into any other material contracts involving the interests of its CEO, Directors or controlling shareholders for FY2023.

The ARC keeps abreast of changes in accounting standards by requiring on a continuing basis Management and the external auditors to look into and present these changes as well as their implications on the Group's financial statements. The ARC monitors these changes and provides guidance on concomitant issues on financial reporting. These matters are taken up in ARC meetings, in ARC's separate meetings with the external auditors and their periodic meetings with the CFO.

The ARC has the authority to investigate any matter within its TOR, unrestricted access to Management and the Head of the Internal Audit department, and full discretion to invite any Director, Key Management Personnel or executive officer to attend its meetings.

The ARC monitors the adequacy and effectiveness of the Group's internal control system and internal audit function. It has set in place arrangements to ensure independent investigation of matters such as improprieties in financial reporting.

The Company has a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices without fear of retaliation or reprisal and has designated the ARC to oversee whistleblowing reports that are investigated by Internal Audit and other relevant departments. A Whistleblower Policy has been in place since 2004 to promote the highest standards of business and personal ethics in the conduct of the Group's affairs. As representatives of the Group, officers and employees must uphold honesty and integrity, and strictly comply with all applicable laws, rules and regulations.

The said policy, with respect to which the ARC is responsible for oversight and monitoring, aims to deter and uncover corrupt, illegal, unethical, fraudulent practices or other conduct detrimental to the interest of the Group committed by officers and employees, as well as third parties, such as, but not limited to, suppliers and contractors. The Group encourages its officers, employees, suppliers and contractors to provide information about unsafe, unlawful, unethical, fraudulent or wasteful practices. The ARC and the officers who administer the policy do not disregard anonymous complaints.

This policy enables the Group to effectively deal with reports from whistleblowers in a manner that will protect the identity of the whistleblower and provide for the appropriate use of the information provided. It also establishes policies for protecting whistleblowers against reprisal by any person internal or external to the Company, and provides for the appropriate infrastructure, including the appointment of a Whistleblower Protection Officer and a Whistleblower Investigations Officer, as well as alternative means of reporting.

The Board, together with the ARC Chairman, had appointed the Group CFO as the Protection Officer and the Head of Internal Audit as the Investigations Officer to administer the Company's Whistleblower program. These are the contact details:

For legal compliance: +632 8856 2557, +63 917 534 1680, or email legalcompliance@delmonte-phil.com

For other matters: +632 8856 2888, +63 917 712 0311, or email othercompliance@delmonte-phil.com

The ARC also makes recommendations to the Board on the appointment, re-appointment and removal of the external auditors, including their remuneration and terms of engagement. Such recommendation, once approved by the Board, is then ratified by shareholders at a general meeting (GM). For any change in the external auditor, the Company provides the reason for the change in its disclosure to the regulators.

In appointing the external auditors for the Company and its subsidiaries, the Group has complied with Rule 712 of the Listing Manual of the SGX-ST in having appointed a suitable auditing firm to meet its audit obligations, and one that is registered with the Accounting and Corporate Regulatory Authority of Singapore (ACRA). The Group has also complied with Rule 715 of the Listing Manual of the SGX-ST in having engaged the same auditing firm based in Singapore to audit its Singapore-incorporated subsidiaries and significant associated companies, and for having appointed suitable auditing firms for its significant foreign-incorporated subsidiaries and associated companies. The Group has also complied with the requirements of SRC Rule 68 in selecting an SEC-accredited auditing firm in the Philippines.

Consistent with the Company's rotation policy, the ARC and the Board undertake to conduct a comprehensive review of the external auditors at least every five years.

The ARC meets with the Group's external auditors and with the Head of Internal Audit department without the presence of Management at least once a year. During the year under review, the ARC had met with the Group's external auditors without the presence of Management and with the Head of Internal Audit without the presence of Management more than once.

The Group's Internal Audit department is staffed by qualified, experienced and trained personnel who are members of the Institute of Internal Auditors. The team comprises auditors with diverse backgrounds: accounting, industrial engineering and applied mathematics. They have internal audit experience ranging from 10 to 25 years. Team members also possess various certifications: Certified Internal Auditor, Certified Information Systems Auditor, Certified Internal Control Auditor and Certified Risk Analyst. Their duties are appropriately segregated.

This department commands a respectable standing within the Company and is responsible for reviewing the risk management, internal controls and governance processes of the Group to ensure these are adequate and effectively implemented.

The Head of Internal Audit is Mr. Gil Ramon S. Veloso who reports functionally to the ARC and administratively to the CEO. Mr. Gil Veloso is a Certified Public Accountant and a Certified Internal Control Auditor. He has completed an Executive Education Program at the Asian Institute of Management. He is also a member of the Institute of Internal Auditors with 25 years internal audit experience covering financial, operational, compliance and IT audits. He has audited various entities in the Philippines, Singapore, the US, China and India. The Internal Audit Head or the Internal Audit Department has access and may reach out to the ARC or any of its members at any time.

It is the Group's policy to support the Internal Audit department in complying with the International Professional Practices Framework set by The Institute of Internal Auditors. Training and development opportunities are provided for staff of the Internal Audit department to upgrade their technical knowledge and skill sets to ensure they remain current and relevant.

In order to effectively carry out its functions, the Internal Audit department has unfettered access to all company personnel, documents, records and properties.

The ARC approves the hiring, removal, evaluation and compensation of the Head of Internal Audit. The ARC annually reviews the adequacy, effectiveness and independence of the internal audit function, and it is of the view that the Company's internal audit function is adequately resourced, effective and independent.

During the year under review, the ARC held four meetings.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11
Shareholder Rights and Conduct of General Meetings

The Company treats all shareholders fairly and equitably, and recognizes, protects and facilitates the exercise of shareholders' rights. Moreover, the Company continually reviews and updates such governance arrangements.

Shareholders are informed of changes in the Group's business that are likely to materially affect the value of the Company's shares.

The Company encourages shareholder participation at AGMs or GMs, and ensures that the venue for the meetings is in a convenient location easily accessed by public transportation.

In view of the COVID-19 situation, the AGM held in respect of FY2022 was convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM were put in place: via electronically accessed live audio-visual webcast, or live audio-only stream; submission of questions to the Chairman of the Meeting in advance of the AGM; addressing of substantial and relevant questions at, or prior to, the AGM (the Company conducted a live online Q&A); and voting by appointing the Chairman of the Meeting as proxy at the AGM. Proxy forms were required to be submitted ahead of the meeting and votes were tabulated before the AGM.

The Company had appointed independent scrutineers, Reliance 3P Advisory Pte. Ltd. in Singapore and Ortega Law Office in the Philippines, to validate the votes submitted for the said meeting held on 26 August 2022.

The Chairman of the Board, the respective Chairperson of the ARC, NGC and RSOC, three other Directors, Senior Management including the CEO, and the external auditors were present at the last AGM held on 26 August 2022, to assist the Board in addressing shareholders' questions.

Shareholders were given the opportunity to participate by emailing their questions and submitting their votes and proxy forms before the AGM.

The Company's Memorandum and Articles of Association do not allow corporations which provide nominee or custodial services to appoint more than two proxies to vote. At present, only the Central Depository (Pte.) Ltd. is permitted to appoint more than two proxies. The Company does, however, allow shareholders who did not or could not vote, as well as non-shareholders, to attend the AGM or GM as observers.

The Company does not practice bundling of resolutions at general meetings. Each distinct issue is proposed as a separate resolution and full information is provided for each item in the agenda for the meetings.

Before the pandemic, shareholders were given the opportunity to communicate their views and direct questions in person to Directors and Senior Management regarding the Company. At the FY2023 AGM in August 2023, the Company will revert to an onsite meeting and shareholders will then be able to ask questions in person.

The Company had since 2013 instituted electronic poll voting, and all resolutions are put to vote by electronic poll at its AGMs and GMs. Shareholders are informed of the rules and voting procedures before the start of any meeting. The Group ensures that shareholders have the opportunity to participate effectively in, and vote at, AGMs or GMs. The detailed results of the poll, including the number of votes cast for and against each resolution with the respective percentages taken during the AGM or GM are disclosed and made available to the public on the same day, and likewise uploaded on the Company's website within five days from the date of the meeting.

The Company's Memorandum and Articles of Association do not provide for absentia voting which, even if allowed, may only be possible following a deliberate study to ensure that the integrity of information and authentication of the identity of shareholders and other related security issues through the web would not be compromised, and importantly, legislative changes are effected to recognize remote voting.

The AGM and GM minutes reflect that shareholders are always given the opportunity to ask questions. The minutes include shareholders' comments and a summary of the questions and answers during the meetings. The minutes are promptly made available in the Company's website after the meetings.

The Company's dividend policy for Ordinary Shares is to distribute a minimum of 33% of full year profit. The holders of Ordinary Shares are entitled to receive dividends, as declared from time to time.

The dividend policy and terms, including the declaration dates from previous years, are provided on the Company's website. The Company endeavors to pay dividends within 30 days after declaration date.

Principle 12
Engagement with Shareholders

The Company is committed to engaging with its stakeholders including its shareholders, and providing easy and regular access to timely, effective, fair, pertinent and accurate information about the Company. The Company has an Investor Relations (IR) policy that clearly articulates and promotes this.

The Company's IR is handled in-house. It has a dedicated Investor Relations team comprising the Chief Corporate Officer and Investor Relations Manager who regularly engage and communicate with the investing community. Various IR and communication modes are employed by the Company to provide information, gather feedback, and address questions and concerns. Insights and feedback gathered are taken and, where appropriate, acted upon.

The Company strengthens its relationships with the investing community (shareholders, potential investors and stock brokers) and solicits their views through one-on-one meetings, participation in conferences, forums and road shows organized by stock broking and investing companies. For the quarterly results in FY2023, DMPL had on average 26 attendees per meeting.

To maintain an open channel of communication, the Company also has an email alert system whereby emails on material developments and updates concerning the Company are sent out to investors. Such information, and other material information about the Company, including its financial position, performance, ownership, strategies, activities and governance, are disclosed to all shareholders and the investing community via the SGX-ST and PSE portals.

In the past, the Company had organized visits to its plantation and cannery, as well as trade checks, for the investing community, providing them with first-hand appreciation and understanding of the Group's operations and markets.

The Company provides descriptive and detailed disclosures whenever possible and avoids boilerplate disclosures, and immediately announces any material information on the Company or any of its subsidiaries or associated companies.

The Company observes a closed-window period of two weeks prior to the announcement of its quarterly results and one month prior to the announcement of its full year results. During this period, the Company does not meet or communicate with the investing community to avoid any selective disclosure.

The Company announces its financial results on a quarterly basis within the prescribed timeframe and holds joint briefings or conference calls with the investing community. Pre-pandemic, the briefings were held in an accessible central location, and broadcast via webcast to global viewers, with a recording available for six months. In the past year, the briefings were held virtually and these were also recorded. Key Management Personnel were present during the briefings. The Company uploads on its website the materials for media briefings and press conferences.

The Management Discussion and Analysis (MDA) report, press release and presentation on the Company's financial results are disseminated through the SGX-ST and PSE portals, and the Company's email alerts and website all on the same day.

The Company's corporate website (www.delmontepacific.com) has an international design to promote DMPL as a global food and beverage player, while the structure and sitemap allow for easy navigation and access to key investor information. The website features the Company's four key brands (Del Monte, S&W, Contadina and College Inn), its domestic and international businesses, as well as awards received. It also has links to the websites of its other subsidiaries and brands, and includes social media links to DMPL's subsidiaries' Facebook, Instagram, Twitter, Pinterest and LinkedIn pages.

The corporate website has a dedicated and comprehensive IR section that is user-friendly with easily downloadable and updated press releases, announcements, quarterly reports, presentations, annual reports and analyst reports. Announcements are uploaded as soon as they are released to the SGX-ST and PSE portals, including other disclosures and reports submitted to the Philippine SEC.

The following are also included in the IR site: IR policy, IR calendar, AGM and GM Minutes, dividend policy and payment details, share information, and the Company's top 20 shareholders. The following are also available on the website: Sustainability, Corporate Governance, profile of Directors and Senior Management, Memorandum and Articles of Association, Code of Business Ethics and other policies.

The IR email address (jluy@delmontepacific.com) and telephone number (+65 6594 0980) are listed prominently on the IR homepage and in the annual report, making DMPL's IR Manager accessible. The IR team endeavors to reply to emails and requests within a day.

The Company is guided by strong principles and provisions grounded on the 2018 Code, the SEC CG Code, the SGX Listing Manual, the SGTI and the ACGS to strengthen stakeholder relations. DMPL's IR is guided by principles of trust; good corporate governance; transparency, openness and quality of disclosure; fairness; timeliness; pro-activeness and engagement; accessibility; employment of IT; and continuous improvement.

The Company had received the Best Investor Relations (Gold) Award in 2017 and the Best Annual Report (Gold) Award in 2019 from the Singapore Corporate Awards (SCA).

Since the SCA began in 2006, DMPL has won two Gold awards each for the Best Managed Board and Best Investor Relations. DMPL is one of less than 10 companies from 643 companies listed in Singapore to have achieved this.

The Company has also received four distinct awards including that for the Best CFO and is one of only 21 companies to have achieved this.

The Company has won a total of 15 awards for 11 years from 2010 to 2019 and 2022. No awards were given out by the SCA in 2020 due to the pandemic, while 2021 was a special edition with a different recognition, Corporate Excellence and Resilience Awards.

Del Monte Pacific also won the Singapore Corporate Governance Award from the Securities Investors Association (Singapore) or SIAS in October 2022. It has received a total of 9 awards from SIAS since 2001 including 4 corporate governance awards.

The Company was ranked 12th, within the top 2.5 percentile, among 489 Singapore-listed companies evaluated in the August 2022 SGTI.

As part of the Company's ongoing efforts to improve investor relations, it will continue to review and update governance arrangements with stakeholders. The Company also benchmarks against peers and industry best practices by having its relevant executives attend seminars and forums, joining IR organizations, and keeping abreast of updates to the 2018 Code and similar guidelines and recommendations.

Principle 13
Engagement with Stakeholders

The Company actively engages with its stakeholders through various media and channels to ensure that its business interests are aligned with those of its stakeholders.

The Company has identified its stakeholder groups through an assessment of their connection to and to the impact of the Group's operations to them, namely, consumers, business partners, creditors, host communities, employees, and shareholders.

The Company's strategy and key areas of focus in relation to the management of stakeholder relationship for FY2023 will be addressed in its Sustainability Report to be published on the Company's corporate website.

Stakeholders can communicate and engage with the Company through the Company's website at www.delmontepacific.com or contact the IR team via email at jluy@delmontepacific.com and/or telephone at +65 6594 0980.

CREDITORS' RIGHTS

DMPL protects creditors' rights through the presence of debt covenants in some of its loans including maintaining debt to equity, debt service coverage, interest coverage and fixed charge coverage ratios. For instance, in the US, the Company's subsidiary has engaged in transactions that are within the limits of certain incurrence thresholds such as Debt/EBITDA and EBITDA/interest ratios.

The Group also diversifies its funding sources to improve its financial flexibility, optimize its capital structure and minimize financing costs. It secures funding from a number of banks across Asia and the USA (please refer to Corporate Information for DMPL's bankers) to minimize extensive exposure to one creditor. The Group also considers bond and equity financing to the extent that the latter strengthens the balance sheet. DMPL monitors and maintains a level of cash and cash equivalents and enough standby credit lines. Above all these, the key objective has been to have a solid business plan and execution to generate consistent profit and growth to service loan and interest requirements.

DEALINGS IN SECURITIES

The Company adopted in 2013 a Securities Dealings Policy to govern dealings in the Company's shares by its Directors, Key Management Personnel and certain designated employees having access to price sensitive information. With this policy, these individuals are required to seek the approval of the Chairman or the Board before dealing in the Company's shares. Directors are also required to report their dealings in the Company's shares within two business days from the date of transaction.

Directors, Key Management Personnel and certain designated employees had been advised that it is an offence to deal in the Company's securities when they are in possession of unpublished material price-sensitive information. They are also discouraged from dealing in the Company's securities on short-term considerations.

They are not allowed to deal in the Company's securities during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year, and one month before the announcement of the Company's full-year financial results. For the year under review, these individuals had been compliant with the Securities Dealings Policy.

DIRECTORS' STATEMENT

The Directors are pleased to present their report to the shareholders together with the audited financial statements of Del Monte Pacific Limited (the Company) and its subsidiaries (collectively, the Group) comprising the statements of financial position, income statements, statements of comprehensive income, statements of changes in equity and the statements of cash flow of the Group and Company for the financial year ended 30 April 2023.

OPINION OF THE DIRECTORS

In the Directors' opinion,

(a) the financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 30 April 2023 and the financial performance, changes in equity and cash flows of the Group and the Company for the year then ended in accordance with International Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due. The Group has sufficient credit lines available for drawdown and the Company also expects to receive dividend payment from its subsidiaries in the next 12 months.

DIRECTORS

The Directors in office as at the date of this report are as follows:

Mr. Rolando C. Gapud	(Executive Chairman)
Mr. Joselito D. Campos, Jr.	(Executive Director, Managing Director and Chief Executive Officer)
Mr. Edgardo M. Cruz, Jr.	(Executive Director)
Mr. Benedict Kwek Gim Song	(Lead Independent Director)
Mr. Godfrey E. Scotchbrook	(Independent Director)
Dr. Emil Q. Javier	(Independent Director)
Mrs. Yvonne Goh	(Independent Director)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company, its subsidiaries or any other body corporate.

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS

According to the registers kept by the Company, particulars of interests of Directors in shares and share options in the Company who held office at the end of the financial year (including those held by their spouses and children) are as follows:

Directors' Interest in Shares:

	Direct interests			Deemed interests		
	As at beginning of the year 1 May 2022	As at end of the year 30 April 2023	As at 21 May 2023	As at beginning of the year 1 May 2022	As at end of the year 30 April 2023	As at 21 May 2023
<u>The Company</u>						
Ordinary shares of US$0.01 each						
Mr. Rolando C. Gapud	2,651,203	2,651,203	2,651,203	–	–	–
Mr. Joselito D. Campos, Jr.	7,621,466	7,621,466	7,621,466	1,386,276,498	1,386,276,498	1,386,276,498
Mr. Edgardo M. Cruz, Jr.	2,984,632	2,984,632	2,984,632	–	–	–
Dr. Emil Q. Javier	611,828	611,828	611,828	–	–	–
Mr. Benedict Kwek Gim Song	117,092	117,092	117,092	–	–	–
Mr. Godfrey E. Scotchbrook	117,092	117,092	117,092	–	–	–

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, debentures, warrants, share options or share-based incentives of the Company or of related corporations, either at the beginning or at the end of the financial year.

DIRECTORS' CONTRACTUAL BENEFITS

Except for salaries, bonuses and fees, and those benefits that are disclosed in this report and in Note 37 to the financial statements, since the end of the last financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTION AND INCENTIVE PLANS

The Company has in place the Del Monte Pacific Executive Share Option Plan 2016 (ESOP 2016) which was approved by shareholders at the general meeting held on 30 August 2016. The ESOP 2016 aims to provide an opportunity for Group executives and Directors to participate in the equity of the Company in order to motivate them to excel in their performance. The ESOP 2016 is valid for a period of ten years; however, no options had been granted to date.

The ESOP 2016 is administered by the Remuneration and Share Option Committee (RSOC) which comprises the following members:

Mr. Godfrey E. Scotchbrook	(RSOC Chairman)
Mr. Benedict Kwek Gim Song	(Member)
Dr. Emil Q. Javier	(Member)
Mrs. Yvonne Goh	(Member)

No options or share awards have been granted to the controlling shareholders of the Company or their associates, or to Directors of the Company or employees of the Group, either at the beginning or at the end of the financial year.

DIRECTORS' STATEMENT

AUDIT AND RISK COMMITTEE

For the financial year ended 30 April 2023, the Audit and Risk Committee (ARC) comprised the following members:

Mr. Benedict Kwek Gim Song	(ARC Chairman)
Mr. Godfrey E. Scotchbrook	(Member)
Dr. Emil Q. Javier	(Member)
Mrs. Yvonne Goh	(Member)

From 1 May 2022 to 30 April 2023, the ARC held four meetings. The ARC reviews the effectiveness of the systems of internal controls of the Group, its accounting policies, annual financial statements and quarterly reports, the adequacy and effectiveness of the internal audit function, and the findings of both the external and internal auditors. The ARC may also examine whatever aspects it deems appropriate regarding the Group's financial affairs, its internal and external audits, and its exposure to risks of a regulatory or legal nature. Furthermore, all interested person transactions are subject to regular periodic reviews by the ARC to ensure that they are carried out on arm's length commercial terms, consistent with the Group's usual business practices and policies, and are not prejudicial to the Company's minority shareholders.

In performing its functions, the ARC reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. The ARC met with the internal and external auditors to discuss the results of their respective examinations and their evaluation of the Group's system of internal controls. The ARC also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial year ended 30 April 2023, as well as the external auditors' report thereon.

The ARC has full access to, and the cooperation of, Management and the internal auditors. It also has full discretion to invite any Director or executive officer to attend its meetings. The Chief Financial Officer attends all meetings of the ARC. The auditors have unrestricted access to the ARC. The ARC has reasonable resources to enable it to discharge its functions effectively.

INTERNAL CONTROLS

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, assurances by the Chief Executive Officer, Chief Operating Officer, Chief Corporate Officer, Chief Financial Officer and Chief Compliance Officer, and reviews performed by Management and various Board Committees, the Board is of the opinion, and the ARC concurs, that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and its risk management systems were adequate and effective as at 30 April 2023.

DIRECTORS' STATEMENT

AUDITORS

Ernst & Young LLP have indicated their willingness to accept their re-appointment as the Group's external auditors.

On behalf of the Board of Directors

Mr Rolando C. Gapud
Executive Chairman

Mr. Joselito D. Campos, Jr.
Executive Director

7 July 2023

INDEPENDENT AUDITORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Del Monte Pacific Limited (the Company) and its subsidiaries (collectively, the Group), which comprise the statements of financial position of the Group and the Company as at 30 April 2023, the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group and the Company present fairly, in all material respects, the financial position of the Group and the Company as at 30 April 2023, and their financial performance, their changes in equity, and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements, ACRA Code and IESBA Code. 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 financial statements of the current period. These matters were addressed in the context of our audit of the 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 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 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 financial statements

Key audit matter	How our audit addressed the matter
Fair value of biological assets	
As at 30 April 2023, the Group has biological assets amounting to US$47.9 million. The valuation of biological assets was significant to our audit as the estimation process is complex, involves significant management estimate, and is based on assumptions that could be affected by natural phenomena. The key assumptions in determining the fair value of harvested produce include expected selling prices and gross margins. The key assumptions for the fair value of produce prior to harvest include its expected selling prices, gross margin, estimated tonnage of harvests and future growing costs.	We obtained an understanding of management's fair value measurement methodology and their process in deriving the fair value of the biological assets. We assessed the appropriateness of the methodology used in estimating the fair value. We tested the key assumptions used in the valuation, which include expected selling prices and gross margin for harvested produce; and expected selling prices, gross margin, estimated tonnage of harvests and future growing costs for produce prior to harvest, by comparing them to external data such as selling prices in the principal market and historical information.
The Group's disclosures relating to biological assets and sources of estimation uncertainty are included in Notes 11 and 34 to the financial statements.	We also assessed the adequacy of the related disclosures on biological assets.

Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the matter
Impairment assessment of goodwill and indefinite life trademarks	
As at 30 April 2023, the Group carries goodwill of US$203.4 million and indefinite life trademarks of US$472.4 million, representing 12% and 28% of the total noncurrent assets, respectively.	
(a) *Goodwill and indefinite life trademarks allocated to Del Monte Foods, Inc. and its subsidiaries*	
The Group's goodwill is allocated to a Cash Generating Unit (CGU), Del Monte Foods, Inc. a subsidiary in the United States of America, and its subsidiaries (collectively, DMFI). Included within the CGU are the indefinite life America trademarks, "Del Monte", "College Inn", and "Kitchen Basics" amounting to US$458.3 million. The Group uses the value in use calculation to estimate the recoverable amount of the CGU for purposes of assessing whether there is any impairment to be recognised. The annual impairment test is significant to our audit because the assessment process is complex, involves significant management judgment and is dependent on certain key estimates such as expected cash flow covering a five-year period and the long-term growth rate and discount rate of the CGU. The Group's disclosures relating to the goodwill and indefinite life America trademarks allocated to DMFI, sources of estimation uncertainty and sensitivity of the recoverable amounts are included in Note 8 to the financial statements.	We obtained an understanding of the Group's impairment assessment process and the related controls. We tested the reasonableness of the key assumptions, which include revenue growth rate, gross margin, earnings before interest, taxation, depreciation and amortization (EBITDA) margin, discount rate and long-term growth rate against management plans, historical data and available market information in light of current market and economic conditions. We also performed independent sensitivity analysis on the key assumptions to consider the extent of reasonable change in these assumptions that individually or collectively would result in the impairment of these assets. We involved our internal specialist in evaluating certain key assumptions and methodology used. We also reviewed the Group's disclosures in Note 8 to the financial statements, about those assumptions to which the outcome of the impairment test was most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of the CGU.
(b) *Other indefinite life trademarks*	
As at 30 April 2023, other indefinite life trademarks, comprising of "Del Monte" in the Philippines and India, "S&W" in Asia, and "Todays" in the Philippines, are carried at US$14.1 million. The annual impairment test is significant to our audit because the assessment process is complex, involves significant management judgment and is dependent on certain estimates that can be affected by future market and economic conditions as well as trademark and royalty rates in the market.	We assessed the reasonableness of the forecasted revenue and royalty rates used to derive the recoverable amount of the brand and trademarks by comparing against available market and historical information. We also evaluated the significant assumptions used in the financial forecast of the CGU, which include revenue growth rates, EBITDA and long-term margins, terminal growth rates and discount rates, by comparing them against management plans, historical data and available market information in light of current market and economic conditions. We involved our internal specialist in evaluating certain key assumptions and methodologies used.

Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the matter
Impairment assessment of goodwill and indefinite life trademarks (cont'd)	
(b) Other indefinite life trademarks (cont'd)	
The Group used the Relief-from-Royalty methodology in valuing its Philippines and S&W Asia trademarks. This approach relies on the forecasted revenue for the related brand or trademark and applies the royalty rates observed in the market. For the India trademark, the Group used the discounted cash flows of the related CGU. This method relies on forecasted financial results which uses significant assumptions such as revenue growth rates, EBITDA and long-term margins, terminal growth rates and discount rates. The Group's disclosures relating to its indefinite life trademarks, sources of estimation uncertainty and sensitivity of the recoverable amounts are included in Notes 7 and 8 to the financial statements.	We performed independent sensitivity analysis on the key assumptions to consider the extent of reasonable change in these assumptions that individually or collectively would result in impairment of these assets. We also reviewed the Group's disclosures in Notes 7 and 8 to the financial statements, about those assumptions to which the outcomes of the impairment tests were most sensitive, that is, those that have the most significant effect on the determination of the recoverable amounts of the CGUs.
Recognition of deferred tax assets	
As at 30 April 2023, the Group has recognized net deferred tax assets of US$118.1 million, of which US$112.8 million was attributable to DMFI. The recognition of the deferred tax asset was significant to our audit because it entails estimation of the future taxable income which involves significant management judgment and is based on assumptions that are affected by future market or economic conditions. The key assumptions in the taxable income forecast include revenue growth rates and gross and EBITDA margins. The Group's disclosures relating to deferred tax and sources of estimation uncertainty are included in Note 9 to the financial statements.	We assessed the reasonableness of deferred tax assets recognised by comparing it to the taxable income forecast. We tested the key assumptions in estimating the taxable income forecast such as revenue growth rates and gross and EBITDA margins against available market information, management plans, historical performance and industry/market outlook in light of current market and economic conditions. We compared the consistency of management's taxable income forecasts with those included in the budget approved by the Board of Directors. We also evaluated the reasonableness of the timing of the reversal of future taxable and deductible temporary differences by considering the taxable income forecast and current tax laws. We assessed the robustness of management's forecasting process by comparing the actual results of the subsidiary against the prior year forecast. We involved our internal tax specialist in reviewing the deductibility of the temporary differences. We also reviewed Group's disclosures in Note 9 to the financial statements, relating to deferred tax and sources of estimation uncertainty.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Group's 2023 Annual Report, but does not include the financial statements and our auditor's report thereon. The Group's 2023 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Group's 2023 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with ISAs.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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 and Company'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 directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.

INDEPENDENT AUDITORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- 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 and Company'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 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 and Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 group audit. We remain solely responsible for our audit opinion.

We communicate with the directors 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 the directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter 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 partner in charge of the audit resulting in this independent auditor's report is Philip Ling.

Ernst & Young LLP.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

7 July 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2023 AND 2022

(In US$'000)

	Note	Group 30 April 2023	Group 30 April 2022	Company 30 April 2023	Company 30 April 2022
Non current assets					
Property, plant and equipment – net	5	**658,991**	577,647	**–**	–
Right-of-use assets	23	**100,566**	123,539	**77**	132
Investments in subsidiaries	6	**–**	–	**967,159**	980,008
Investments in joint ventures	7	**20,161**	17,172	**2,623**	2,836
Intangible assets and goodwill	8	**753,841**	688,047	**–**	–
Deferred tax assets – net	9	**118,060**	116,745	**–**	–
Biological assets	11	**3,007**	2,735	**–**	–
Pension assets – net	20	**10,630**	9,799	**60**	–
Other noncurrent assets	10	**42,250**	30,411	**5,023**	49
		1,707,506	1,566,095	**974,942**	983,025
Current assets					
Biological assets	11	**44,852**	47,346	**–**	–
Inventories	12	**1,076,772**	685,958	**–**	–
Trade and other receivables	13	**231,036**	214,553	**26,406**	84,832
Prepaid expenses and other current assets	14	**59,667**	49,052	**94**	931
Cash and cash equivalents	15	**19,836**	21,853	**554**	2,129
		1,432,163	1,018,762	**27,054**	87,892
Total assets		**3,139,669**	2,584,857	**1,001,996**	1,070,917
Equity					
Share capital	16	**19,449**	29,449	**19,449**	29,449
Share premium	17	**208,339**	298,339	**208,478**	298,478
Retained earnings	17	**119,540**	140,320	**119,540**	140,320
Reserves	17	**(28,511)**	(42,541)	**(28,511)**	(42,541)
Equity attributable to owners of the Company	38	**318,817**	425,567	**318,956**	425,706
Non-controlling interests	38	**66,941**	69,138	–	–
Total equity		**385,758**	494,705	**318,956**	425,706
Noncurrent liabilities					
Loans and borrowings	18	**994,477**	1,088,012	**241,959**	434,587
Employee benefits	20	**21,294**	24,342	**–**	12
Environmental remediation liabilities	21	**–**	203	**–**	–
Lease liabilities	23	**72,204**	91,771	**–**	–
Deferred tax liabilities - net	9	**11,630**	12,421	**49**	8
Other noncurrent liabilities	19	**16,826**	23,023	**–**	–
		1,116,431	1,239,772	**242,008**	434,607
Current liabilities					
Loans and borrowings	18	**1,278,876**	479,354	**324,898**	170,571
Employee benefits	20	**24,280**	36,958	**–**	–
Trade payables and other current liabilities	22	**304,940**	302,833	**116,134**	40,029
Lease liabilities	23	**27,892**	29,549	**–**	–
Current tax liabilities		**1,492**	1,686	**–**	4
		1,637,480	850,380	**441,032**	210,604
Total liabilities		**2,753,911**	2,090,152	**683,040**	645,211
Total equity and liabilities		**3,139,669**	2,584,857	**1,001,996**	1,070,917

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

INCOME STATEMENTS

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Group			Company		
		Year ended 30 April 2023	**Year ended 30 April 2022**	**Year ended 30 April 2021**	**Year ended 30 April 2023**	**Year ended 30 April 2022**	**Year ended 30 April 2021**
Revenue	24, 29	**2,421,313**	2,342,086	2,162,709	–	–	–
Cost of sales		**(1,814,320)**	(1,719,429)	(1,606,746)	–	–	–
Gross profit		**606,993**	622,657	555,963	–	–	–
Distribution and selling expenses		**(229,272)**	(221,798)	(200,417)	–	–	–
General and administrative expenses		**(120,334)**	(129,311)	(144,053)	**(13,980)**	(12,983)	(13,158)
Other (expenses) income – net		**(11,789)**	(4,258)	357	**1,836**	1,674	1,714
Results from operating activities		**245,598**	267,290	211,850	**(12,144)**	(11,309)	(11,444)
Finance income	26	**14,293**	5,201	7,534	**177**	145	851
Finance expense	26	**(215,861)**	(112,707)	(114,110)	**(32,337)**	(13,238)	(13,134)
Net finance expense		**(201,568)**	(107,506)	(106,576)	**(32,160)**	(13,093)	(12,283)
Share in net (loss) income of joint ventures and subsidiaries	6, 7	**(1,486)**	(4,954)	(1,531)	**61,304**	124,437	86,990
Profit before taxation	25	**42,544**	154,830	103,743	**17,000**	100,035	63,263
Tax expense – net	27	**(17,167)**	(39,300)	(27,273)	**(51)**	(4)	(7)
Profit for the year		**25,377**	115,530	76,470	**16,949**	100,031	63,256
Profit attributable to:							
Owners of the Company	28	**16,949**	100,031	63,256	**16,949**	100,031	63,256
Non-controlling interests		**8,428**	15,499	13,214	**–**	–	–
		25,377	115,530	76,470	**16,949**	100,031	63,256
Earnings per share							
Basic earnings per share (US cents)	28	**0.66**	4.17	2.24	**–**	–	–
Diluted earnings per share (US cents)	28	**0.66**	4.17	2.24	**–**	–	–

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Year ended 30 April 2023	Year ended 30 April 2022	Year ended 30 April 2021
Group				
Profit for the year		**25,377**	115,530	76,470
Other comprehensive income (loss)				
Items that will or may be reclassified subsequently to profit or loss:				
Currency translation difference		**(11,146)**	(15,302)	6,900
Effective portion of changes in fair value of cash flow hedges		**9,095**	(8,805)	4,283
Tax impact on share in cash flow hedges		**(2,274)**	2,193	(1,049)
		(4,325)	(21,914)	10,134
Items that will not be reclassified to profit or loss:				
Remeasurement of retirement plans		**3,416**	12,760	54,580
Tax impact on remeasurement of retirement plans	9	**(821)**	(3,255)	(13,880)
Gain on property revaluation	5	**22,121**	–	–
Tax impact on revaluation reserve	9	**(5,828)**	–	629
		18,888	9,505	41,329
Other comprehensive income (loss) for the year, net of tax		**14,563**	(12,409)	51,463
Total comprehensive income for the year		**39,940**	103,121	127,933
Total comprehensive income attributable to:				
Owners of the Company		**30,979**	89,196	110,777
Non-controlling interests		**8,961**	13,925	17,156
		39,940	103,121	127,933

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Year ended 30 April 2023	**Year ended 30 April 2022**	**Year ended 30 April 2021**
Company			
Profit for the year	**16,949**	100,031	63,256
Other comprehensive income (loss)			
Items that will or may be reclassified subsequently to profit or loss:			
Currency translation difference	**(9,698)**	(13,351)	6,026
Effective portion of changes in fair value of cash flow hedges	**8,471**	(8,239)	4,008
Tax impact on share in cash flow hedges	**(2,118)**	2,052	(982)
	(3,345)	(19,538)	9,052
Items that will not be reclassified to profit or loss:			
Remeasurement of retirement plans	**3,027**	11,685	50,856
Tax impact on remeasurement of retirement plans	**(728)**	(2,982)	(12,934)
Gain on property revaluation	**20,493**	–	–
Derecognition (impact) of tax on revaluation reserve	**(5,417)**	–	547
	17,375	8,703	38,469
Other comprehensive income (loss) for the year, net of tax	**14,030**	(10,835)	47,521
Total comprehensive income for the year	**30,979**	89,196	110,777

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

		Attributable to owners of the Company										
	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure-ment retirement plans	Hedging reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
Group												
2023												
At 30 April 2022		29,449	298,339	(95,322)	14,278	43,752	(4,963)	(286)	140,320	425,567	69,138	494,705
Total comprehensive income for the year												
Profit for the year		–	–	–	–	–	–	–	16,949	16,949	8,428	25,377
Other comprehensive income (loss)												
Currency translation differences		–	–	(9,698)	–	–	–	–	–	(9,698)	(1,448)	(11,146)
Gain on property revaluation, net of tax		–	–	–	15,076	–	–	–	–	15,076	1,217	16,293
Remeasurement of retirement plans, net of tax	20	–	–	–	–	2,299	–	–	–	2,299	296	2,595
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	6,353	–	–	6,353	468	6,821
Total other comprehensive income (loss)		–	–	(9,698)	15,076	2,299	6,353	–	–	14,030	533	14,563
Total comprehensive income (loss) for the year		–	–	(9,698)	15,076	2,299	6,353	–	16,949	30,979	8,961	39,940
Transactions with owners of the Company recognized directly in equity												
Contributions by and distributions to owners of the Company												
Redemption of A-2 preference shares	16	(10,000)	(90,000)	–	–	–	–	–	–	(100,000)	–	(100,000)
Dividends	17	–	–	–	–	–	–	–	(37,729)	(37,729)	(11,158)	(48,887)
Total contributions by and distributions to owners		(10,000)	(90,000)	–	–	–	–	–	(37,729)	(137,729)	(11,158)	(148,887)
At 30 April 2023	**16,17**	**19,449**	**208,339**	**(105,020)**	**29,354**	**46,051**	**1,390**	**(286)**	**119,540**	**318,817**	**66,941**	**385,758**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to owners of the Company											
Group													
2022													
At 30 April 2021		49,449	478,339	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,184	61,312	642,496
Total comprehensive income for the year													
Profit for the year		–	–	–	–	–	–	–	–	100,031	100,031	15,499	115,530
Other comprehensive income (loss)													
Currency translation differences		–	–	(13,351)	–	–	–	–	–	–	(13,351)	(1,951)	(15,302)
Remeasurement of retirement plans, net of tax	20	–	–	–	–	8,703	–	–	–	–	8,703	802	9,505
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	(6,187)	–	–	–	(6,187)	(425)	(6,612)
Total other comprehensive income (loss)		–	–	(13,351)	–	8,703	(6,187)	–	–	–	(10,835)	(1,574)	(12,409)
Total comprehensive income (loss) for the year		–	–	(13,351)	–	8,703	(6,187)	–	–	100,031	89,196	13,925	103,121
Transactions with owners of the Company recognized directly in equity													
Contributions by and distributions to owners of the Company													
Redemption of A-1 preference shares	16	(20,000)	(180,000)	–	–	–	–	–	–	–	(200,000)	–	(200,000)
Cancelled options	31	–	–	–	–	–	–	(1,753)	–	–	(1,753)	(207)	(1,960)
Dividends	17	–	–	–	–	–	–	–	–	(43,060)	(43,060)	(5,892)	(48,952)
Total contributions by and distributions to owners		(20,000)	(180,000)	–	–	–	–	(1,753)	–	(43,060)	(244,813)	(6,099)	(250,912)
At 30 April 2022	**16,17**	**29,449**	**298,339**	**(95,322)**	**14,278**	**43,752**	**(4,963)**	**–**	**(286)**	**140,320**	**425,567**	**69,138**	**494,705**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

		Attributable to owners of the Company											
	Note	**Share capital**	**Share premium**	**Translation reserve**	**Revaluation reserve**	**Remeasure -ment of retirement plans**	**Hedging reserve**	**Share option reserve**	**Reserve for own shares**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Group													
2021													
At 30 April 2020		49,449	478,339	(87,997)	13,731	(2,873)	(1,802)	1,753	(286)	60,763	511,077	54,820	565,897
Total comprehensive income for the year													
Profit for the year		–	–	–	–	–	–	–	–	63,256	63,256	13,214	76,470
Other comprehensive income													
Currency translation differences		–	–	6,026	–	–	–	–	–	–	6,026	874	6,900
Gain on property revaluation, net of tax		–	–	–	547	–	–	–	–	–	547	82	629
Remeasurement of retirement plans, net of tax	20	–	–	–	–	37,922	–	–	–	–	37,922	2,778	40,700
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	3,026	–	–	–	3,026	208	3,234
Total other comprehensive income		–	–	6,026	547	37,922	3,026	–	–	–	47,521	3,942	51,463
Total comprehensive income for the year		–	–	6,026	547	37,922	3,026	–	–	63,256	110,777	17,156	127,933
Transactions with owners of the Company recognized directly in equity													
Contributions by and distributions to owners of the Company													
Sale of shares of a subsidiary	6	–	–	–	–	–	–	–	–	9,135	9,135	2,201	11,336
Dividends	17	–	–	–	–	–	–	–	–	(49,805)	(49,805)	(12,865)	(62,670)
Total contributions by and distributions to owners		–	–	–	–	–	–	–	–	(40,670)	(40,670)	(10,664)	(51,334)
At 30 April 2021	**16, 17**	49,449	478,339	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,184	61,312	642,496

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Reserve for own shares	Retained earnings	Total
Company										
2023										
At 30 April 2022		29,449	298,478	(95,322)	14,278	43,752	(4,963)	(286)	140,320	425,706
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	–	–	16,949	16,949
Other comprehensive income (loss)										
Currency translation differences		–	–	(9,698)	–	–	–	–	–	(9,698)
Gain on property revaluation, net of tax		–	–	–	15,076	–	–	–	–	15,076
Remeasurement of retirement plans, net of tax	20	–	–	–	–	2,299	–	–	–	2,299
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	6,353	–	–	6,353
Total other comprehensive income (loss)		–	–	(9,698)	15,076	2,299	6,353	–	–	14,030
Total comprehensive income (loss) for the year		–	–	(9,698)	15,076	2,299	6,353	–	16,949	30,979
Transactions with owners of the Company recognized directly in equity										
Contributions by and distributions to owners of the Company										
Redemption of A-2 preference shares	16	(10,000)	(90,000)	–	–	–	–	–	–	(100,000)
Dividends	17	–	–	–	–	–	–	–	(37,729)	(37,729)
Total contributions by and distributions to owners		(10,000)	(90,000)	–	–	–	–	–	(37,729)	(137,729)
At 30 April 2023	16, 17	**19,449**	**208,478**	**(105,020)**	**29,354**	**46,051**	**1,390**	**(286)**	**119,540**	**318,956**

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total
Company											
2022											
At 30 April 2021		49,449	478,478	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,323
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	–	–	100,031	100,031
Other comprehensive income (loss)											
Currency translation differences		–	–	(13,351)	–	–	–	–	–	–	(13,351)
Remeasurement of retirement plans, net of tax	20	–	–	–	–	8,703	–	–	–	–	8,703
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	(6,187)	–	–	–	(6,187)
Total other comprehensive income (loss)		–	–	(13,351)	–	8,703	(6,187)	–	–	–	(10,835)
Total comprehensive income (loss) for the year		–	–	(13,351)	–	8,703	(6,187)	–	–	100,031	89,196
Transactions with owners of the Company recognized directly in equity											
Contributions by and distributions to owners of the Company											
Redemption of A-1 preference shares	16	(20,000)	(180,000)	–	–	–	–	–	–	–	(200,000)
Cancelled options	31	–	–	–	–	–	–	(1,753)	–	–	(1,753)
Dividends	17	–	–	–	–	–	–	–	–	(43,060)	(43,060)
Total contributions by and distributions to owners		(20,000)	(180,000)	–	–	–	–	(1,753)	–	(43,060)	(244,813)
At 30 April 2022	16, 17	29,449	298,478	(95,322)	14,278	43,752	(4,963)	–	(286)	140,320	425,706

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total
Company											
2021											
At 30 April 2020		49,449	478,478	(87,997)	13,731	(2,873)	(1,802)	1,753	(286)	60,763	511,216
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	–	–	63,256	63,256
Other comprehensive income											
Currency translation differences		–	–	6,026	–	–	–	–	–	–	6,026
Gain on property revaluation, net of tax		–	–	–	547	–	–	–	–	–	547
Remeasurement of retirement plans, net of tax	20	–	–	–	–	37,922	–	–	–	–	37,922
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	3,026	–	–	–	3,026
Total other comprehensive income		–	–	6,026	547	37,922	3,026	–	–	–	47,521
Total comprehensive income for the year		–	–	6,026	547	37,922	3,026	–	–	63,256	110,777
Transactions with owners of the Company recognized directly in equity											
Contributions by and distributions to owners of the Company											
Sale of shares of a subsidiary	6	–	–	–	–	–	–	–	–	9,135	9,135
Dividends	17	–	–	–	–	–	–	–	–	(49,805)	(49,805)
Total contributions by and distributions to owners		–	–	–	–	–	–	–	–	(40,670)	(40,670)
At 30 April 2021	16, 17	49,449	478,478	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,323

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Group Year ended 30 April 2023	Group Year ended 30 April 2022	Group Year ended 30 April 2021	Company Year ended 30 April 2023	Company Year ended 30 April 2022	Company Year ended 30 April 2021
Cash flows from operating activities							
Profit for the year		**25,377**	115,530	76,470	**16,949**	100,031	63,256
Adjustments to reconcile profit for the year to net cash flows:							
Depreciation of property, plant and equipment	25	**154,439**	146,480	139,950	**–**	–	–
Finance expense	26	**211,353**	111,986	113,615	**32,229**	12,977	13,116
Amortization of right-of-use assets	23	**32,972**	39,292	37,205	**93**	93	106
Tax expense – current	27	**26,759**	20,605	33,059	**71**	22	51
Tax credit – deferred	9, 27	**(9,592)**	18,695	(5,786)	**(19)**	(18)	(44)
Amortization of intangible assets	8	**6,967**	6,650	6,650	**–**	–	–
Share in losses (earnings) of joint ventures and subsidiaries	7	**1,486**	4,954	1,531	**(61,304)**	(124,437)	(86,990)
Allowance for inventory obsolescence	12	**9,542**	4,135	7,043		–	–
Finance income	26	**(13,751)**	(2,629)	(7,028)	**(177)**	(11)	(846)
Impairment loss in joint ventures	7	**–**	2,000	2,096	**–**	–	–
Equity-settled share-based payment transactions		**–**	(1,960)	–	**–**	–	–
Unrealized foreign exchange loss (gain)		**3,966**	(1,851)	(11)	**107**	127	13
Impairment (reversal) of trade and nontrade receivables	13	**(181)**	1,060	144	**–**	–	–
Loss (gain) on disposal of property, plant and equipment	25	**759**	789	(1,333)	**–**	–	–
		450,096	465,736	403,605	**(12,051)**	(11,216)	(11,338)
Changes in:							
Other assets		**(7,813)**	(9,039)	3,853	**–**	(49)	–
Inventories		**(396,413)**	(137,944)	(75,602)	**–**	–	–
Biological assets		**(632)**	(6,311)	18,716	**–**	–	–
Trade and other receivables		**(18,002)**	(40,020)	24,053	**(5,022)**	1	55
Prepaid expenses and other current assets		**(13,456)**	(9,334)	(3,161)	**920**	(110)	(868)
Employee benefits		**(15,902)**	1,809	18,345	**107**	192	90
Trade payables and other current liabilities		**20,695**	31,757	(43,071)	**(725)**	(494)	2,236
Operating cash flows		**18,573**	296,654	346,738	**(16,771)**	(11,676)	(9,825)
Taxes paid		**(21,336)**	(15,916)	(31,464)	**–**	(6)	(76)
Net cash flows generated from (used in) operating activities		**(2,763)**	280,738	315,274	**(16,771)**	(11,682)	(9,901)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

		Group			Company		
	Note	**Year ended 30 April 2023**	**Year ended 30 April 2022**	**Year ended 30 April 2021**	**Year ended 30 April 2023**	**Year ended 30 April 2022**	**Year ended 30 April 2021**
Cash flows from investing activities							
Acquisitions of property, plant and equipment		**(237,922)**	(202,659)	(163,974)	**–**	–	–
Interest received		**4,434**	1,169	514	**8**	11	14
Additions to investments in joint ventures	7	**(4,090)**	(1,001)	–	**–**	–	–
Additional advances to joint ventures		**(185)**	(595)	(840)	**(185)**	(595)	(840)
Proceeds from disposal of property, plant and equipment		**210**	231	11,705	**–**	–	–
Collection of receivable from prior year sale of shares of subsidiary and settlement of transaction costs		**–**	–	106,520	**–**	–	–
Proceeds from additional sale of shares of subsidiary		**–**	–	8,954	**–**	–	–
Investments in subsidiaries		**–**	–	–	**–**	–	(150,000)
Acquisition of intangible assets, net of transaction costs	8	**(71,761)**	–	–	**–**	–	–
Advances to related company		**–**	–	–	**(110,384)**	(67,874)	(33,505)
Dividend received		**–**	–	–	**88,503**	33,519	242,721
Net cash flows (used in) from investing activities		**(309,314)**	(202,855)	(37,121)	**(22,058)**	(34,939)	58,390
Cash flows from financing activities							
Proceeds from borrowings	39	**4,746,953**	2,848,113	4,299,181	**128,500**	333,000	157,300
Repayment of borrowings	39	**(4,032,573)**	(2,547,034)	(4,380,653)	**(168,071)**	(89,810)	(158,911)
Redemption of preference share capital	16	**(100,000)**	(200,000)	–	**(100,000)**	(200,000)	–
Interest paid		**(144,006)**	(89,359)	(77,349)	**(29,165)**	(11,004)	(11,686)
Dividends paid to equity holders of the parent	17	**(37,729)**	(43,060)	(49,805)	**(37,729)**	(43,060)	(49,805)
Payments of lease liability	23	**(42,685)**	(38,870)	(43,377)	**–**	(52)	(107)
Dividends paid to non-controlling interests		**(11,158)**	(5,892)	(12,865)	**–**	–	–
Payment of debt related costs	18	**(20,295)**	(2,383)	(20,551)	**(218)**	(2,383)	(1,948)
Redemption cost on Senior Secured Notes	26	**(44,530)**	–	–	–	–	–
Net collections (repayments) of advances from related companies		–	–	–	**38,412**	20,941	(238,611)
Advances from related companies		–	–	–	**205,697**	39,034	256,597
Net cash flows from (used in) financing activities		**313,977**	(78,485)	(285,419)	**37,426**	46,666	(47,171)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Group			Company		
		Year ended 30 April 2023	**Year ended 30 April 2022**	**Year ended 30 April 2021**	**Year ended 30 April 2023**	**Year ended 30 April 2022**	**Year ended 30 April 2021**
Net increase (decrease) in cash and cash equivalents		**1,900**	(602)	(7,266)	**(1,403)**	45	1,318
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		**(3,917)**	(6,980)	3,236	**(172)**	(20)	20
Cash and cash equivalents at beginning of year		**21,853**	29,435	33,465	**2,129**	2,104	766
Cash and cash equivalents at end of year		**19,836**	21,853	29,435	**554**	2,129	2,104

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

These notes form an integral part of the financial statements.

The accompanying financial statements were approved and authorized for issuance by the Board of Directors (the "Board") on 7 July 2023.

1. DOMICILE AND ACTIVITIES

Del Monte Pacific Limited (the "Company") was incorporated as an international business company in the British Virgin Islands on 27 May 1999 under the International Business Companies Act (Cap. 291) of the British Virgin Islands. It was automatically re-registered as a company on 1 January 2007 when the International Business Companies Act was repealed and replaced by the Business Companies Act 2004 of the British Virgin Islands.

The registered office of the Company is located at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The principal activity of the Company is investment holding. Its subsidiaries are principally engaged in growing, processing, and selling packaged fruits, vegetable and tomato, sauces, condiments, pasta, broth and juices, mainly under the brand names of "Del Monte", "S&W", "Today's", "Contadina", "College Inn" and other brands and fresh pineapples under "S&W" and other brands pursuant to relevant agreements. The Company's subsidiaries also produce and distribute private label food products.

The immediate holding company is NutriAsia Pacific Limited ("NAPL"), and the indirect shareholders of which are NutriAsia Inc. ("NAI") and Well Grounded Limited ("WGL"), which at 30 April 2023, 2022 and 2021, each held 57.8% and 42.2% interests in NAPL, respectively, through their intermediary company, NutriAsia Holdings Limited. NAPL, NAI and WGL were incorporated in the British Virgin Islands. The ultimate holding company is HSBC International Trustee Limited.

On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Ordinary Shares of the Company were also listed on the Philippine Stock Exchange Inc. ("PSE") on 10 June 2013. The first tranche of the Company's Preference Shares (Series A-1) was listed on 7 April 2017 and the second tranche (Series A-2) on 15 December 2017. The Company redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares on 7 April 2022, and all of the outstanding 10,000,000 Series A-2 Preference Shares on 15 December 2022 (see Note 16).

On 6 August 2010, the Company established DM Pacific Limited-ROHQ ("ROHQ"), the regional operating headquarters of the Company in the Philippines. The ROHQ is registered with and licensed by the Philippine Securities and Exchange Commission ("SEC") to engage in general administration and planning, business planning and coordination, sourcing and procurement of raw materials and components, corporate financial advisory, marketing control and sales promotion, training and personnel management, logistics services, research and product development, technical support and maintenance, data processing and communication, and business development. The ROHQ commenced its operations in October 2015.

The financial statements of the Group as at 30 April 2023 and 2022 and for the three financial years ended 30 April 2023, 2022 and 2021 comprise the Company and its subsidiaries (collectively referred to as the "Group", and individually as "Group entities"), and the Group's interests in joint ventures.

2. GOING CONCERN

As of 30 April 2023, the Group's and the Company's current liabilities exceeded its current assets by US$205.3 million and US$414.0 million, respectively (2022: the Company's current liabilities exceeded its current assets by US$122.7 million). The negative working capital is attributable to the early redemption of preference shares in April and December 2022, and the maturity of long-term loans due within the next 12 months in the Company.

2. GOING CONCERN (CONT'D)

Management believes that the Company will be able to pay or refinance its liabilities as and when they fall due. Accordingly, the use of going concern assumption is appropriate taking into account the following:

- The Group continues to find new sources of funding to improve cash management:

  a. In 16 May 2022, Del Monte Foods, Inc. (DMFI) raised US$600 million through a 7-year Term Loan B facility maturing in 2029 at Adjusted Secured Overnight Financing Rate (SOFR), with a floor of 0.5%, plus 4.25% p.a. The proceeds were used to primarily redeem the US$500 million Senior Secured Notes plus redemption fees and accrued interest. The refinanced Notes had an interest rate of 11.875% p.a. and were due to mature in 2025. On 7 February 2023, DMFI obtained additional term loan commitments amounting to US$125.0 million, bearing the same interest and maturity date with initial term loans.

- The Group has sufficient credit lines available for drawdown and, as such, management believes that the Group will have sufficient working capital to enable the Group to meet its objectives and future financial obligations:

  a. On 11 May 2023, the Company refinanced its US$100 million facility with Bank of the Philippine Islands (BPI) that was due to mature on 15 May 2023 for an additional period of 18 months up to 15 November 2024.

  b. On 25 May 2023, the Company obtained a loan amounting to US$50.0 million from Union Bank of the Philippines. The loan matures on 25 May 2024.

  c. The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks. Currently, the Group excluding Del Monte Foods, Inc. (DMFI) is entitled to a total of US$1,639.9 million in credit lines, of which 17% remain available. The Group constantly maintain good relations with its banks, such that additional facilities, whether for short or long-term requirements, may be made available.

  d. The Group is able to increase the commitments under the ABL Facility, such that the aggregate principal amount of commitments dues do not exceed US$625.0 million. As at 30 April 2023, there were US$465.0 million of loans outstanding and US$24.3 million of letters of credit issued. The net availability to DMFI Group under the ABL Credit Agreement was US$135.7 million as at 30 April 2023.

- The Group generated net operating cash flows of US$280.7 million for the year ended 30 April 2022 and remains vigilant in managing its costs and protecting its margins amidst a high inflationary environment. During the year, the Group's inventory increased by US$390.8 million driven by increased costs due to high inflation experienced globally, an operational direction to enhance customer service levels through increased inventory and also normalized offtake in certain categories post COVID-19 pandemic. Management had undertaken various measures to improve operating profits such as packaging materials optimization, investments in the Philippine cannery and all plants in the US to improve efficiency, productivity and minimize wastage, increased efficiency in distribution centers, and the implementation of certain price increases that would have assisted in offsetting the inflationary impact across all market segments. In addition, lowering inventory will be a big focus for the Group in fiscal years 2024 and 2025 which is expected to further improve cash flow and lower debt.

- The Company had continued to receive dividend payments from its subsidiaries and expects the same in the next 12 months. As DMFI's performance continues to improve, the Group also expects to get regular dividends which will help enable the Company to meet its ongoing obligations.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

3.2 Basis of measurement

The financial statements have been prepared on historical cost basis except as otherwise described in the succeeding notes below.

3.3 Functional and presentation currency

The financial statements are presented in United States Dollars (US$) which is the Company's functional currency. All financial information presented in US Dollars has been rounded to the nearest thousand, unless otherwise stated.

3.4 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are included in the following notes:

Note 6	–	Recognition of Share Purchase Agreement as at 30 April 2020
Note 6	–	Equity classification
Note 6	–	Determination of control over subsidiaries
Note 6	–	Non-consolidation of Del Monte Andina C.A.
Note 7	–	Determination of joint control and the type of joint arrangement
Note 8	–	Assessment of useful life of intangible assets with indefinite useful life
Note 23	–	Determination of lease term of contracts with renewal options

Estimates and underlying assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment within the next financial year are included in the following notes:

Note 5	–	Useful lives of property, plant and equipment, revaluation of freehold land, estimate of harvest for bearer plant's depreciation
Note 5	–	Impairment of property, plant and equipment
Note 6	–	Obligation to deliver additional Redeemable and Convertible Preferred Shares ("RCPS")
Note 6	–	Obligation to purchase excess shares or sell shortfall shares
Note 6	–	Fair value of derivative liability on the call option
Note 6	–	Recoverability of investments in subsidiaries
Note 7	–	Recoverability of investments in joint ventures

3. BASIS OF PREPARATION (CONT'D)

3.4 Use of estimates and judgments (cont'd)

Estimates and underlying assumptions (cont'd)

Note 8	–	Impairment of goodwill and intangible assets
Note 8	–	Useful lives of intangible assets
Note 9	–	Recognition of deferred tax assets
Note 11	–	Fair value of harvested agricultural produce
Note 11	–	Future tonnage of harvests
Note 11	–	Fair value of unharvested agricultural produce
Note 12	–	Allowance for inventory obsolescence and net realizable value
Note 13	–	Impairment of trade and nontrade receivables
Note 20	–	Measurement of employee benefit obligations
Note 22	–	Estimation of trade promotion accruals
Note 23	–	Determination of incremental borrowing rate for lease liabilities
Note 27	–	Measurement of income tax
Note 34	–	Determination of fair values
Note 36	–	Contingencies

3.5 Measurement of fair value

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

(iii) Level 3: unobservable inputs for the asset or liability.

3. BASIS OF PREPARATION (CONT'D)

3.5 Measurement of fair value (cont'd)

For assets and liabilities that are recognized in the financial statements or a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics, and risks of the asset or liability and the level of fair value hierarchy as explained above.

3.6 Adoption of New or Revised Standards, Amendments to Standards and Interpretations

The accounting policies adopted are consistent with those of the previous fiscal year, except that the Group has adopted the following new accounting pronouncements starting 1 May 2022. Unless otherwise indicated, adoption of these new standards did not have any significant impact on the Group's consolidated financial statements.

- Amendments to IFRS 3*, Business Combinations*, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of International Accounting Standard (IAS) 37, *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to IAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to IAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to IFRSs* 2018-2020 Cycle

  - Amendments to IFRS 1, *First-time Adoption of International Financial Reporting Standards, Subsidiary as a First-time Adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

3. BASIS OF PREPARATION (CONT'D)

3.6 Adoption of New or Revised Standards, Amendments to Standards and Interpretations (cont'd)

- *Annual Improvements to IFRSs* 2018-2020 Cycle (cont'd)

    - Amendments to IFRS 9, *Financial Instruments*, *Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*

      The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

    - Amendments to IAS 41, *Agriculture, Taxation in Fair Value Measurements*

      The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 3.6, which addresses the changes in accounting policies.

4.1 Basis of consolidation

(i) Business combination

Business combinations are accounted for using the acquisition method in accordance with IFRS 3, *Business Combinations,* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group's goodwill is initially measured at cost, measures goodwill at the acquisition date as:

- the fair value of consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree.

Over the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognized immediately in the income statement.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in the income statement.

Any contingent consideration payable is recognized at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in the income statement.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(i) Business combination (cont'd)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other components of non-controlling interests are measured at acquisition-date fair value unless another measurement is required by another standard.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period it occurs, provisional amounts for the items for which the accounting is incomplete is reported in the financial statements. During the measurement period, which is not more than one year from acquisition date, the provisional amounts recognized are retrospectively adjusted, and any additional assets or liabilities recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Comparative information for prior periods are revised, as needed.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognized in the income statement. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

If the assets acquired are not a business, the Group shall account for the transaction or other event as an asset acquisition. The cost of the Group is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. These transactions or events do not give rise to goodwill.

(ii) Investments in subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- power over the investee (i.e., existing rights that give 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.

When the Company has less than majority of the voting rights or similar rights to an investee, the Company 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; and
- the Company's voting rights and potential voting rights.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(ii) Investments in subsidiaries (cont'd)

The Company reassesses 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. Subsidiaries are fully consolidated from the date control is transferred to the Company and cease to be consolidated from the date control is lost. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the income statement from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the 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 into line with the Company's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

(iii) Acquisition under common control

The formation of the Group in 1999 was accounted for as a reorganization of companies under common control using merger accounting. The financial statements therefore reflect the combined financial statements of all companies that form the Group as if they were a Group for all periods presented. The assets and liabilities of Del Monte Pacific Resources Limited and its subsidiaries contributed to the Company have been reflected at predecessor cost in these financial statements.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in the income statement.

(v) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and goodwill. For the measurement of goodwill on initial recognition, see Note 8.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of the joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the joint ventures.

Impairment of goodwill is discussed in Note 4.11.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(vi) Investments in joint ventures

Joint ventures are those entities in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint control is the contractually sharing of control of an arrangement, which exists only when decisions about the relevant activities require 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.

Investments in joint ventures are accounted for using the equity method. They are recognized initially at cost, which includes transaction costs.

Subsequent to the initial recognition, the financial statements include the Group's share of profit or loss and other comprehensive income of the joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of net losses exceeds its interest in joint ventures, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued, except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Impairment of investments in joint ventures is discussed in Note 4.11.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated in preparing the financial statements. Unrealized gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

(viii) Investments in subsidiaries and joint ventures in the separate financial statements

Interest in subsidiaries and joint ventures are accounted for using the equity method. It is initially recognized at cost, which includes transactions costs. Subsequent to the initial recognition, the financial statements include the Company's share of profit or loss and other comprehensive income of the equity-accounted investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

When the Company's share of losses exceeds its interest in subsidiaries and joint ventures, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has an obligation to fund the investee's operations or has made payments on behalf of the investee.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognized in the income statement, except for differences which are recognized in OCI arising on the retranslation of qualifying cash flow hedges to the extent the hedge is effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to US Dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US Dollars using monthly average exchange rates.

Foreign currency differences are recognized in OCI and presented in the foreign currency translation reserve ("translation reserve") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, such that control, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the income statement.

When the settlement of a monetary item that is a receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in OCI, and presented in the translation reserve in equity.

4.3 Current versus Noncurrent Classification

The Group presents assets and liabilities in the statement of financial position based on current and noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Current versus Noncurrent Classification (cont'd)

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and deferred tax liabilities are classified as noncurrent assets and liabilities, respectively.

4.4 Intangible assets

(i) Indefinite useful life intangible assets

Intangible assets are measured at cost less accumulated impairment losses.

The Group assess intangible assets as having indefinite useful life if there is no foreseeable limit to the period over which the assets are expected to generate cash inflows for the entity.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the income statement as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs. Other development expenditure is recognized in the income statement as incurred. Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

(iii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

(iv) *Subsequent expenditure*

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the income statement as incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Intangible assets (cont'd)

(v) Amortization

Amortization of intangible assets with finite lives is calculated based on the cost of the asset.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of these assets, other than goodwill and, from the date that they are available for use. The estimated useful lives for the current period and comparative years are as follows:

Trademarks	–	10 to 20 years
Customer relationships	–	20 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.5 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.

- Recognition and measurement

Financial instruments are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset, unless it is a trade receivable without a financing component, or financial liability is initially measured at fair value plus, for an item not at financial assets at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price determined under IFRS 15, *Revenue from Contracts with Customers*.

- Classification and subsequent measurement

Financial assets

On initial recognition, the Group classifies its financial assets into the following categories: financial assets at amortized cost, financial assets at FVTPL, and financial assets at financial assets through other comprehensive income ("FVOCI"). The classification depends on the Group's business model for managing financial instruments and the contractual cash flow characteristics of the financial instruments. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case, all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL: (1) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and (2) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated at FVTPL: (1) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (2) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

- Classification and subsequent measurement (cont'd)

The Group's financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group has investments in unquoted equity instruments and club shares that are classified and measured at FVOCI.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method and are subject to impairment. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Impairment losses on trade receivables are recognized under distribution and selling expenses. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at amortized cost comprise cash in banks and cash equivalents, trade and other receivables, due from a subsidiary, refundable deposits and note receivables recognized under "Other noncurrent assets".

Business model assessment

The Group's business model refers to how an entity manages its financial assets in order to generate cash flows. It determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group makes an assessment of the objective of the business model in which financial assets held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

(a) the policies and objectives in managing the Group's financial assets for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets; how the performance of the portfolio is evaluated and reported to the Group's management;

(b) the risks that affect the performance of the business model and how those risks are managed;

(c) how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

(d) the frequency, volume and timing of sales of financial assets in prior period, the reasons for such sales and expectations about future sales activity.

Assessment Whether Contractual Cash Flows are Solely Payments of Principal and Interest ("SPPI")

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

- Classification and subsequent measurement (cont'd)

  Assessment Whether Contractual Cash Flows are Solely Payments of Principal and Interest ("SPPI") (cont'd)

  In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

  (i) contingent events that would change the amount or timing of cash flows;

  (ii) terms that may adjust the contractual coupon rate, including variable-rate features;

  (iii) prepayment and extension features; and

  (iv) terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

  A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

  Financial liabilities

  Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

  Financial liabilities at amortized cost comprise bank loans, trade and other payables.

  Classification of Financial Instruments between Debt and Equity

  A financial instrument is classified as debt instrument if it provides for a contractual obligation to:

  - deliver cash or another financial asset to another entity;
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
  - satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

  If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

- Classification and subsequent measurement (cont'd)

  Classification of Financial Instruments between Debt and Equity (cont'd)

  Derecognition

  The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

  Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

  The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or has expired. Repurchases of a portion of a financial liability result in the allocation of the original carrying value of the financial liability between the portion that continues to be recognized and the portion that was repurchased based on the relative fair values on the date of the repurchase. Any unamortized debt issue costs are derecognized along with the financial liability. Redemption costs incurred on purchase of a financial liability is recognized in profit or loss when incurred.

- 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

- Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Derivative financial instruments, including hedge accounting

The Group uses derivative financial instruments for the purpose of managing risks associated with interest rates, currencies, transportation and certain commodities. The Group does not trade or use instruments with the objective of earning financial gains on fluctuations in the derivative instrument alone, nor does it use instruments where there are no underlying exposures. All derivative instruments are recorded in the statement of financial position at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether the instrument has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. For those derivative instruments that are not designated as hedging instruments, changes in fair value subsequent to initial recognition are recognized in the income statement. For those derivative instruments that are designated and qualify as hedging instruments, the Group designates the hedging instrument as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation based upon the exposure being hedged.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are generally expected to offset each other. To qualify for hedge accounting, the hedging relationship has to meet the following hedge 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 entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item; and
- the hedged item and the hedging instrument are not intentionally weighted to create hedge ineffectiveness, whether recognized or not, to achieve an accounting outcome that would be inconsistent with the purpose of hedge accounting.

Derivatives are recognized initially at fair value; any directly attributable transaction costs are recognized in the income statement as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value. Changes therein are recognized in OCI, generally for derivatives designated as effective hedges, or the consolidated income statement, for other derivatives.

For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

- Offsetting (cont'd)

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the income statement.

The amount accumulated in equity is retained in OCI and reclassified to the consolidated income statement in the same period or periods during which the hedged item affects the income statement, except when a hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, in which case the amount retained in OCI is included directly in the initial cost of the non-financial item when it is recognized.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in OCI remains in equity until, for hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period or periods as the hedged expected future cash flows affect the income statement. If a hedged forecast transaction is no longer expected to occur, then the amount accumulated in equity is immediately reclassified to the income statement.

4.6 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses except for freehold land, which are stated at its revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated impairment losses. Revaluation is carried out by independent professional values regularly such that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in the revaluation amount is recognized in OCI and presented in the revaluation reserve in equity unless it offsets a previous decrease in value of the same asset that was recognized in the income statement. A decrease in value is recognized in the income statement where it exceeds the increase previously recognized in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from OCI to retained earnings.

Bearer plants are measured at cost less accumulated amortization based on actual volume of harvest over total estimated volume of harvest. Costs to grow include purchase cost of various chemicals and fertilizers, land preparation expenses and direct expenses during the cultivation of the primary ratoon and, if needed, re-ratoon crops.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, estimated costs of dismantling and removing the items and restoring the site on which they are located (when the Group has an obligation to remove the asset or restore the site), and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

Construction in-progress represents plant and properties under construction or development and is stated at cost. This includes cost of construction, plant and equipment, borrowing costs directly attributable to such asset during the construction period and other direct costs. Construction in-progress is not depreciated until such time when the relevant assets are substantially completed and available for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item, and is recognized net within other income/other expenses in the income statement.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the income statement as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation (except bearer plants) is recognized in the income statement on a straight-line basis over their estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Freehold land is not depreciated.

Depreciation is recognized from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current period and comparative years are as follows:

Buildings, land improvements and leasehold improvements	–	3 to 50 years or lease term, whichever is shorter
Machineries and equipment	–	3 to 30 years

For bearer plants, units of production method is used. Depreciation is charged according to the cost of fruits harvested at plant crop and ratoon crop harvest months.

Bearer plants are depreciated based on the ratio of actual quantity of harvest over the estimated yield for both plant crop and ratoon crop harvests. Plant crop harvest usually occurs within 16 to 18 months after planting while ratoon crop harvest occurs at the 32^{nd} to 34^{th} month after planting. Depreciation is determined on a per field basis.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Property, plant and equipment (cont'd)

(iv) Borrowing costs

Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds.

Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period.

Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when all the activities necessary to prepare the asset for its intended use or sale are substantially complete. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized.

4.7 Biological assets

The Group's biological assets include: (a) agricultural produce consisting of pineapple and papaya; (b) breeding and dairy herd; (c) growing herd; and (d) cattle for slaughter. Agricultural produce include: (a) harvested and unharvested pineapple and papaya fruits from the Group's bearer plants; and (b) cut meat from the cattle for slaughter.

The Group's biological assets are accounted for as follows:

Breeding and Dairy Herd

The breeding and dairy herd are measured at cost. The breeding and dairy herd have useful lives of 3 ½ to 6 years. The cost method was used since fair value cannot be measured reliably. The breeding and dairy herd have no active markets and no similar assets are available in the relevant markets. In addition, existing sector benchmarks are irrelevant and estimates necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result in a reliable basis for determining the fair value. Breeding and dairy herd are classified as noncurrent assets in the statement of financial position of the Group.

Growing Herd

Growing herd is measured at cost. The cost method was used since the fair value cannot be measured reliably. Growing herd has no defined active market since it has not yet been identified if this will be for breeding or for slaughter. Growing herd is classified as noncurrent assets in the statement of financial position of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Biological assets (cont'd)

The Group's agricultural produce are accounted for as follows:

Agricultural Produce

The Group's growing or unharvested produce are measured at their fair value from the time of maturity of the bearer plant until harvest. The Group estimates the fair value of unharvested agricultural produce using estimated tonnage of harvest, estimated future selling prices and gross margin of finished goods less estimated future growing cost and adjusted for margin related to production. The fair value is multiplied to the estimated tonnage of harvested pineapple fruit at the end of the period based on the age of the crops after planting date. The Group's harvested produce are measured at fair value at the point of harvest based on the estimated selling prices reduced by cost to sell and adjusted for margin related to production. The fair value is multiplied to actual harvest for the period. Gains and losses arising from changes in fair values are included in profit or loss under "Changes in fair values of biological assets" in "Revenue" for the period in which they arise.

Cutmeat

Cutmeat is measured at each reporting date at their fair value less cost to sell. Gains and losses arising from changes in fair values are included in profit or loss under "changes in fair value of biological assets" in "Revenue" for the period in which they arise.

4.8 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. The arrangement is assessed for whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Right-of-use assets and lease liabilities are presented separately in the consolidated statement of financial position.

Group as a 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 liability to make lease payments and right-of-use asset representing the right to use the underlying asset.

Right-of-use Assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The right-of-use assets were measured at an amount equal to the lease liability, adjusted for initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Leases (cont'd)

Right-of-use Assets (cont'd)

The estimated useful lives are as follows:

Buildings, land improvements and	–	2 to 6 years
Leasehold improvements Land	–	2 to 26 years
Machineries and equipment	–	2 to 17 years

The right-of-use assets are presented separately in the statement of financial position.

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 ("IBR"). 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 of machinery and equipment (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 that are considered of low value (i.e., personal computers). 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.

Sale and Leaseback

When the Group sells or transfers an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, the Group account for the sale or transfer contract and the lease by applying the requirements of IFRS 16. The Group first applies the requirements for determining when a performance obligation is satisfied in IFRS 15 to determine whether the sale or transfer of an asset is accounted for as a sale of that asset.

For sale or transfer of an asset that satisfies the requirements of IFRS 15 to be accounted for as a sale of the asset, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

If the sale or transfer of an asset does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset, the Group continues to recognize the transferred asset and recognizes a financial liability equal to the proceeds from the sale or transfer. The Group accounts for the financial liability in accordance with the requirements of IFRS 9.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Leases (cont'd)

Sublease arrangements

The Group determines if the sublease arrangement qualifies as a finance or operating lease. The Group assesses and classifies a sublease as finance lease if it has transferred substantially all the risk and rewards incidental to the ownership of the leased asset. The Group compares the sublease term with the head lease term. If the sublease term accounts for the majority or 75% of the head lease term, same is classified as a finance lease, otherwise it is classified as an operating lease.

At the inception date, if the sublease qualifies as finance lease, the Group derecognizes the right-of-use asset on the head lease and continues to account for the original lease liability. The Group as a sublessor, recognizes a net investment in sublease and evaluate it for impairment. If classified as operating lease, the Group continues to account for the lease liability and right-of-use asset on the head lease like any other lease.

4.9 Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of raw materials, packaging materials, traded goods, cost of production materials and storeroom items is based on the FIFO (First-in First-out) method. Cost of processed inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of conversion include costs directly related to the units of production, and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

The allocation of fixed production overheads is based on the normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average for the periods or seasons under normal circumstances, taking into account the seasonal business cycle of the Group.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of growing crops transferred from biological assets is its fair value less cost to sell at the date of harvest.

4.10 Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term, highly liquid investments that are readily convertible to known amount of cash with original maturities of three months or less that are subject to insignificant risk of change in value.

4.11 Impairment

(i) Non-derivative financial assets

The Group recognizes loss allowances for expected credit losses ("ECLs") on financial assets measured at amortized cost.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Impairment loss allowances are measured on either lifetime ECLs or 12-month ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date, or a shorter period if the expected life of the instrument is less than 12 months.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for debt securities that are determined to have low credit risk at the reporting date and other debt securities, non-trade and other receivables and bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Impairment loss allowances for trade receivables without a significant financing component are measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held), or when the financial asset is more than 90 days past due.

At each reporting date, the Group assesses whether financial assets at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired may include significant financial difficulty of the debtor, a breach of contract such as a default, the restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that the debtor or issuer will enter bankruptcy or other financial reorganization, the disappearance of an active market for that financial asset because of financial difficulties, adverse changes in the payment status of borrowers or issuers, or economic conditions that correlate with defaults.

Impairment loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets in the statement of financial position. The gross carrying amount of a financial asset is written-off when the Group has no realistic prospects of recovery of the asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Impairment (cont'd)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value-in-use ("VIU") and its fair value less costs to sell. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in the income statement. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss recognized in prior periods for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Joint ventures and investments in subsidiaries

An impairment loss in respect of joint ventures is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in the income statement. An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

Goodwill

Goodwill that forms part of the carrying amount of an investment in a joint venture is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in a joint venture may be impaired.

When conducting the annual impairment test for goodwill, the Group compares the estimated fair value of the CGU containing goodwill to its recoverable amount.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

Goodwill (cont'd)

Goodwill is allocated to a CGU or group of CGUs that represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The recoverable amount is computed using two approaches: the VIU approach, which is the present value of expected cash flows, discounted at a risk adjusted weighted average cost of capital; and the fair value less cost to sell approach, which is based on the Income Approach, which indicates the recoverable amount of an asset based on the value of the cash flows that the asset can be expected to generate in the future.

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss in respect of goodwill attributable to acquisition of a subsidiary is not reversed.

Intangible assets with indefinite useful lives, are components of the CGU containing goodwill and the impairment assessment is as described above.

4.12 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

(ii) Defined benefit pension plan

A defined benefit pension plan requires contributions to be made to separately administered funds. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Employee benefits (cont'd)

(ii) Defined benefit pension plan (cont'd)

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.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognizes them immediately in other comprehensive income and all expenses related to defined benefit plans in staff cost in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the income statement.

When the plan amendment or curtailment occurs, the Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement. In fiscal year 2020, there were amendments to the employee benefit plans, eliminating certain benefits in fiscal year 2020 and after fiscal year 2022 (see Note 20).

Multi-employer plans

The Group participates in several multi-employer pension plans, which provide defined benefits to certain union employees. The Group accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as a defined contribution plan. For certain union employee related retirement plans where sufficient information is not available to use defined benefit accounting, the Group accounts for these plans as if they were defined contribution plans.

(iii) Other plans

The Group has various other non-qualified retirement plans and supplemental retirement plans for executives, designed to provide benefits in excess of those otherwise permitted under the Group's qualified retirement plans. These plans are unfunded and comply with Internal Revenue Service (IRS) rules for non-qualified plans.

(iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognized in the income statement in the period in which they arise. Other long-term employee benefits include the Group's long-term executive cash incentive awards (see Note 31).

(v) Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits arising from involuntary termination are recognized as an expense once the Group has announced the plan to affected employees.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Employee benefits (cont'd)

(vi) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(vii) Share-based payment transactions

The Group grants share awards and share options to employees of the Group. The fair value of incentives granted is recognized as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and accounted for as described below.

Share awards

The fair value, measured at grant date, is recognized over the period during which the employees become unconditionally entitled to the shares.

Share options

The fair value, measured at grant date, is recognized over the vesting period during which the employees become unconditionally entitled to the options. At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates in employee benefit expense and as a corresponding adjustment to equity over the remaining vesting period.

4.13 Share capital and retained earnings

(i) Share capital

Ordinary shares

Ordinary shares are classified as equity. Holders of these shares are entitled to dividends as declared from time to time, and to one vote per share at general meetings of the Company.

Preference shares

Preference shares are classified as equity. Holders of these shares are entitled to cash dividends based on the issue price, at the dividend rate per annum from the issue date, payable every 7 October and 7 April of each year following the issue date, upon declaration by the Board.

The transaction costs directly attributable to the issue of ordinary and preference shares are accounted for as deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognized as an expense.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Share capital and retained earnings (cont'd)

(i) Share capital (cont'd)

Share premium

Share premium represents the excess of consideration received over the par value of ordinary and preference shares net of transaction costs from issuance of share capital, share options exercised and released of share awards granted.

(ii) Retained Earnings

Retained earnings include profit attributable to the equity holders of the Group and reduced by dividends declared on share capital.

Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

(iii) Dividends

Dividends are recognized as a liability and deducted from retained earnings when they are declared.

4.14 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(i) Environment remediation liabilities

In accordance with the Group's environment policy and applicable legal requirements, a provision for environmental remediation obligations and the related expense is recognized when such losses are probable, and the amounts of such losses can be estimated reliably. Accruals for estimated losses for environmental remediation obligations are recognized no later than the completion of the remedial feasibility study. These accruals are adjusted as further information develops or circumstances change.

(ii) Retained insurance liabilities

The Group accrues for retained insurance risks associated with the deductible portion of any potential liabilities that might arise out of claims of employees, customers or other third parties for personal injury or property damage occurring in the course of the Group's operations.

A third-party actuary is engaged to assist the Group in estimating the ultimate cost of certain retained insurance risks. Additionally, the Group's estimate of retained insurance liabilities is subject to change as new events or circumstances develop which might materially impact the ultimate cost to settle these losses.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 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, excluding amounts collected on behalf of third parties. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognized:

(i) Sales of goods

Revenue from the sale of goods is recognized at a point in time when control of the asset is transferred to the customer, generally on delivery and acceptance of the promised goods.

Each contract with a customer specifies minimum quantity, fixed prices and effective period and is not subject to change for the contractual period unless mutually agreed by the parties. Invoices are usually payable within 30 days from delivery.

The Group provides allowances under trade promotions to customers and coupons to end consumers which are reimbursable by the Group to customers when redeemed. Allowances and coupons are generally considered as reductions of the transaction price and recognized at the later of when the Group recognizes revenue for the transfer of the related goods and when the Group pays or promises to pay the allowances or coupons.

Variable amounts related to these allowances and coupons are estimated using the expected value method and included in the transaction price to the extent it is highly probable that a significant revenue reversal will not subsequently occur. Accruals for trade promotions are based on expected levels of performance. Settlement typically occurs in subsequent periods primarily through an off-invoice allowance at the time of sale or through an authorized process for deductions taken by a customer from amounts otherwise due to the Group. Evaluation of trade promotions are performed monthly and adjustments are made where appropriate to reflect changes in the Group's estimates. The Group accrues coupon redemption costs based on estimates of redemption rates that are developed by management. Management's estimates are based on recommendations from independent coupon redemption clearing-houses as well as historical information. Should actual redemption rates vary from amounts estimated, adjustments may be required.

(ii) Sales returns

The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. The amount of revenue and the receivable recognized is adjusted for expected returns, which are estimated based on the historical data. No right of return asset (and corresponding adjustment to cost of sales) is recognized for the right to recover products from a customer since Group's policy is to dispose all goods to be returned.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Revenue recognition (cont'd)

(iii) Contract balances arising from revenue with customer contracts

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

(iv) Bill-and-hold arrangements

Bill-and-hold arrangements pertain to sales of the Group wherein the customers are billed for goods that are ready for delivery, but the Group retains physical possession of the product until it is transferred to the customer at a future date. The Group assessed whether control has transferred to the customers, even though the customers do not have physical possession of the goods. The following criteria must all be met in order for the customers to have obtained control in bill-and-hold arrangements:

- the reason for the bill-and-hold arrangement must be substantive;
- the product must be identified separately as belonging to the customer;
- the product currently must be ready for physical transfer to the customer; and
- the entity cannot have the ability to use the product or to direct it to another customer.

Custodial services provided to the customers are identified as a separate performance obligation. A portion of the contract price should be allocated to the custodial services and separately recognized over the period of time the product is being held by the Group, along with the related costs of storing the product.

Penalty on the late payment of the invoices affects the estimate of the transaction price.

Other income:

(i) Finance income

Such income is recognized as the interest accrues taking into account the effective interest yield on the asset.

(ii) Other income

Other income is recognized when earned.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 Finance income and finance costs

Finance income comprises interest income earned mainly from bank deposits and amounts or balances due from related parties of the Group. Interest income is recognized as it accrues in the income statement, using the effective interest method.

Finance expense comprises interest expense on finance leases and borrowings. All finance lease borrowing costs are recognized using the Group's incremental borrowing rate. All borrowing costs are recognized in income statement using the effective interest method, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

4.17 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in income statement except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

(a) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

(b) temporary differences related to investments in subsidiaries and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Tax (cont'd)

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

4.18 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined in the same manner, adjusted for the effects of any dilutive potential ordinary shares, which comprise the restricted share plan and share options granted to employees.

4.19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of non-recurring expenses.

4.20 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognized because:

    (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

    (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognized on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 New standards and interpretations issued but not yet effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Unless otherwise indicated, adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements.

Effective beginning on or after 1 January 2023

- Amendments to IAS 1 and IFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgments 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 amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

- Amendments to IAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to IAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after 1 January 2023.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 New standards and interpretations issued but not yet effective (cont'd)

Effective beginning on or after 1 January 2023 (cont'd)

- IFRS 17, *Insurance Contracts*

  IFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

  a. A specific adaptation for contracts with direct participation features (the variable fee approach)

  b. A simplified approach (the premium allocation approach) mainly for short-duration contracts

  IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted.

Effective beginning on or after 1 January 2024

- Amendments to IAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments clarify:

  4.11 That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.

  4.12 That classification is unaffected by the likelihood that an entity will exercise its deferral right.

  4.13 That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

- Amendments to IFRS 16*, Lease liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.periods.

  The amendments are effective for annual reporting beginning on or after 1 January 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 New standards and interpretations issued but not yet effective (cont'd)

Effective beginning on or after 1 January 2024 (cont'd)

- Amendments to IAS 1, *Non-current Liabilities with Covenants*

  The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

Deferred effectivity

- Amendments to IFRS 10, *Consolidated Financial Statements*, and IAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.*

- The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On 13 January 2016, the FRSC deferred the original effective date of 1 January 2016 of the said amendments until the IASB completes its broader review of the research project o equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

5. PROPERTY, PLANT AND EQUIPMENT – NET

	At cost				At appraised value	
	Buildings, land improvements and leasehold improvements US$'000	Machineries and equipment US$'000	Construction -in-progress ("CIP") US$'000	Bearer plants US$'000	Freehold land US$'000	Total US$'000
Group						
Cost/Valuation						
At 1 May 2021	227,519	593,896	34,953	374,803	63,145	1,294,316
Additions	6,596	17,429	47,509	133,622	–	205,156
Disposals	(167)	(12,106)	–	–	–	(12,273)
Write off – closed fields	–	–	–	(95,754)	–	(95,754)
Reclassifications from CIP	1,942	21,871	(23,813)	–	–	–
Currency realignment	(5,990)	(18,691)	(1,265)	(29,889)	(1,267)	(57,102)
At 30 April 2022 and 1 May 2022	229,900	602,399	57,384	382,782	61,878	1,334,343
Additions	9,808	6,843	72,688	147,028	–	236,367
Disposals	(80)	(3,527)	–	–	–	(3,607)
Write off – closed fields	–	–	–	(136,468)	–	(136,468)
Reclassifications from CIP	5,235	30,710	(35,945)	–	–	–
Revaluation	–	–	–	–	22,121	22,121
Currency realignment	(4,198)	(13,180)	(1,378)	(21,782)	(1,000)	(41,538)
At 30 April 2023	240,665	623,245	92,749	371,560	82,999	1,411,218
Accumulated depreciation and impairment losses						
At 1 May 2021	110,782	415,584	–	214,638	8,536	749,540
Charge for the year	10,163	35,201	–	104,753	–	150,117
Disposals	(138)	(11,098)	–	–	–	(11,236)
Write off – closed fields	–	–	–	(95,754)	–	(95,754)
Other adjustments	–	62	–	–	–	62
Currency realignment	(3,185)	(14,930)	–	(17,918)	–	(36,033)
At 30 April 2022 and 1 May 2022	117,622	424,819	–	205,719	8,536	756,696
Charge for the year	10,090	34,152	–	113,571	–	157,813
Disposals	(37)	(2,621)	–	–	–	(2,658)
Write off – closed fields	–	–	–	(136,468)	–	(136,468)
Currency realignment	(2,095)	(10,191)	–	(10,870)	–	(23,156)
At 30 April 2023	125,580	446,159	–	171,952	8,536	752,227
Carrying amounts						
At 30 April 2022	112,278	177,580	57,384	177,063	53,342	577,647
At 30 April 2023	115,085	177,086	92,749	199,608	74,463	658,991

5. PROPERTY, PLANT AND EQUIPMENT – NET (CONT'D)

Depreciation recognized in the consolidated statements of cash flows is net of the amount capitalized in inventories.

The Group has property, plant and equipment acquisitions of US$3.9 million as of 30 April 2023 (2022: US$3.0 million) that are unpaid as at year-end and included under "Accrued operating expenses" in "Trade and other current liabilities". Down payments made by the Group for the acquisition of property, plant and equipment amounted to US$3.5 million for the year ended 30 April 2023 (2022: to US$4.2 million) recorded under "Advances to suppliers" in "Other noncurrent assets". In addition, the Group has reclassified certain prepaid and other current assets to property, plant and equipment which amounted to US$2.4 million in 2023 (2022: US$3.7 million). The cost of fields closed and written off in 2023 amounted to US$136.5 million, which have been fully depreciated during the year (2022: US$95.8 million).

Bearer Plants

	Group	
	30 April 2023	30 April 2022
Hectares planted with growing crops:		
– Pineapples	16,562	16,130
– Papaya	185	123
Fruits harvested from the growing crops: (in metric tons)		
– Pineapples	858,908	785,876
– Papaya	1,497	1,266

Bearer plants are stated at cost which comprises actual costs incurred in nurturing the crops reduced by depreciation. Depreciation represents the estimated cost of fruits harvested from the Group's plant crops. An estimated cost is necessary since the growth cycle of the plant crops is beyond twelve months, hence total growing costs are not yet known as of reporting date. The estimated cost is developed by allocating estimated growing costs for the estimated growth cycle of two to three years over the estimated harvests to be made during the life cycle of the plant crops. Estimated growing costs are affected by inflation and foreign exchange rates, volume and labor requirements. Estimated harvest is affected by natural phenomenon such as weather patterns and volume of rainfall. Field performance and market demand also affect the level of estimated harvests. The Group reviews and monitors the estimated cost of harvested fruits regularly.

Leasehold Improvements

As at 30 April 2023 and 2022, the Group has no significant legal or constructive obligation to dismantle any of its leasehold improvements as the lease contracts provide, among other things, that the improvements introduced on the leased assets shall become the property of the lessor upon termination of the lease.

5. PROPERTY, PLANT AND EQUIPMENT – NET (CONT'D)

Freehold Land

The table below summarizes the valuation of freehold land held by the Group as at 30 April 2023 and 2022 in various locations:

Located in	30 April 2023 US$'000	30 April 2022 US$'000	Date of Latest Valuation
The Philippines	18,697	10,799	2023 (Various)
United States of America	41,009	32,459	1 April 2023
Singapore	14,756	10,084	30 April 2023
	74,462	53,342	

The Group engaged independent appraisers to determine the fair values of its freehold land. Revaluations are performed at regular intervals to ensure that the fair value of the freehold land does not differ materially from its carrying amount. Management evaluated that the fair values of its freehold land at the respective valuation dates approximate their fair values as of the reporting date. The assumptions used in determining the fair value are disclosed in Note 34. Management believes that there are no events or changes in circumstances indicating a significant change in fair value of the land from the last appraisal made.

The carrying amount of the Group's freehold land as at 30 April 2023 would be US$34.4 million (2022: US$34.6 million) had the freehold land been carried at cost less impairment losses.

Construction-in-Progress ("CIP")

CIP includes on-going item expansion projects for the Group's operations.

Major items in CIP as of 30 April 2023 include plastic sleeveless cartoning for Modesto, additional Joyba production capacity for Mexico, installation of new fire roasting equipment and 4pk capability of 15oz, 8oz and 6oz tomato products for Hanford, warehouse management system roll out to manufacturing plants and distribution centers in the U. S., new tetra line in Cabuyao, installation of additional FDM 202 line at the cannery in Bugo, additional 307 cook room line, acquisition of tetra filler in Bugo, 307 Line 6 autocaser and JMC fresh fruit packing house line 4 are among the significant projects implemented in fiscal years 2023. These projects are expected to be completed by fiscal year 2024.

Major items in CIP as of 30 April 2022 include plastic sleeveless cartoning for Modesto, new labeling line for packaging club and retail items for Markesan, installation of corn cutters on the process line, higher capacity palletizer for Toppenish, installation of additional FDM 202 Line at the Bugo Cannery, construction of North DC warehouse in Marilao, Bulacan and purchase of Tetra Line for Cabuyao Plant, which are among the significant projects implemented in fiscal year 2022. These projects were expected to be completed by fiscal year 2023.

Capitalized borrowing costs for the year ended 30 April 2023 amounting to US$0.3 million pertains to an additional complete 307 cook room line, and the carry-over of both of the FDM 202 line and 307 line 6 auto caser. For the year ended 30 April 2022, capitalized borrowing costs amounting to US$0.01 million is related to the installation of an additional FDM 202 Line, Can Making Equipment, and the installation of an automated line for 2.3kg tidbits and an acquisition of a 307 line 6 auto caser.

The Group also capitalized interest expense arising from general borrowings and lease liabilities to bearer plants amounting to US$2.5 million and US$1.2 million for the years ended 30 April 2023 and 2022, respectively. Average capitalization rate used is 6.00% and 2.25% for the fiscal years ended 30 April 2023 and 2022, respectively.

5. PROPERTY, PLANT AND EQUIPMENT – NET (CONT'D)

Source of estimation uncertainty

The Group estimates the useful lives of its buildings, land improvements, leasehold improvements and machineries and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, the estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experiences with similar assets. It is possible, however, that future financial performance could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amount and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment would increase recorded depreciation expense and decrease non-current assets.

The depreciation of bearer plants requires estimation of future harvest which is affected by natural phenomena and weather patterns.

The valuation of freehold land is based on comparable transaction subject to adjustments. These adjustments require judgment.

6. INVESTMENTS IN SUBSIDIARIES

	30 April 2023 US$'000	30 April 2022 US$'000
Unquoted equity shares, at cost, at the beginning and end of the year	1,020,215	1,020,215
Amounts due from subsidiaries (nontrade)	237,516	237,516
	1,257,731	1,257,731
Accumulated share in losses at the beginning of the year	(277,723)	(356,274)
Dividends declared by subsidiaries	(88,503)	(33,519)
Share in net profit of subsidiaries	61,702	124,985
Share in other comprehensive income (losses) of subsidiaries, net of tax	13,952	(11,162)
Cancelled options of a subsidiary	–	(1,753)
	(290,572)	(277,723)
Interests in subsidiaries at the end of the year	967,159	980,008

On 15 May 2020, the Company converted its long-term loans receivable from Del Monte Foods Holdings Limited ("DMFHL") amounting to US$229.5 million (including accrued interest of US$0.8 million from 30 April 2020 to conversion date) to equity investment. DMFHII issued 64.546 shares of capital stock to DMFHL, and DMFHL was unconditionally released of all liabilities for principal and interest through 30 April 2020 relating to the purchase of the Second Lien Term Loans. On 15 May 2020, DMFHL recorded US$229.5 million of additional paid-in capital related to this transaction. In addition, the Company and DMPLFL entered into a supplemental agreement dated 11 August 2020 for the issuance of additional 3.23 ordinary shares b DMPLFL to cover the additional accrued interest through 15 May 2020 which amounted to $1.1 million.

On 15 May 2020, the Company invested US$150.0 million of additional paid-in capital to DMPLFL in exchange for 423.95 shares of preferred stock.

The amounts due from subsidiaries are unsecured and interest-free. Settlement of the balances are neither planned nor likely to occur in the foreseeable future as they are, in substance, a part of the Company's net investments in the subsidiaries.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Share Purchase Agreement and Shareholders' Agreement with SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner")

On 24 January 2020, the Company, Central American Resources, Inc ("CARI"), Del Monte Philippines, Inc. ("DMPI") and SEA Diner, a company incorporated in Singapore, entered into a Share Purchase Agreement and Shareholders' Agreement pursuant to which and subsequent arrangements, CARI agreed to sell 335,678,400 existing common shares equivalent to 12% ownership interest in DMPI to SEA Diner for a consideration of US$120.0 million, subject to fulfilment of certain conditions precedent. These common shares were convertible to voting, convertible, participating and redeemable convertible preferred shares ("RCPS") of DMPI.

The Board and the stockholders of DMPI approved the conversion of the convertible common shares to RCPS subject to the completion of the transaction and the Enabling Resolutions which further defined the terms of the RCPS on 3 March 2020. As at 30 April 2020, the Company, CARI and DMPI had fulfilled the conditions precedent under the Share Purchase Agreement. The private placement transaction closed on 20 May 2020.

Terms of the RCPS

The terms of the RCPS were as follows:

(i) The RCPS holders participate in the dividends on an as-converted basis, that is, if common shareholders are entitled to dividends, then the RCPS holders will correspondingly be entitled to dividends on an as-converted basis.

(ii) The investor as an RCPS holder will have proportional shareholder voting rights in DMPI on an as-converted basis. There will also be certain reserved matters (for example, matters not in the ordinary course of business) which the investor will have the right to approve.

(iii) SEA Diner, as long as it holds RCPS, may, at any time, exercise its right to convert the RCPS into common shares of DMPI at a ratio of one (1) RCPS to one (1) common share of DMPI. The RCPS is automatically converted into common share in the event of initial public offering (IPO) of DMPI.

(iv) Upon the occurrence of any of certain agreed "RCPS Default Events", SEA Diner may require the Company, CARI or DMPI to redeem all of the RCPS at the agreed redemption price, which is the amount of RCPS consideration plus the agreed rate of return (compounded on a per annum basis) calculated from 20 May 2020 up to the date of redemption.

(v) In case of "Other Redemption Events", redemption shall be subject to the mutual agreement of the parties. If DMPI does not consent to the RCPS holder's written redemption request, the internal rate of return would be increased annually by 3%, and this increased rate of return shall apply for each year that the RCPS remain outstanding and shall be compounded on a per annum basis. Other Redemption Events include but are not limited to, an exit not completed within five years from the closing date, the Group being in default on any of its indebtedness which is not cured within 30 business days from written notice thereof, or the Group suffers insolvency.

On 3 August 2020, the SEC approved the amendment of DMPI's Articles of Incorporation to reflect the conversion of 335,678,400 convertible common shares to RCPS and the removal of the conversion feature of the remaining convertible common shares.

On 16 December 2020, CARI sold additional 27,973,200 common shares of DMPI to SEA Diner for US$10 million, which increased the ownership of SEA Diner in DMPI to 13%.

On 1 March 2021, the SEC approved the amendment of DMPI's Articles of Incorporation to change DMPI's Php 3 billion authorized capital stock (previously comprising common shares and RCPS) to all common shares with a par value of Php 1 per share. Consequently, the 335,678,400 RCPS issued to SEA Diner were converted to 335,678,400 common shares.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Share Purchase Agreement and Shareholders' Agreement with SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner") (cont'd)

Share Purchase Agreement and Shareholders' Agreement with SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner") (cont'd) Included in the Shareholders' Agreement is a requirement for the Group to continuously maintain the following financial covenants for as long as SEA Diner is a significant minority:

(i) The ratio of the Group's total indebtedness to the Group's consolidated earnings before interest and taxes shall not exceed 3.75x at any time during each quarter; and

(ii) The ratio of the Group's total indebtedness to the Group's shareholder's equity shall not exceed 2.00x at any time during each quarter

In the case of a breach of the above financial covenants or Other Redemption Events, SEA Diner may require the Company, CARI or DMPI to redeem all of the RCPS at the agreed redemption price subject to the mutual consent of the Group and SEA Diner.

As of and for the year ended 30 April 2023, the Group did not meet the above financial covenants. However, the redemption of the RCPS is subject to mutual consent of the Group and SEA Diner. As of the date of these financial statements, the Group is in discussion with SEA Diner with regards to the resolution of this matter.

Call Option Agreement

On 24 January 2020, the Company, CARI, DMPI and SEA Diner entered into a call option agreement which gives SEA Diner the right to buy from CARI additional DMPI shares ("Option Shares"). The exercise price for each Option Share is US$0.357 (computed based on the DMPI equity valuation of US$1 billion / existing total issued share capital of the DMPI shares of 2,797,320,003 as at the date of the Agreement).

The call option is exercisable within the Option Period which means:

(A) commencing on:

 (i) in the event where an IPO of DMPI is consummated on or before 30 April 2022, and:

  a. such IPO of DMPI is consummated at a price per DMPI share which implies an IPO pre-money market capitalization of US$2,000,000,000 or lower, the date on which such IPO of DMPI is consummated; or

  b. such IPO of DMPI is consummated at a price per DMPI share which implies an IPO pre-money market capitalization of more than US$2,000,000,000 and following such IPO, SEA Diner sells any DMPI shares at a price per DMPI share which implies that DMPI's valuation is at or lower than an IPO pre-money market capitalization of US$2,000,000,000, the date on which the SEA Diner makes such sale of DMPI shares; or

 (ii) 30 April 2022, if DMPI does not consummate an IPO on or before 30 April 2022; and

(B) ending on the earliest of:

 (i) the date falling ten (10) years after the date of closing;

 (ii) the date falling five (5) years after the consummation of an IPO of DMPI; and

 (iii) the date on which the SEA Diner receives an amount in respect of a redemption of its DMPI shares pursuant to the Shareholders' Agreement that provides the SEA Diner with a rate of return of no less than eight (8) per cent.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Share Purchase Agreement and Shareholders' Agreement with SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner") (cont'd)

Impact on the Group

In relation to the above transaction, as at 30 April 2020, the Group recognized the gross consideration of US$120.0 million under "Trade and other receivables" (collected in fiscal year 2021), transaction costs of US$14.0 million (US$0.7 million of which was already paid as at 20 April 2020 and the outstanding balance of US$13.3 million as at 30 April 2020 is recorded as accrued operating expenses under "Trade payables and other current liabilities" (paid in fiscal year 2021), long-term derivative liability of US$2.6 million for the call option in accordance with the call option agreement, equity reserve under "Retained earnings" of US$77.0 million due to change in ownership interest in DMPI without loss of control (see Note 17) and "Non-controlling interests" of US$26.4 million representing investor's proportionate share in the net assets of DMPI (see Note 38).

In relation to the additional sale of DMPI shares in fiscal year 2021, the Group recognized an additional "Non-controlling interests" of US$2.2 million and paid transaction costs amounting to US$1.2 million. The resulting gain of US$6.6 million was recorded as equity reserve under retained earnings.

Management assessed that the fair value of derivative liability related to the call option is nil as at 30 April 2023 and 2022.

Impact on the Company

In fiscal year 2020, the Company recognized an increase in investment in subsidiary and retained earnings equal to its share in the net equity reserve amounting to US$77.0 million recognized by CARI, accrued transaction costs of US$1.3 million, and receivable from CARI amounting to US$2.1 million.

As a result of the additional sale of DMPI shares in fiscal year 2021, the Company recognized an increase in investment in subsidiary and equity reserve amounting to US$6.6 million, net of transaction costs of US$1.2 million. The equity reserve recognized in fiscal year 2021 was subsequently closed to retained earnings.

Significant judgments

1. Recognition of Share Purchase Agreement as at 30 April 2020

   The Share Purchase Agreement was subject to conditions precedent and closing conditions. The conditions precedent were completed as at 30 April 2020 while the parties agreed the closing date to be 20 May 2020. Management assessed that the closing conditions were administrative in nature and accounted for the transaction as at 30 April 2020.

   Moreover, management assessed that the actual conversion of the common shares to RCPS in records and the issuance of related stock certificates were administrative and procedural in nature. The Board and stockholders of DMPI also approved the conversion of the convertible common shares to RCPS in March 2020. Considering this, the Group had accounted for the instrument as RCPS in substance as at 30 April 2020.

2. Equity Classification

   a. The Group has no contractual obligation to deliver cash or another financial asset to the investor as the "RCPS Default Events", among the other terms in Share Purchase Agreement, Shareholders' Agreement and Call Option Agreement, are assessed to be within the control of the Group and the redemption of the RCPS in case of "Other Redemption Events" is subject to the mutual consent of both parties; and based on its actual net income for the year ended 31 April 2021 which had exceeded the target. Also, on 5 February 2021, the Board and stockholders of DMPI approved the amendment to DMPI's Articles of Incorporation to change the authorized capital stock to common shares from RCPS. The SEC approved this amendment to the Articles of Incorporation on 1 March 2021.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Share Purchase Agreement and Shareholders' Agreement with SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner") (cont'd

Significant judgments (cont'd)

3. Obligation to Purchase Excess Shares or Sell Shortfall Shares

The Shareholders' Agreement provides for a conditional obligation for CARI to purchase excess shares or sell shortfall shares to SEA Diner at par value subject to certain conditions (amount of IPO pre-money market capitalization exceeding the US$2 billion threshold amount or an IPO being consummated more than 275 days from a conversion date) set out in the Shareholders' Agreement. Management assessed that the Group's derivative asset or liability to purchase excess shares or sell shortfall shares to SEA Diner has a carrying value of nil as at 30 April 2023 and 2022 since the IPO did not occur during such periods. As a result, the probability of the options relating to the excess shares and shortfall shares being triggered is nil or minimal.

4. Fair Value of Derivative Liability on the Call Option

The fair value of the derivative liability related to the call option is measured using Black-Scholes model. The inputs to this model are taken from a combination of observable markets and unobservable market data. Changes in inputs about these factors could affect the reported fair value of the derivative liabilities and impact profit or loss. Management assessed that the fair value of the derivative liability is nil as at 30 April 2023 and 2022 as the estimated pre-money market capitalization is higher than the threshold in the Call Option Agreement.

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2023 %	30 April 2022 %
Held by the Company				
Del Monte Pacific Resources Limited ("DMPRL") [6]	Investment holding	British Virgin Islands	100.00	100.00
DMPL India Pte Ltd ("DMPLI") [3]	Investment holding	Singapore	100.00	100.00
DMPL Management Services Pte Ltd [3]	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00
GTL Limited [4]	Inactive	Federal Territory of Labuan, Malaysia	100.00	100.00
S&W Fine Foods International Limited ("S&W") [6]	Selling processed food products under the "S&W" trademark; Owner of the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa	British Virgin Islands	100.00	100.00
DMPL Foods Limited ("DMPLFL") [7] [9]	Investment holding	British Virgin Islands	93.57	93.57

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2023 %	Effective equity held by the Group 30 April 2022 %
Held by DMPRL				
Central American Resources, Inc. ("CARI") [6]	Investment holding	Panama	100.00	100.00
Dewey Limited ("Dewey") [7]	Mainly investment holding	Bermuda	100.00	100.00
Held by CARI				
DMPI [1] [2]	Growing, processing and distribution of food products mainly under the brand name "Del Monte"	Philippines	87.00	87.00
South Bukidnon Fresh Trading Inc ("SBFTI") [1]	Inactive	Philippines	100.00	100.00
Held by DMPI				
Philippine Packing Management Services Corporation ("PPMSC") [1]	Intellectual property holding and licensing, management, logistics and support services	Philippines	87.00	87.00
Del Monte Txanton Distribution Inc ("DMTDI") [a] [1] [2]	Inactive	Philippines	34.80	34.80
Held by Dewey				
Dewey Sdn. Bhd. [4]	Inactive	Malaysia	100.00	100.00
Held by DMPLI				
DMPL India Limited [7]	Investment holding	Mauritius	95.52	95.13
Held by S&W				
S&W Japan Limited [7]	Support and marketing services	Japan	100.00	100.00
Held by DMPLFL				
Del Monte Foods Holdings Limited ("DMFHL") [1] [9]	Investment holding	British Virgin Islands	93.57	93.57
Held by DMFHL				
Del Monte Foods Holdings II, Inc. ("DMFHII") [5] [9]	Investment holding	State of Delaware, U.S.A.	93.57	93.57
Held by DMFHII				
Del Monte Foods Holdings Inc. ("DMFHI") [5] [9]	Investment holding	State of Delaware, U.S.A.	93.57	93.57
Held by DMFHI				
Del Monte Foods, Inc. ("DMFI") [5] [9]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A.	93.57	93.57

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2023 %	Effective equity held by the Group 30 April 2022 %
Held by DMFI				
Sager Creek Foods, Inc. (formerly Vegetable Acquisition Corp.) [5] [9]	Real estate holding	State of Delaware, U.S.A.	93.57	93.57
Del Monte Andina C.A. ("Del Monte Andina") [8] [9]	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	–	–
Del Monte Colombiana S.A. [4] [9]	Manufacturing, processing and distributing food, beverages and other related products	Colombia	76.35	76.35
Industrias Citricolas de Montemorelos, S.A. de C.V. ("ICMOSA") [4] [9]	Manufacturing, processing and distributing food, beverages and other related products	Mexico	93.57	93.57
Del Monte Peru S.A.C. [7] [9]	Distribution of food, beverages and other related products	Peru	93.57	93.57
Del Monte Ecuador DME C.A. [7] [9]	Distribution of food, beverages and other related products	Ecuador	93.57	93.57
Hi-Continental Corp. [7] [9]	Distributor of non-Del Monte products	State of California, U.S.A.	93.57	93.57
College Inn Foods [7] [9]	Distributor of College Inn brand products	State of California, U.S.A.	93.57	93.57
Contadina Foods, Inc. [7] [9]	Distributor of Contadina brand products	State of Delaware, U.S.A.	93.57	93.57
S&W Fine Foods, Inc. [7] [9]	Distributor of S&W Fine Foods, Inc,	State of Delaware, U.S.A.	93.57	93.57
Del Monte Ventures, LLC ("DM Ventures") [b] [9]	Holding company	State of Delaware, U.S.A.	93.57	93.57
Joyba, Inc.	Distributor of Joyba brand products	State of California, U.S.A.	93.57	–
Kitchen Basics, Inc.	Distributor of Kitchen Basics brand products	State of California, U.S.A.	93.57	–
Green Thumb Foods, Inc.	Distributor of Green Thumb Foods brand products	State of California, U.S.A.	93.57	–

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2023 %	30 April 2022 %
Held by DM Ventures				
Del Monte Chilled Fruit Snacks, LLC [b] [9]	Development, production, marketing, sale and distribution of processed refrigerated fruit products	State of Delaware, U.S.A.	47.72	47.72
Held by Del Monte Andina				
Del Monte Argentina S.A. [7]	Inactive	Argentina	–	–

[a] DMTDI is consolidated as the Group has de facto control over the entity. Even with less than the majority voting rights, the Group concluded that DMTDI is a subsidiary and that it has power to direct the relevant activities of DMTDI due to DMPI having majority seats in the Board through a shareholders agreement with the other shareholders of DMTDI. The key management personnel (i.e., President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Treasurer and Corporate Secretary) of DMPI also serve in the same positions in DMTDI. In its special meeting held on 22 April 2019, DMTDI's Board approved the dissolution and liquidation of DMTDI by shortening its corporate term. As at 30 April 2023, the application for the dissolution and liquidation is yet to be submitted with the SEC due to certain regulatory and documentary requirements.

[b] The Group incorporated its subsidiary, Del Monte Ventures, LLC on 21 June 2017 which acquired interests in four joint venture entities which were all incorporated in the state of Delaware, USA. These joint ventures will pursue sales of expanded refrigerated offerings across all distribution and sales channels, and will establish a new retail food and beverage concept. These joint ventures will initially focus on the U.S. market, with the potential for expansion into other territories. These joint venture entities are in their pre-operating stages and have no material assets or liabilities as of 30 April 2023 and 2022.

[1] Audited by SyCip Gorres Velayo & Co. ("SGV"), member firm of Ernst & Young Global.

[2] On 20 May 2020, CARI completed the sale of 12% stake in DMPI to SEA Diner. Conditions of the sale were already met as of 30 April 2020, as confirmed by both parties.

On 16 December 2020, CARI sold additional 27,973,200 common shares of DMPI to SEA Diner for US$10 million, which increased the ownership of SEA Diner in DMPI to 13%.

[3] Audited by Ernst and Young LLP ("EY") Singapore.

[4] Audited by Ernst & Young Global member firms in the respective countries.

[5] Not required to be audited in the country of incorporation. Audited by SGV for the purpose of group reporting.

[6] Not required to be audited in the country of incorporation. Audited by EY Singapore for the purpose of group reporting.

[7] Not required to be audited in the country of incorporation.

[8] Not required to be audited in the country of incorporation. The Venezuelan entity was deconsolidated in 2015. The Venezuelan exchange control regulations have resulted in an other-than-temporary lack of exchangeability between the Venezuelan Bolivar and US dollar. This has restricted the Venezuelan entity's ability to pay dividends and obligations denominated in US dollars. The exchange regulations, combined with other recent Venezuelan regulations, have constrained the Venezuelan entity's ability to maintain normal production. Due to the Group's inability to effectively control the operations of the Venezuelan entity, the Group deconsolidated its subsidiary effective February 2015. This determination requires significant judgment. The equity interest in this entity is determined to be the cost of investment of the entity at the date of deconsolidation. The investment is carried at cost less impairment losses.

[9] On 15 May 2020, DMFHII issued 64.546 shares of capital stock to DMFHL. On the same date, DMFHL issued 0.64546 shares of capital stock to DMPLFL and DMPLFL issued 645.46 shares of capital stock to the Company as full payment of the US$228.4 million loan to finance purchases of the Second Lien Term Loans. Upon issuance of the capital stock to the Company, DMFHL was unconditionally released of all liabilities for principal and interest through 30 April 2020 relating to the purchase of the Second Lien Term Loans. On 15 May 2020, DMFHL recorded US$229.5 million of additional paid-in capital related to this transaction. In addition, the Company and DMPLFL entered into a supplemental agreement dated 11 August 2020 for the issuance of additional 3.23 ordinary shares by DMPLFL to cover the additional accrued interest through 15 May 2020 which amounted to $1.1 million. On 15 May 2020, DMFHL issued 0.42395 of ordinary shares to DMPLFL and DMPLFL issued 423.95 shares of preferred stock to the Company in exchange for US$150.0 million of additional paid-in capital. As a result, DMFHL recorded US$150.0 million of additional paid-in capital related to this transaction.

Information relating to the Group's subsidiaries with shareholder(s) with material non-controlling interests are disclosed in Note 38.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Significant judgments

Determination of Control over Subsidiaries

The Company regularly reassesses whether it controls an investee when facts and circumstances indicate that there are changes to one or more of the three elements of control listed in Note 4. The Company determined that it exercised control on all its subsidiaries as it has all elements of control.

Source of estimation uncertainty

Recoverability of Investments in Subsidiaries

When the subsidiary has suffered recurring operating losses, a test is made to assess whether the interests in subsidiary has suffered any impairment by determining the recoverable amount. This determination requires significant judgment and estimation. An estimate is made of the future profitability, cash flow, financial health and near-term business outlook of the subsidiary, including factors such as market demand and performance. The recoverable amount will differ from these estimates as a result of differences between assumptions used and actual operations.

7. INVESTMENTS IN JOINT VENTURES

Name of joint venture	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2023 %	30 April 2022 %
Del Monte Foods Private Limited (formerly known as FieldFresh Foods Private Limited) ("DMFPL") [1]	Production and sale of fresh and processed fruits and vegetable food products	India	47.76	47.56
Nice Fruit Hong Kong Limited ("NFHKL") [2]	Production and sale of frozen fruits and vegetable food products	Hong Kong	35.00	35.00
Del Monte – Vinamilk Dairy Philippines, Inc. (DVDPI) [3]	Distribution of dairy and milk products	Philippines	43.50	43.50

1 Audited by Deloitte Haskins & Sells, Gurgaon, India.
2 Audited by a non-EY Global member firm.
3 Audited by SyCip Gorres Velayo & Co. ("SGV"), member firm of Ernst & Young Global.

7. INVESTMENTS IN JOINT VENTURES (CONT'D)

The summarized financial information of a material joint venture, DMFPL, not adjusted for the percentage ownership held by the Group, is as follows:

	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Revenue	66,084	66,871
Income (loss) from continuing operations [a]	203	(6,810)
Other comprehensive income	–	–
Total comprehensive income (loss)	203	(6,810)
[a] Includes:		
– depreciation	(75)	(59)
– interest expense	(1,568)	(1,681)
Noncurrent assets	10,701	11,600
Current assets	21,851	23,686
Noncurrent liabilities	(20,193)	(21,890)
Current liabilities	(11,881)	(12,879)
Net assets	478	517
Proportion of the Group's ownership including non-controlling interest	50%	50%
	239	259
Goodwill	20,000	20,000
Impairment loss	(4,096)	(4,096)
Translation adjustment	1,395	(1,827)
Carrying amount of investment	17,538	14,336

	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Carrying amount of interest in DMFPL at beginning of the year	14,336	19,741
Capital injection during the year	3,100	–
Impairment loss	–	(2,000)
Group's share of:		
Income (loss) from continuing operations, representing total comprehensive income (loss)	102	(3,405)
Carrying amount of interest at end of the year	17,538	14,336

In fiscal year 2022, the Group recognized an impairment loss amounting to US$2.0 million due to the continuous net loss position of DMFPL (2021: US$2.1 million). The impairment loss was included in "other (expenses) income – net" in the income statement. No impairment losses were recognized in fiscal year 2023.

7. INVESTMENTS IN JOINT VENTURES (CONT'D)

The interest in the net assets of an immaterial joint venture, NFHKL, is as follows:

	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Carrying amount of interest in NFHKL at beginning of the year	2,836	2,789
Additional advances during the year	185	595
Group's share of:		
Loss from continuing operations, representing total comprehensive loss	(398)	(548)
Carrying amount of interest at end of the year	2,623	2,836

DVDPI is a joint venture entered into by Del Monte Philippines, Inc. and Vietnam Dairy Products Joint Stock Company, a leading regional dairy company, to expand further into the dairy sector in the Philippines. This joint venture was incorporated and registered with SEC on 12 July 2021.

The interest in the net assets of an immaterial joint venture, DVDPI, is as follows:

	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Carrying amount of interest in DVDPI at beginning of the year	–	–
Capital injection	990	1,001
Reclassification from receivable	200	–
Group's share of:		
Loss from continuing operations, representing total comprehensive loss	(1,190)	(1,001)
Carrying amount of interest at end of the year	–	–

The summarized interest in joint ventures of the Group and the Company, is as follows:

	Group		Company	
	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Group's interest in joint ventures				
DMFPL	17,538	14,336	–	–
NFHKL	2,623	2,836	2,623	2,836
Carrying amount of investments in joint ventures	20,161	17,172	2,623	2,836

7. INVESTMENTS IN JOINT VENTURES (CONT'D)

Significant judgments

Determination of Joint Control and the Type of Joint Arrangement

Joint control is presumed to exist when the investors 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. Management has assessed that it has joint control in all joint arrangements.

The Group determines the classification of a joint venture depending upon the parties' rights and obligations arising from the arrangement in the normal course of business. When making an assessment, the Group considers the following:

(a) the structure of the joint arrangement.

(b) when the joint arrangement is structured through a separate vehicle:

 i. the legal form of the separate vehicle;

 ii. the terms of the contractual arrangement; and

 iii. when relevant, other facts and circumstances.

The Group determined that its interests in DMFPL, NFHKL and DVDPI are joint ventures as the arrangements are structured in a separate vehicle and that it has rights to the net assets of the arrangements. The terms of the contractual arrangements do not specify that the parties have rights to the assets and obligations for the liabilities relating to the arrangements.

Source of estimation uncertainty

Recoverability of investments in joint ventures

When the joint venture has suffered recurring operating losses, a test is made to assess whether the investment in joint venture has suffered any impairment by determining the recoverable amount. This determination requires significant judgment and estimation. An estimate is made of the future profitability, cash flow, financial health and near-term business outlook of the joint venture, including factors such as market demand and performance. The recoverable amount will differ from these estimates as a result of differences between assumptions used and actual operations.

Since its acquisition, the Indian sub-continent trademark and the investment in DMFPL were allocated to the Indian sub-continent cash-generating unit ("Indian sub-continent CGU"). The recoverable amount of Indian sub-continent CGU was estimated using the discounted cash flows based on five-year cash flow projections.

7. INVESTMENTS IN JOINT VENTURES (CONT'D)

Key assumptions used in discounted cash flow projection calculations

Key assumptions used in the calculation of recoverable amounts are discount rates, revenue growth rates, earnings before interest, taxes, depreciation and amortization ("EBITDA") margin and terminal growth rate. The values assigned to the key assumptions represented management's assessment of future trends in the industries and were based on both external and internal sources.

	30 April 2023 %	**30 April 2022 %**
Pre-tax discount rate	14.1	14.9
Revenue growth rate	5.0 – 20.2	5.0 – 19.6
EBITDA margin	5.9 – 13.4	1.2 – 10.4
Long-term EBITDA margin	10.1	10.4
Terminal growth rate	5.0	5.0

The discount rate is a pre-tax measure estimated based on the historical industry average weighted-average cost of capital. This is based on a rate of debt leveraging rate of 20.60% in 2023 (2022: 23.60%), at a market interest rate of 10.1% in 2023 (2022: 7.80%).

Revenue growth rate is expressed as compound annual growth rates in the initial five years of the plan. In the first year of the business plan, revenue growth rate was projected at 18% (2022: 7%) based on the near-term business plan and market demand. The annual revenue growth included in the cash flow projections for four years was projected at the growth rate based on the historical growth in volume and prices and industry growth.

A long-term growth rate into perpetuity has been determined based on management's estimate of the long-term compound annual growth rate in the Indian economy which management believed was consistent with the assumption that a market participant would make.

EBITDA margin has been a factor of the revenue forecast based on business plan and market demand coupled with the cost saving initiatives.

Sensitivity to changes in assumptions

In fiscal year 2023, the estimated recoverable amount exceed the carrying amount of interest in the joint venture and trademark, accordingly, no impairment loss was recognized. In fiscal year 2022, the carrying amount of interest in a joint venture and trademark exceed the estimated recoverable amount, accordingly, impairment loss of US$2.0 million was recognized.

Management has identified that a reasonably possible change in the following two key assumptions could result in the carrying amount to exceed the recoverable amount. The implication of the key assumptions for the recoverable amount is discussed below:

Long-term growth rates – A reduction of 0.5% in 2023 (2022: 0.5%) in the long-term growth rate would result in an impairment of approximately US$1.0 million in 2023 (2022: further impairment of US$1.1 million).

Discount rates – An increase of 1.0% in 2023 (2022: 1.0%) in the discount rate would result in an impairment of approximately US$3.3 million in 2023 (2022: further impairment of US$3.4 million).

8. INTANGIBLE ASSETS AND GOODWILL

	Note	Goodwill US$'000	Indefinite life trademarks US$'000	Amortizable trademarks US$'000	Customer relationship US$'000	Total US$'000
Cost						
At 1 May 2021, 30 April 2022 and 1 May 2022		203,432	408,043	24,180	107,000	742,655
Additions		–	64,320	–	8,441	72,761
30 April 2023		203,432	472,363	24,180	115,441	815,416
Accumulated amortization						
At 1 May 2021		–	–	9,519	38,439	47,958
Amortization	25	–	–	1,300	5,350	6,650
At 30 April 2022 and 1 May 2022		–	–	10,819	43,789	54,608
Amortization	25	–	–	1,300	5,667	6,967
At 30 April 2023		–	–	12,119	49,456	61,575
Carrying amounts						
At 30 April 2022		203,432	408,043	13,361	63,211	688,047
At 30 April 2023		203,432	472,363	12,061	65,985	753,841

Goodwill

Goodwill arising from the acquisition of Consumer Food Business was allocated to DMFI and its subsidiaries, which is considered as one CGU.

Indefinite life trademarks

Management has assessed the following trademarks as having indefinite useful lives as the Group has exclusive access to the use of these trademarks. These trademarks are expected to be used indefinitely by the Group as they relate to continuing businesses that have a proven track record with stable cash flows.

America trademarks

As at 30 April 2023, American trademarks amount to US$458.3 million (2022: US$394.0 million). The indefinite life trademarks of US$394.0 million arising from the acquisition of Consumer Food Business relate to those of DMFI for the use of the "Del Monte" trademarks in the United States and South America market, and the "College Inn" trademark in the United States, Australia, Canada and Mexico.

The "Kitchen Basics" trademark in the United States and Canada of US$64.3 million was assessed to have an indefinite useful life.

On 3 August 2022, the Group has acquired certain assets associated with the Kitchen Basics brand of ready-to-use stock and broth from McCormick & Company for a consideration of $100.4 million (including transaction costs totalling US$1.4 million). Kitchen Basics products are distributed nationally in the United States and include a range of conventional and organic stock and broth offerings.

8. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Indefinite life trademarks (cont'd)

America trademarks (cont'd)

The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics will join Del Monte's brand portfolio as the Company expands its retail presence in the category. The assets acquired comprise of intangible assets amounting to $72.8 million and inventories of $27.6 million. The purchase price (including transaction costs) is allocated based on the fair value of the assets acquired as determined by the third party valuer.

The acquisition was treated as an asset acquisition since the acquisition did not come with any physical workforce, research and development, and management

In fiscal year 2023, no impairment loss is recognized related to trademark arising from the acquisition of Kitchen Basics based on the fair value determined by the third party valuer.

Philippines trademarks

A subsidiary, PPMSC, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines (the "Philippines Trademarks") with carrying value amounting to US$1.8 million.

Indian sub-continent and Myanmar trademarks

In November 1996, a subsidiary, DMPRL, entered into an agreement with an affiliated company to acquire the exclusive right to use the "Del Monte" trademarks in the Indian sub-continent territories and Myanmar in connection with the production, manufacture, sale and distribution of food products and the right to grant sub-licenses to others ("Indian sub-continent trademark"). In 2007, the Company acquired shares in DMFPL and caused the licensing of trademarks to DMFPL to market its products under the "Del Monte" brand in India. These trademarks have a carrying value of US$4.1 million.

S&W trademarks

In November 2007, a subsidiary, S&W, entered into an agreement with Del Monte Corporation to acquire the "S&W" trademarks in certain countries in Asia (excluding Australia and New Zealand and including the Middle East), Western Europe and Eastern Europe for a total consideration of US$10.0 million. The trademark has a carrying value of US$8.2 million.

Impairment test

Management has performed impairment testing for all indefinite life trademarks and concluded that no impairment exists at the reporting date.

8. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Impairment test (cont'd)

Philippines trademarks

In 2023 and 2022, the recoverable amounts of the Philippines Trademarks were based on fair value less cost of disposal using the Relief from Royalty ("RFR") method.

The RFR calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The Philippines Trademarks' cash flows beyond the five-year period is extrapolated using a steady 5.4% (2022: 6.1%) cumulative annual growth rate which management believes is reasonable and that any reasonably possible change in the key assumptions on which the Philippines Trademarks' recoverable amount is based would not cause the Philippines Trademarks' carrying amount to exceed its recoverable amount.

The key assumptions used in the estimation of the fair value less cost of disposal represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

As of 30 April 2023 and 2022, the carrying values of the intangible assets do not exceed the fair values less cost of disposal, respectively, hence, no impairment has been recorded. Below are the key assumptions used in fiscal year 2023 and 2022:

	2023 %	2022 %
Discount rate	7.8	8.7
Terminal growth rate	5.4	6.1
Royalty rate	1.0	1.0
Revenue growth rate	5.6	7.7

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital.

The cash flow projections included specific estimates for five years.

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. It was assumed that sales price would increase in line with forecast inflation over the next five years.

S&W Asia trademark

In 2023 and 2022, the recoverable amount was based on fair value less cost of disposal using the RFR method. The key assumptions used in the estimation of the fair value less cost of disposal are set out below.

	2023 %	2022 %
Discount rate	13.0	10.5
Royalty rate	3.0	3.0
Revenue growth rate	7.6	6.5

Indian sub-continent trademark

The Indian sub-continent trademark and the investment in DMFPL were allocated to Indian sub-continent CGU (see Note 7).

8. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Impairment test (cont'd)

America trademarks and Goodwill

In 2023 and 2022, the recoverable amount of the CGU was based on VIU, being greater than the fair value less costs of disposal:

	30 April 2023 US$'000	30 April 2022 US$'000
Value-in-use	4,030,000	6,130,000
Fair value less costs of disposal – income approach	3,950,000	6,050,000
Recoverable amount	4,030,000	6,130,000

The Americas trademarks were also included in the CGU used in the goodwill impairment testing.

As of valuation date in April 2023 and 2022, and January 2021, the estimated recoverable amount of the CGU exceeded its carrying amount of US$1,929.2 million, US$1,402.0 million, and US$1,318.8 million, respectively, by approximately US$2,100.8 million, US$4,728.0 million, and US$2,691.2 million, respectively. Therefore, the CGU is not impaired.

VIU

The VIU is the present value of expected cash flows, discounted at a risk-adjusted weighted average cost of capital.

The key assumptions used in the estimation of the recoverable amount using the VIU approach are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

	2023 %	2022 %
Discount rate	9.8	8.9
Terminal growth rate	2.0	2.0
Long-term EBITDA margin	12.8	15.8
Revenue growth rate	5.0 – 8.9	3.5 – 8.3
Gross margin	23.9 – 25.3	24.4 – 27.0

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible range of debt leveraging of 38% as at 30 April 2023 (2022: 21%) at a risk-free interest rate of 3.4% as of 30 April 2023 (2022: 3.1%).

The cash flow projections included specific estimates for four years for fiscal year 2023 (2022: four years) and a terminal growth rate thereafter. Due to various growth initiatives of DMFI, management shortened the cashflow forecast period to four years in fiscal year 2023 (2022: four years) to meet the minimum requirement in terms of forecasted period and allow for its operations to reach a steady state gradually in terms of its long-term compound annual EBITDA growth rate. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate. This growth rate is consistent with the assumption that a market participant would make and with industry expectations and internal estimates of sustainable long-term growth for the business.

Budgeted EBITDA was estimated taking into account past experience adjusted as follows:

- Revenue growth was projected taking into account the average growth levels experienced over the past four years and estimated sales volume and price growth for the next four years (2022: four years). It was assumed that sales price would increase in line with forecasted inflation over the next four years. The amounts are probability-weighted.

8. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Sensitivity analysis

Management has identified that a reasonably possible change in the discount rate or long-term margin could cause the carrying amount to exceed the recoverable amount. The following table shows the percentages to which these would need to change independently for the estimated recoverable amount of the DMFI CGU to be equal to its carrying amount.

	2023 %	2022 %
Discount rate	15.4	22.9
Long-term EBITDA margin	6.3	4.8

Source of estimation uncertainty

Impairment of goodwill and intangible assets

Goodwill and the indefinite life trademarks are assessed for impairment at least annually. The impairment assessment requires an estimation of the VIU and fair value less costs of disposal of the CGU to which the goodwill and indefinite life trademarks are allocated.

Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the CGU and apply an appropriate discount rate in order to calculate the present value of those cash flows. Actual cash flows will differ from these estimates as a result of differences between assumptions used and actual operations.

Estimating fair value less costs of disposal requires the use of estimates and assumptions. The estimated fair value would change depending on the assumptions used, such as the discount rate and long-term margin.

Amortizable trademarks and customer relationship

	Net carrying amount		Remaining amortization period (years)	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023	30 April 2022
America S&W trademark	163	363	0.8	1.8
America Contadina trademark	11,898	12,998	10.8	11.8
	12,061	13,361		

America trademarks

The amortizable trademarks relate to the exclusive right to use of the "S&W" trademark in the United States, Canada, Mexico and certain countries in Central and South America and "Contadina" trademark in the United States, Canada, Mexico South Africa and certain countries in Asia Pacific, Central America, Europe, Middle East and South America market.

Management has included these trademarks in the CGU impairment assessment and concluded that no impairment exists at the reporting date.

8. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Amortizable trademarks and customer relationship (cont'd)

Customer relationships

Customer relationships relate to the network of customers where DMFI has established relationships with the customers, particularly in the United States market through contracts.

	Net carrying amount		Remaining amortization period (years)	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023	30 April 2022
Customer relationships – CP	57,862	63,211	10.8	11.8
Customer relationships – Kitchen Basics	8,124	–	19.5	–
	65,986	63,211		

Management has included the customer relationships in the CGU impairment assessment and concluded no impairment exists at the reporting date.

Source of estimation uncertainty

The Group estimates the useful lives of its amortizable trademarks and customer relationships based on the period over which the assets are expected to be available for use. The estimated useful lives of the trademarks and customer relationships are reviewed periodically and are updated if expectations differ from previous estimates due to legal or other limits on the use of the assets. A reduction in the estimated useful lives of amortizable trademarks and customer relationships would increase recorded amortization expense and decrease noncurrent assets.

9. DEFERRED TAX ASSETS – NET

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Deferred tax assets and liabilities of the Group are attributable to the following:

	30 April 2023		30 April 2022	
	Assets US$'000	Liabilities US$'000	Assets US$'000	Liabilities US$'000
Group				
Provisions	9,153	–	6,532	–
Employee benefits	13,016	–	13,954	–
Property, plant and equipment – net	–	(19,751)	–	(14,959)
Intangible assets and goodwill	–	(103,711)	–	(92,089)
Effective portion of changes in fair value of cash flow hedges	–	(415)	1,603	–
Tax loss carry-forwards	142,007	–	155,391	–
Inventories	2,361	–	1,409	–
Biological assets	–	(1,629)	–	(1,916)
Interest	52,865	–	29,234	–
Undistributed profits from a subsidiary	–	(377)	–	(5,730)
Charitable contributions	2,139	–	3,321	–
Research and development	2,018	–	–	–
Others	8,754	–	7,574	–
Deferred tax assets (liabilities)	232,313	(125,883)	219,018	(114,694)
Set off of tax	(114,253)	114,253	(102,273)	102,273
Deferred taxes – net	118,060	(11,630)	116,745	(12,421)

9. DEFERRED TAX ASSETS – NET (CONT'D)

Movements in deferred tax assets and deferred tax liabilities of the Group during the year are as follows:

	At 1 May 2022 US$'000	Recognized in profit or loss US$'000	Recognized in other comprehensive income US$'000	Currency realignment US$'000	At 30 April 2023 US$'000
2023					
Provisions	6,532	2,081	–	540	9,153
Employee benefits	13,954	(745)	(821)	628	13,016
Property, plant and equipment – net	(14,959)	811	(5,828)	225	(19,751)
Intangible assets and goodwill	(92,089)	(11,622)	–	–	(103,711)
Effective portion of changes in fair value of cash flow hedges	1,603	108	(2,274)	148	(415)
Tax loss carry-forwards	155,391	(13,384)	–	–	142,007
Inventories	1,409	952	–	–	2,361
Biological assets	(1,916)	113	–	174	(1,629)
Interest	29,234	23,631	–	–	52,865
Undistributed profits from a subsidiary	(5,730)	5,353	–	–	(377)
Charitable contributions	3,321	(1,182)	–	–	2,139
Others	7,574	3,476	–	(278)	10,772
	104,324	9,592	(8,923)	1,437	106,430
2022					
Provisions	8,466	(1,606)	–	(328)	6,532
Employee benefits	13,935	3,202	(3,255)	72	13,954
Property, plant and equipment – net	(17,228)	2,015	–	254	(14,959)
Intangible assets and goodwill	(79,671)	(12,418)	–	–	(92,089)
Effective portion of changes in fair value of cash flow hedges	(395)	(195)	2,193	–	1,603
Tax loss carry-forwards	166,114	(10,723)	–	–	155,391
Inventories	2,127	(718)	–	–	1,409
Biological assets	(1,796)	(265)	–	145	(1,916)
Interest	24,450	4,784	–	–	29,234
Undistributed profits from a subsidiary	(2,168)	(3,562)	–	–	(5,730)
Charitable contributions	3,254	67	–	–	3,321
Others	6,851	724	–	(1)	7,574
	123,939	(18,695)	(1,062)	142	104,324

As at 30 April 2023, the Group has recognized net deferred tax assets of US$118.1 million, of which US$112.8 million was attributable to DMFI.

As at 30 April 2023, the Group recognized deferred tax liability relating to undistributed profit of a subsidiary amounting to US$0.4 million (2022: US$5.7 million).

In fiscal year 2021, the Group derecognized US$0.6 million of its deferred tax liability on property, plant and equipment – net relating to the revaluation surplus on freehold land, resulting from the change in tax rate in the Philippines. The reversal of deferred tax liability was recognized in other comprehensive income.

9. DEFERRED TAX ASSETS – NET (CONT'D)

Unrecognized deferred tax assets

The following are the temporary differences for which deferred tax assets have not been recognized as of 30 April 2023 and 2022:

	30 April 2023 US$'000	30 April 2022 US$'000
Deductible temporary differences	–	5,266
Tax losses and tax credits	4,538	15,377
	4,538	20,643

The tax losses will expire in 2024 and 2025. The tax credits will expire between 2025 and 2027. Deferred tax assets have not been recognized with respect to these items because it is not probable that sufficient future taxable profits will be available to utilize the benefits.

Sources of estimation uncertainty

As of 30 April 2023, deferred tax assets amounting to US$142.0 million (2022: US$155.4 million) have been recognized in respect of the tax loss carry forwards because management assessed that it is probable that sufficient future taxable income will be available against which DMFI can utilize these benefits. Future taxable profit is based on the expected future cash flows used in the impairment assessment of goodwill and trademark with indefinite useful lives. Management has identified that a reasonably possible change in the revenue growth rate, EBITDA margin and long-term growth rate could cause the non-realizability of the Group's deferred tax assets, Management expects profitable growth coming from revenue strategies and cost efficiencies in the future. To the extent that profitable growth does not materialize in the future periods, deferred tax assets of $229.7 million may not be realized. The majority of the tax loss for years ending fiscal year 2019 and after can be carried forward indefinitely and tax loss carry forwards prior to fiscal year 2019 may be utilized up to a 20-year period.

10. OTHER NONCURRENT ASSETS

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Advance rentals and deposits	19,557	16,679	–	–
Derivative assets	6,189	–	–	–
Investment in unquoted equity shares	5,023	–	5,023	–
Excess insurance	4,201	3,762	–	–
Advances to suppliers	2,898	4,212	–	–
Receivable from sale and leaseback	2,571	2,818	–	–
Notes receivable and others	1,811	2,940	–	49
	42,250	30,411	5,023	49

Advance rentals and deposits consist of rent payments related to lease contracts which will commence beyond one year from the reporting period, as well as security deposits made for lease contracts entered by the Group.

Investment in unquoted equity shares represent total financial assets carried at fair value through other comprehensive income. The unquoted investments relate to equity shares of an entity incorporated in Switzerland which was acquired through an assignment of a US$5.0 million receivable due to a subsidiary.

10. OTHER NONCURRENT ASSETS (CONT'D)

Excess insurance relates mainly to reimbursements from insurers to cover certain workers' compensation claims liabilities (see Note 19).

Advances to suppliers represents advance payments made on capital projects.

Receivable from sale and leaseback is the noncurrent portion of receivable relating to assets sold to DMPI Employees Agrarian Reform Beneficiaries Cooperation ("DEARBC") and subsequently leased back to the Group in 2021 (see Note 23). The current portion of US$0.1 million is presented under "Trade and other receivables".

In relation to the closure of DMFI's Plymouth, Indiana plant in fiscal year 2018, DFMI sold its Plymouth building and land in fiscal year 2019 and recorded a receivable amounting to US$1.0 million which is due on 2 July 2023. As of 30 April 2023, the receivable is presented as part of other current assets in Note 14, while the same receivable is presented as noncurrent and part of "Note receivables and others" above as of 30 April 2022.

11. BIOLOGICAL ASSETS

	Note	Group	
		30 April 2023 US$'000	**30 April 2022 US$'000**
Livestock			
At beginning of the year		2,735	2,655
Purchases of livestock		1,247	895
Sales of livestock		(810)	(601)
Currency realignment		(165)	(214)
At end of the year		3,007	2,735
Agricultural produce			
At beginning of the year		13,768	10,878
Additions		14,519	16,177
Harvested		(11,098)	(12,016)
Currency realignment		(4,962)	(1,271)
At end of the year		12,227	13,768
Fair value gain on produce prior to harvest		32,625	33,578
At end of the year		44,852	47,346
Current		44,852	47,346
Noncurrent		3,007	2,735
Total biological assets		47,859	50,081
Fair value gain (loss) recognized under:			
Harvested pine for cannery			
Inventories	34	4,496	3,375
Cost of sales	25	39,456	37,532
		43,952	40,907
Inventories – cattle for slaughter		8	(9)
Cost of sales – fresh pines	25	17,851	22,704
Unharvested agricultural produce		(2,706)	2,076
Fair value gain recognized under revenues		59,105	65,678

The changes in fair values of the Group's biological assets are recorded as part of revenues.

11. BIOLOGICAL ASSETS (CONT'D)

Livestock

Livestock comprises growing herd and breeding and dairy herd that are stated at cost and cattle for slaughter that is stated at fair value less point-of-sale costs. The fair value is determined based on the actual selling prices approximating those at year end less estimated point-of-sale costs.

Risk management strategy related to agricultural activities

The Group is exposed to risks arising from changes in cost and volume of fruits harvested from the growing crops which is influenced by natural phenomenon such as weather patterns, volume of rainfall and field performance. The cost of growing crops is also exposed to the change in cost and supply of agricultural supplies and labor which are determined by constantly changing market forces of supply and demand.

The Group is subject to risk relating to its ability to maintain the physical condition of its fruit crops. Plant diseases could adversely impact production and consumer confidence, which impact sales.

The Group secures favorable harvest of pineapples and other agricultural produce from biological assets by continuously assessing factors that could affect harvest and responding to them on a timely manner. The Group is equipped with necessary technical manpower, farm inputs, such as fertilizer, chemicals and equipment to respond to any changes brought about by the factors as mentioned above.

The Group is subject to laws and regulations in the Philippines where it operates its agricultural activities. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

Source of estimation uncertainty

Fair Value of Harvested Agricultural Produce

The fair values of the harvested pineapple fruits are based on the most reliable estimate of selling prices, in both local and international markets at the point of harvest, as determined by the Group. For the pineapple variety being sold as fresh fruits, the market price is based on the selling price of fresh fruits as sold in the local and international markets. For the pineapple variety being processed as cased goods, the market price is derived from average sales price of the processed product adjusted for margin and associated costs related to production. Changes in fair values of agricultural produce after initial recognition are included in the carrying amount of cased goods at the reporting date.

Future Tonnage of Harvests

Bearer plants are stated at cost which comprises actual costs incurred in nurturing the crops reduced by the equivalent amortization of fruits harvested which considers the future tonnage of harvests. Estimated harvest is affected by natural phenomenon such as weather patterns and tonnage of rainfall. Field performance and market demand also affect the level of estimated harvests. The cost is developed by allocating growing costs for the estimated growth cycle of 2 to 3 years over the estimated harvests to be made during the life cycle of the plant crops. The Group reviews and monitors the estimated future tonnage of harvests regularly.

11. BIOLOGICAL ASSETS (CONT'D)

Source of estimation uncertainty (cont'd)

Fair Value of Unharvested Agricultural Produce

The fair values of the growing pineapple crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest, as determined by the Group multiplied by estimated tonnage of pineapple fruits based on crop age after planting. Fair value is initially recognized when the pineapple fruit develops when the bearer plant has reached maturity to bear fruit. The fair value is approximated by the estimated selling price at point of harvest less future growing costs to be incurred until harvest. Such future growing costs decreases as the growing crops near the point of harvest.

For the pineapple variety being sold as fresh fruits, the gross margin is based on the market price of pineapple fruits being sold by the Group. For the pineapple variety being processed as cased goods, the gross margin is based on the selling price of the final product sold in the market adjusted for margin related to production.

Estimated tonnage is based on standard weight of the growing pineapple crops when they reach certain months after planting date. Estimated tonnage is also affected by natural phenomenon such as weather patterns and volume of rainfall, and actual field performance.

The valuation techniques and significant unobservable inputs used in determining the fair value of these biological assets are discussed in Note 34.

12. INVENTORIES

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Finished goods		
– at cost	698,664	430,070
– at net realizable value	37,482	20,380
Semi-finished goods		
– at cost	173,557	94,966
– at net realizable value	12,372	8,182
Raw materials and packaging supplies		
– at cost	78,683	75,165
– at net realizable value	76,014	57,195
	1,076,772	685,958

Total cost of inventories carried at net realizable value amounted to US$138.6 million as at 30 April 2023 (2022: U$92.2 million). Inventories recognized as an expense in cost of sales amounted to US$1,385.2 million for the year ended 30 April 2023 (2022: US$1,300.3 million) (see Note 25).

12. INVENTORIES (CONT'D)

Inventories are stated at net realizable value after allowance for inventory obsolescence. Movements in the allowance for inventory obsolescence during the year are as follows:

	Note	Group	
		30 April 2023 US$'000	30 April 2022 US$'000
At beginning of the year		6,464	13,254
Allowance for the year	25	9,542	4,135
Write-off against allowance		(2,585)	(10,157)
Currency realignment		(684)	(768)
At end of the year		12,737	6,464

Source of estimation uncertainty

Allowance for inventory obsolescence and net realizable value

The Group recognizes allowance on inventory obsolescence when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items. Obsolescence is also established when inventory items are no longer marketable. Obsolete goods when identified are charged to income statement and are written off. In addition to an allowance for specifically identified obsolete inventory, estimation is made on a group basis based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Group reviews on a monthly basis the condition of its inventory. The assessment of the condition of the inventory either increases or decreases the expenses or total inventory.

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at the reporting date.

The Group reviews on a continuous basis the product movement, changes in customer demands and introductions of new products to identify inventories which are to be written down to the net realizable values. The write-down of inventories is reviewed periodically to reflect the accurate valuation in the financial records. An increase in write-down of inventories would increase the recorded cost of sales and operating expenses and decrease current assets.

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Trade receivables	195,335	189,839	–	–
Nontrade receivables	45,346	34,881	6	603
Amounts due from subsidiaries (nontrade)	–	–	26,400	84,229
Allowance for expected credit loss – trade	(5,328)	(5,850)	–	–
Allowance for expected credit loss – nontrade	(4,317)	(4,317)	–	–
Trade and other receivables	231,036	214,553	26,406	84,832

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand. There is no allowance for allowance for expected credit losses ("ECL") arising from these outstanding balances.

Nontrade receivables consist of vendor rebates, plant receivables, claims from third party service providers, advances to growers, which are claimed upon delivery of fruits, and fuel withdrawals applied against truckers' bills when due.

The aging of trade and nontrade receivables at the reporting date is:

	Group			
	Gross		ECL allowance	
	Trade US$'000	Nontrade US$'000	Trade US$'000	Nontrade US$'000
At 30 April 2023				
Not past due	119,651	24,709	–	–
Past due 0 – 60 days	35,579	3,433	–	–
Past due 61 – 90 days	3,404	3,724	–	–
Past due 91 – 120 days	4,875	1,328	–	–
More than 120 days	31,826	12,152	(5,328)	(4,317)
	195,335	45,346	(5,328)	(4,317)
At 30 April 2022				
Not past due	121,769	16,377	–	–
Past due 0 – 60 days	42,343	2,471	–	–
Past due 61 – 90 days	5,565	690	–	–
Past due 91 – 120 days	1,948	1,112	–	–
More than 120 days	18,214	14,231	(5,850)	(4,317)
	189,839	34,881	(5,850)	(4,317)

The recorded allowance for ECLs falls within the Group's historical experience in the collection of trade and other receivables. Therefore, management believes that there is no significant additional credit risk beyond what has been recorded.

As at 30 April 2023 and 2022, the receivables of the Company were neither past due nor impaired.

13. TRADE AND OTHER RECEIVABLES (CONT'D)

Nontrade receivables include current portion of lease receivable amounting to US$0.1 million as at 30 April 2023 (2022: US$0.5 million) (see Note 23), and current portion of receivable from sale and leaseback amounting to US$0.1 million as at 30 April 2023 (2022: US$0.1 million). The noncurrent portion of lease receivable and receivable from sale and leaseback are presented under "Other noncurrent assets" as "Notes receivable and others" (see Note 10).

Movements in allowance for ECLs during the year are as follows:

		Group		
	Note	Trade US$'000	Nontrade US$'000	Total US$'000
At 1 May 2022		5,850	4,317	10,167
Allowance for the year	25	–	7	7
Write-off for the year		(242)	–	(242)
Reversal for the year	25	(188)	–	(188)
Currency realignment		(92)	(7)	(99)
At 30 April 2023		5,328	4,317	9,645
At 1 May 2021		4,801	4,423	9,224
Allowance for the year	25	1,134	(54)	1,080
Write-off for the year		(20)	(14)	(34)
Reversal for the year	25	–	(20)	(20)
Currency realignment		(65)	(18)	(83)
At 30 April 2022		5,850	4,317	10,167

Source of estimation uncertainty

Impairment of trade and nontrade receivables

The Group maintains an allowance for ECL at a level considered adequate to provide for potential uncollectible receivables based on the applicable ECL methodology. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behaviour and known market factors. The Group reviews the age and status of trade receivables, and identifies accounts that are to be provided with allowance on a continuous basis. Additionally, allowance is also determined, through a provision matrix based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The amount and timing of recorded expenses for any period would differ if the Group made different judgment or utilized different estimates. An increase in the Group's allowance for impairment would increase the Group's recorded operating expenses and would decrease the Group's current assets.

The recorded allowance for ECL falls within the Group's historical experience in the collection of accounts receivables. The Group managed to continue operating in the middle of the pandemic since its products are essential. There were no significant internal operational interruptions and disruptions caused by external factors such as restrictions to movement of materials were managed so that there will be no major adverse impacts to the overall results of operations for the fiscal years ended 30 April 2023 and 2022.

14. PREPAID EXPENSES AND OTHER CURRENT ASSETS

		Group		Company	
	Note	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Prepaid expenses		48,986	32,622	77	48
Down payment to suppliers		7,372	12,737	–	–
Derivative assets	19	2,678	1,486	–	–
Short-term placements		18	1,288	–	883
Others		613	919	17	–
		59,667	49,052	94	931

Prepaid expenses consist of advance payments for insurance, advertising, rent and taxes, among others.

Down payment to suppliers pertains to advance payments for the purchase of materials and supplies that will be used for operations.

Short-term placements have maturities of 4-6 months and earn interest at 0.75%-0.875% per annum in 2023 (2022: 0.75%-1.00% per annum).

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Cash on hand	84	67	–	–
Cash in banks	19,392	20,902	554	1,245
Cash equivalents	360	884	–	884
Cash and cash equivalents	19,836	21,853	554	2,129

Certain cash in bank accounts earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 0.50% in 2023 and 2022. Cash equivalents are short-term placements which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at 0.75% to 4.90% per annum in 2023 (30 April 2022: 0.75% to 1.00% per annum).

16. SHARE CAPITAL

	30 April 2023		30 April 2022	
	No. of shares ('000)	US$'000	No. of shares ('000)	US$'000
Authorized:				
Ordinary shares of US$0.01 each	3,000,000	30,000	3,000,000	30,000
Preference shares of US$1.00 each	600,000	600,000	600,000	600,000
	3,600,000	630,000	3,600,000	630,000
Issued and fully paid:				
Ordinary shares of US$0.01 each	1,944,936	19,449	1,944,936	19,449
Preference shares of US$1.00 each	–	–	10,000	10,000
	1,944,936	19,449	1,954,936	29,449

Reconciliation of number of outstanding ordinary shares in issue:

	Year ended 30 April 2023	Year ended 30 April 2022
	No. of shares ('000)	('000)
At beginning and end of the year	1,943,960	1,943,960

The number of outstanding ordinary shares excludes 975,802 ordinary shares held by the Company as treasury shares. The retained earnings of the Company is restricted for the declaration and payment of dividends to the extent of US$286,000 as at 30 April 2023 and 2022 representing the cost of shares held in treasury.

Reconciliation of number of outstanding preference shares in issue:

	Year ended 30 April 2023 ('000)	Year ended 30 April 2022 ('000)
At beginning of the year	10,000	30,000
Redeemed	(10,000)	(20,000)
At end of the year	–	10,000

The following summarizes the information on the Company's registration of securities under the Revised Securities Regulation Code of the Philippines ("SRC"):

Ordinary Shares

Date of SEC Approval	Authorized Shares	No. of Shares Issued	Issue/Offer Price
28 May 2013*	2,000,000,000	1,297,500,491	Php29.80
15 October 2014**	3,000,000,000	5,500,000	Php17.00
14 January 2015***	3,000,000,000	641,935,335	Php10.60

* The SEC issued an order rendering effective the registration of its issued shares. The Company was listed by way of introduction to The Philippine Stock Exchange, Inc. on 10 June 2013.

** The SEC issued an order rendering effective the registration of additional 5,500,000 ordinary shares which were offered and sold to the public in the Philippines.

*** The rights shares were considered exempt from registration pursuant to Section 10(e) and 10(l) of the Securities Regulation Commission ("SRC"). The exemption from registration was confirmed by the SEC in a letter dated 14 January 2015.

16. SHARE CAPITAL (CONT'D)

Ordinary Shares (cont'd)

The total number of ordinary shareholders as at 30 April 2023 and 2022 was 7,396 and 7,286, respectively.

The holders of ordinary shares are entitled to receive dividends after dividend of preference shares are paid, as declared from time to time, and are entitled to one vote per share at meetings of the Company. The preference shares are cumulative, non-voting, redeemable at the option of the issuer, non-participating and non-convertible. The preference share has a par value of US$1.0 per share and were issued at US$10.0 per share. Ordinary shares rank equally with regard to the Company's residual assets after preference shares are paid.

In April 2014, the Company increased its authorized share capital from US$20.0 million, divided into 2,000,000,000 ordinary shares at US$0.01 per share, to US$630.0 million, divided into 3,000,000,000 ordinary shares at US$0.01 per share and 600,000,000 preference shares at US$1.00 per share. The preference shares may be issued in one or more series, each such class of shares will have rights and restrictions as the Board may designate. The terms and conditions of the authorized preference shares are finalized upon each issuance.

On 30 October 2014, the Company had additional ordinary shares listed and traded on the SGX-ST and the PSE pursuant to a public offering conducted in the Philippines. The Company offered and sold by way of primary offer 5,500,000 ordinary shares at an offer price of 17.00 Philippine pesos (Php) per share.

In March 2015, additional 641,935,335 ordinary shares were listed on the SGX-ST and the PSE, which were offered and sold to eligible shareholders by way of a stock rights offering at an exercise price of S$0.325 or Php10.60 for each share in Singapore and the Philippines, respectively.

In September 2017, the Company transferred 745,918 of its treasury shares to ordinary shares in connection with the release of share awards granted to certain Directors pursuant to the Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP").

The Company also issued share awards under the Del Monte Pacific RSP (see Note 31) in fiscal year 2018.

Preference Shares

Date of SEC Approval	Authorized Shares	No. of Shares Issued	Issue/Offer Price
21 March 2017	600,000,000	20,000,000 Series A-1 Preference Shares	US$10.00
21 March 2017* / 27 November 2017**	600,000,000	10,000,000 Series A-2 Preference Shares	US$10.00

* No Order of Registration was issued for the second tranche offer of preference shares as it was part of the shelf-registration previously applied by the Company with the SEC.
** Date of issuance of the SEC Permit to Sell.

The details of the Company's preference shares are as follows:

		30 April 2023			30 April 2022		
Preference Shares	Par Value	Share Capital US$'000	Share Premium US$'000	Contributed Capital US$'000	Share Capital US$'000	Share Premium US$'000	Contributed Capital US$'000
Series A-1	US$1.00	–	–	–	–	–	–
Series A-2	US$1.00	–	–	–	10,000	90,000	100,000
		–	–	–	10,000	90,000	100,000

16. SHARE CAPITAL (CONT'D)

Preference Shares (cont'd)

The Series A-1 and A-2 Preference shares are non-convertible, have no maturity date and are redeemable at the option of the Company on the fifth anniversary from the issue date (the "Step Up Date") or on any dividend payment date thereafter. The preference shares bear a cumulative non-participating cash dividend at an initial dividend rate of 6.625% and 6.50% per annum for Series A-1 and A-2 preference shares, respectively, applicable from the issue date up to the Step Up Date. The dividends are payable semi-annually every 7 April and 7 October of each year, being the last day of each 6-month period following the issue date. If the preference shares have not been redeemed on the Step Up Date, the dividend rate shall be adjusted on the Step Up Date to the sum of the 10-year U.S. Treasury Bond rate (prevailing as of the Step Up Date) plus initial spread plus margin of 2.50% per annum (the "Step Up Rate"). The initial spread shall be 4.605% and 4.44% per annum for Series A-1 and A-2 preference shares, respectively. However, if the initial dividend rate is higher than the applicable Step Up Rate, there shall be no adjustment to the dividend rate, and the initial dividend rate shall continue to be the dividend rate. The preference shares rank ahead of the ordinary shares in the event of a liquidation.

On 7 April 2022, the Company had redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares and on 15 December 2022, all of the outstanding 10,000,000 Series A-2 Preference Shares.

The redeemed preferred shares shall be cancelled but shall remain part of the Company's authorized capital and shall be available to be reissued by resolution of the board.

Capital management

The Board's policy has been to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital comprises its share capital, retained earnings and total reserves as presented in the statements of financial position. The Board monitors the return on capital, which the Group defines as profit or loss for the year divided by total shareholders' equity. The Board also monitors the level of dividends paid to ordinary shareholders. Under the Company's Articles of Association and the terms of the preference shares, the Company may declare and pay dividends on common shares provided there are adequate and available funds for dividends on preference shares which have priority over common shares.

The bank loans of the Group contain various covenants with respect to capital maintenance and ability to incur additional indebtedness. The Board ensures that loan covenants are considered as part of its capital management through constant monitoring of covenant results through interim and full year results.

There were no changes in the Group's approach to capital management during the current and prior fiscal year.

17. RETAINED EARNINGS AND RESERVES

Retained earnings

Dividends

	Group and Company		
	30 April 2023 US$'000	**30 April 2022 US$'000**	**30 April 2021 US$'000**
Declared and paid during the financial year:			
Dividends on ordinary shares			
2023: US$0.01700 (2022: US$0.0120; 2021: US$0.0154)	33,251	23,310	30,055
Dividends on preference shares			
A-1 preference shares for 2023: nil; (2022 and 2021: US$0.6625) per share	–	13,250	13,250
A-2 preference shares for 2023: US$0.4478 (2022 and 2021: US$0.6500) per share	4,478	6,500	6,500
	4,478	19,750	19,750
	37,729	43,060	49,805
Proposed but not recognized as a liability as at reporting date:			
Dividends on ordinary shares			
2023: US$0.0013 (2022: US$0.0170; 2021: US$0.0120)	2,527	33,047	23,328

Ordinary shares

On 20 June 2023, the Company declared dividends of US$0.0013 per share to ordinary shareholders on record as at 11 July 2023. The special dividend will be paid on 25 July 2023.

On 23 June 2022, the Company declared dividends of US$0.0170 per share to ordinary shareholders on record as at 13 July 2022. The special dividend was paid on 27 July 2022.

On 23 June 2021, the Company declared dividends of US$0.0120 per share to ordinary shareholders on record as at 13 July 2021. The special dividend was paid on 27 July 2021.

Preference shares

On 15 December 2022, the redemption date of the Series A-2 Preference Shares, the Company paid the accrued cash dividends at the fixed rate of 6.5% per annum, or equivalent to US$0.12278 per Series A-2 Preference Share for the period from 8 October 2022 to 15 December 2022.

On 9 September 2022, the Company declared dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per Series A-2 Preference Share for the six-month period from 8 April 2022 to 7 October 2022. The final dividends were paid on 7 October 2022.

On 11 March 2022, the Company declared dividends to holders of Series A-1 Preference Shares, at the fixed rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference Share for the six-month period from 8 October 2021 to 7 April 2022. The Company also declared dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per Series A-2 Preference Share for the six-month period from 8 October 2021 to 7 April 2022. The final dividends were paid on 7 April 2022.

17. RETAINED EARNINGS AND RESERVES (CONT'D)

Retained earnings (cont'd)

<u>Preference shares (cont'd)</u>

On 10 September 2021, the Company declared dividends to the holders of the Series A-1 Preference Shares at the fixed rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference and Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per series A-2 Preference Shares for the six-month period from 8 April 2021 to 7 October 2021. The final dividends were paid on 7 October 2021.

On 10 March 2021, the Company declared dividends to holders of Series A-1 Preference Shares, at the fixed rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference Share for the six-month period from 8 October 2020 to 7 April 2021. The Company also declared dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per Series A-2 Preference Share for the six-month period from 8 October 2020 to 7 April 2021. The final dividends were paid on 7 April 2021.

The cumulative undeclared dividends on the preference shares amounted to US$0.4 million as of 30 April 2022. None as of 30 April 2023 as all preference shares were already redeemed.

The retained earnings were restricted for the payment of dividends representing the accumulated equity in net earnings of the subsidiaries amounting to US$243.5 million as at 30 April 2023 (2022: US$277.2 million). The accumulated equity in net earnings of the subsidiaries will be available for dividend distribution upon receipt of dividends from the subsidiaries. As of 30 April 2023 and 2022, the Group's investment in joint ventures have no undistributed net earnings.

In fiscal year 2021, the Group recorded in retained earnings, a net equity reserve of US$6.6 million arising from the additional sale of DMPI shares to SEA Diner (see Note 6).

<u>Share premium</u>

Under the British Virgin Islands law in whose jurisdiction the Company operates, the Company's share premium and retained earnings form part of the Company's surplus that may be available for dividend distribution provided that the solvency test is met by the Company. The Group's share premium is shown net of a merger deficit of US$0.14 million, which arose from the acquisition of a subsidiary, DMPRL, under common control in 1999.

The share premium account includes any premium received on the initial issuance of the share capital. Any transaction costs associated with the issuance of shares are deducted from the share premium account, net of any related income tax effects.

In fiscal year 2023 and 2022, share premium decreased by US$90.0 million and US$180.0 million respectively as a result of the redemption of Series A-1 Preference Shares on 7 April 2022 and Series A-2 Preference Shares on 15 December 2022 (see Note 16).

17. RETAINED EARNINGS AND RESERVES (CONT'D)

Reserves

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Translation reserve	(105,020)	(95,322)	(105,020)	(95,322)
Revaluation reserve	29,354	14,278	29,354	14,278
Remeasurement of retirement plan	46,051	43,752	46,051	43,752
Hedging reserve	1,390	(4,963)	1,390	(4,963)
Reserve for own shares	(286)	(286)	(286)	(286)
	(28,511)	(42,541)	(28,511)	(42,541)

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

The revaluation reserve relates to surplus on the revaluation of freehold land of the Group. The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect the income statement of the Group (see Note 19).

The share option reserve comprises the cumulative value of employee services received for the issue of share options. In fiscal year 2022, the share option were cancelled by means of retirement (see Note 31). The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. As at 30 April 2023 and 2022, the Group held 975,802 of the Company's shares.

18. LOANS AND BORROWINGS

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Current liabilities				
Unsecured bank loans	633,873	327,794	156,794	160,071
Secured bank loans	645,003	151,560	168,104	10,500
	1,278,876	479,354	324,898	170,571
Noncurrent liabilities				
Unsecured bank loans	212,652	384,524	177,531	233,290
Secured bank loans	781,825	703,488	64,428	201,297
	994,477	1,088,012	241,959	434,587
	2,273,353	1,567,366	566,857	605,158

18. LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings (short-term and long-term borrowings) are as follows:

	Currency	Nominal interest rate % p. a.	Year of maturity	30 April 2023 Face value US$'000	30 April 2023 Carrying amount US$'000	30 April 2022 Face value US$'000	30 April 2022 Carrying amount US$'000
Group							
Short-term borrowings							
Unsecured bank loans [1]	PHP	(2023) 5.95% – 7.50% (2022) 2.15% – 2.25%	2023	143,701	143,701	112,353	112,353
Unsecured bank loans	US$	(2023) 3.20% – 6.87% (2022) 1.85% – 3.50%	2023	326,200	326,200	203,370	203,370
Secured bank loan under Asset-Based Lending (ABL) Credit Agreement [2]	US$	(2023) ABL Base B – 9% SOFR 4.96% + Spread of 2.1% or total of 7.06% (2022) Swingline B- 5% ABL Base B- 5% Higher of London Interbank Offered Rate (LIBOR) or 1% +2.75% or total of 3.75%	2024	465,000	458,823	146,000	141,060
Long-term borrowings							
Unsecured 3Y bonds	PHP	3.4840%	2023	105,097	104,799	111,446	110,519
Unsecured bank loans [1]	PHP	(2023) 5.5268% (2022) 3.00%	2025	27,028	26,959	28,662	28,517
Unsecured bank loans	US$	(2023) 6.80% – 8.19% (2022) 2.56% – 4.20%	2025	144,569	144,566	157,390	157,385
Unsecured bonds	US$	3.75%	2024	90,000	88,760	90,000	87,976
Unsecured 5Y bonds	PHP	3.7563%	2025	11,638	11,541	12,342	12,198
Secured bridging loan	US$	3.0585%	2023	60,000	59,998	67,500	67,488
Secured bank loans	PHP	4.125%	2025	27,028	26,942	28,662	28,532
Secured bank loans	US$	(2023) 8.02% – 8.18% (2022) 3.52% – 4.17%	2023-2025	172,750	172,533	145,000	144,309
Secured senior notes	US$	11.875%	2025	–	–	500,000	473,659
Term Loan B	US$	9.3143%	2029	723,500	708,531	–	–
				2,296,511	2,273,353	1,602,725	1,567,366

18. LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule (cont'd)

	Currency	Nominal interest rate % p. a.	Year of maturity	30 April 2023 Face value US$'000	30 April 2023 Carrying amount US$'000	30 April 2022 Face value US$'000	30 April 2022 Carrying amount US$'000
Company							
Short-term borrowings							
Unsecured bank loans [1]	US$	(2023) 3.20% – 6.88% (2022) 2.26% – 3.50%	2023	101,000	101,000	148,000	148,000
Long-term borrowings							
Unsecured bank loans [1]	US$	(2023) 6.80% – 8.19% (2022) 2.56% – 4.20%	2025	144,569	144,566	157,390	157,385
Unsecured bonds	US$	3.75%	2024	90,000	88,760	90,000	87,976
Secured bridging loan	US$	3.0585%	2023	60,000	59,998	67,500	67,488
Secured bank loans	US$	(2023) 8.02% – 8.18% (2022) 3.52% – 4.17%	2023-2025	172,750	172,533	145,000	144,309
				568,319	566,857	607,890	605,158

(1) Unsecured Bank Loans

Certain unsecured bank loan agreements contain various affirmative and negative covenants that are typical of these types of facilities such as financial covenants relating to required debt-to-equity ratio, interest cover and maximum annual capital expenditure restrictions. These covenants include requirements for delivery of periodic financial information and restrictions and limitations on indebtedness, investments, acquisitions, guarantees, liens, asset sales, disposals, mergers, changes in business, dividends and other transfers.

	Bank	Debtor	Principal In '000	Debt-to-equity Ratio	Debt Service Coverage Ratio	Interest Coverage Ratio	Fixed Charge Ratio
Unsecured loans	DBP	DMPI	PHP 1,500,000	2.5x	1.2x	–	–
Unsecured loans	DBP	DMPL	US$57,300	3.0x	–	–	–
Unsecured loans	DBP	DMPL	US$75,000	3.0x	–	–	–
Unsecured loans	DBS	DMPL	US$25,000	3.0x	–	2.0x	–
Unsecured loans	BOC	DMPL	US$30,000	–	2.0x	2.0x	–
Unsecured bonds	N/A	DMPL	US$90,000	–	–	–	2.25x

There have been no breaches of the financial covenants of any interest-bearing loans and borrowings for the years ended 30 April 2023 and 2022.

18. LOANS AND BORROWINGS (CONT'D)

(1) Unsecured Bank Loans (cont'd)

Ability to Incur Additional Indebtedness

On 20 December 2021, Coöperatieve Rabobank U.A. ("Rabobank") had restated and amended the original Facility Letter dated 18 March 2021, increasing the facility limit from US$30 million to US$50 million. On 18 January 2023, Rabobank reduced the facility limit back to US$30 million. As of 30 April 2023 and 2022, US$30 million and US$50 million had been drawn, respectively.

On 5 April 2022, the Company entered into a Sixth Amendment Agreement with BDO that gives the Company the right to borrow an additional aggregate amount of US$45 Million, subject to the terms of such amendment agreement. As of 30 April 2023 and 2022, the US$45 million had been fully drawn. On 13 December 2022, the Company entered into a Seventh Amendment Agreement with BDO that gives the Company the right to borrow an additional aggregate amount of US$30 Million, subject to the terms of such amendment agreement. As of 30 April 2023, the US$30 million had been fully drawn.

The Company has an uncommitted facility with RCBC amounting to US$40 million, of which US$38 million was drawn in the fiscal year 2023. Additionally, the Company also has uncommitted facilities with DBS Bank Ltd (DBS) totaling US$30 million comprising of short-term loan of US$25 million and export financing facility of US$5 million. As of 30 April 2023 and 2022, US$25 million had been drawn.

(2) ABL Credit Agreement

Prior to fiscal year 2021, DMFI was a party to a credit agreement (the "ABL Credit Agreement") with Citibank, N.A., as administrative agent, and the other lenders and agents parties thereto, as amended, which provided for senior secured financing of up to US$442.6 million (with all related loan documents, and as amended from time to time, the ABL Facility) with a term of five years until 18 February 2019, prior to an amendment in 2018.

On 15 May 2020, DMFI entered into an agreement to refinance the ABL Credit Agreement with JP Morgan Chase as the administrative agent, and other lenders and agents parties thereto, to provide for senior secured financing of up to US$450.0 million, subject to availability under the borrowing base, with a term of three years until 15 May 2023. On 15 May 2020, US$100.2 million was drawn under this facility. Loans under the ABL Credit Agreement interest based on either the Eurodollar rate or the alternative base rate, plus an applicable margin. Additionally, the Group fully amortized the remaining deferred financing fees related to the previous credit agreement of $1.0 million for the year ended 30 April 2020.

On 29 April 2021, the ABL agreement was extended to five years to the earliest of (a) 29 April 2026 and (b) 91 days prior to the maturity of the Senior Secured Notes or any Refinancing Indebtedness in respect thereof.

Interest Rates. Prior to fiscal year 2021, borrowings under the ABL Credit Agreement bear interest at an initial interest rate equal to an applicable margin, plus, at the Group's option, either (i) a LIBOR rate, or (ii) a base rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) Citibank, N.A.'s "prime commercial rate" and (c) the one month LIBOR rate plus 1.00%. The applicable margin with respect to LIBOR borrowings is 2.25% for Tranche B at 3 May 2020 (and may increase to 2.50% or 2.75% depending on average excess availability) and with respect to base rate borrowings is 1.25% for Tranche B at 3 May 2020 (and may increase to 1.50% or 1.75% depending on average excess availability).

18. LOANS AND BORROWINGS (CONT'D)

(2) ABL Credit Agreement (cont'd)

Effective 15 May 2020, borrowings under the ABL Credit Agreement incurred interest of 1.75% in the case of the Alternative Base rate (ABR) plus applicable margin (from 2.0% or 1.75% or 1.5% depending on average excess availability). In the case of Eurodollar loans, 2.75% plus applicable margin (from 2.5% or 2.75% or 3.0% depending on average excess availability). Effective 29 April 2021, borrowings under the ABL Credit Agreement bear interest of 1.0% in the case of the Alternative Base rate (ABR) plus applicable margin (from 0.75% or 1.0% or 1.25% depending on average excess availability). In the case of Eurodollar loans, 2.0% plus applicable margin (from 1.75% or 2.0% or 2.25% depending on average excess availability).

Commitment Fees. In addition to paying interest on outstanding principal under the ABL Credit Agreement, the Group is required to pay a commitment fee that was initially 0.375% per annum in respect of the unutilized commitments thereunder. The commitment fee rate on Tranche A from time to time is 0.250% or 0.500% depending on the amount of unused commitments under the ABL Credit Agreement for the prior fiscal quarter. The commitment fee rate on Tranche B is 0.500%. The Group must also pay customary letter of credit fees between 1.75% to 2.75% based on average excess availability, and fronting fees equal to 0.125% of the face amount for each letter of credit issued.

Effective 2 May 2022, the Group is required to pay a commitment fee of 0.375% (2022: 0.250%) depending on the amount of unused commitment under ABL Credit Agreement for the prior fiscal quarter.

Availability under the ABL Credit Agreement. Prior to fiscal year 2021, availability under the ABL Credit Agreement is subject to a borrowing base. The borrowing base, determined at the time of calculation, is an amount equal to: (a) 85% of eligible accounts receivable and (b) the lesser of (1) 75% of the net book value of eligible inventory and (2) 85% of the net orderly liquidation value of eligible inventory, of the DMFI at such time, less customary reserves. The ABL Credit Agreement will terminate, and the commitments thereunder will mature.

Effective 15 May 2020 and the amendment thereto, the borrowing base, determined at the time of calculation, is an amount equal to: the sum of (a) (i) 85% of the book value of the parties' non-investment grade eligible accounts at such time and (ii) 90% of the book value of the parties' investment grade eligible accounts, (b) the lesser of (i) the amount equal to 85% multiplied by the net orderly liquidation value of eligible inventory percentage identified in the most recent inventory appraisal ordered by the administrative agent multiplied by the book value of the parties' eligible inventory and (ii) 75% multiplied by the cost of the parties' eligible inventory valued on a first-in-first-out basis, and minus (c) customary reserves.

As at 30 April 2023, there were US$465.0 million (30 April 2022: US$146.0 million) of loans outstanding and US$24.3 million of letters of credit issued (30 April 2022: USS$24.3 million). The net availability to DMFI Group under the ABL Credit Agreement was US$135.7 million as at 30 April 2023 (30 April 2022: US$279.7 million). The weighted average interest rate was approximately 7.32% per annum on 30 April 2023 (30 April 2022: 4.31% per annum).

Ability to Incur Additional Indebtedness. Notwithstanding any increase in the facility size, the Group's ability to borrow under the facility will always remain limited by the borrowing base (to the extent the borrowing base is less than the commitments).

Guarantee of Obligations under the Term Loan Credit Agreements and the ABL Credit Agreement. All obligations of DMFI under the Term Loan Credit Agreements and the ABL Credit Agreement are unconditionally guaranteed by the DMFHL and by substantially all existing and future, direct and indirect, wholly owned material restricted domestic subsidiaries of DMFI, subject to certain exceptions. DMFI was released from the guarantees after payment of First and Second Lien Term Loans.

18. LOANS AND BORROWINGS (CONT'D)

(2) ABL Credit Agreement (cont'd)

Security interests

The ABL Credit Agreement is generally secured by a first priority lien on DMFI's inventories and accounts receivable and by a third priority lien on substantially all other assets excluding real estate.

Restrictive and Financial Covenants. The ABL Credit Agreement includes restrictive covenants limiting the Group's ability, and the ability of the Group's restricted subsidiaries, to incur additional indebtedness, create liens, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions or repurchase the Group's capital stock, make investments, loans or advances, prepay certain indebtedness, engage in certain transactions with affiliates, amend agreements governing certain subordinated indebtedness adverse to the lenders, and change the Group's lines of business.

Financial Maintenance Covenants. The ABL Credit Agreement generally do not require that DMFI comply with financial maintenance covenants.

Effect of Restrictive and Financial Covenants. The restrictive and financial covenants in the ABL Credit Agreement may adversely affect DMFI's ability to finance its future operations or capital needs or engage in other business activities that may be in its interest, such as acquisitions.

The Group is compliant with the ABL Credit Agreement loan covenants as of 30 April 2023 and 2022.

On 15 May 2020, DMFI entered into an agreement to refinance the ABL Credit Agreement with JP Morgan Chase as the administrative agent, and other lenders and agents parties thereto, to provide for senior secured financing of up to US$450.0 million, subject to availability under the borrowing base, with a term of three years until 15 May 2023. Additionally, the Group fully amortized the remaining deferred financing fees related to the previous credit agreement of US$1.0 million for the year ended 30 April 2020.

18. LOANS AND BORROWINGS (CONT'D)

Long-term Borrowings	Classification	Original Principal (In '000)	Outstanding Balance (In '000)	Interest Rate % p.a.	Year of Maturity	Payment Terms (e.g., annually, quarterly, etc.)	Interest paid 1 May 2022 to 30 Apr 2023 (In '000)
BDO Long-term Loan [1]	Secured loan	PHP 1,500,000	PHP 1,500,000	4.125%	2025	Quarterly interest payment; and principal on nine quarterly instalments starting August 2023	PHP 62,734
DBP Long-term Loan [2]	Unsecured loan	PHP 1,500,000	PHP 1,500,000	5.5268%	2025	Quarterly interest payment; and principal on eight quarterly instalments starting February 2024	PHP 54,899
Bonds Payable [3]	Unsecured bonds	PHP 6,478,460	PHP 6,478,460	3Y 3.4840% 5Y 3.7563%	2023/ 2025	Quarterly interest payments and principal on maturity date	PHP 184,057
BDO Long-term Loan [4]	Secured loan	USD 30,000	USD 30,000	8.0199%	2024	Quarterly interest payments and principal 20% in fiscal year 2024, and balance on maturity	USD 555
BDO Long-term Loan [5]	Secured loan	USD 45,000	USD 42,750	8.42%	2025	Quarterly interest payment and principal 5% on April 2023, 5% on April 2024 and 90% on maturity date.	USD 2,847
BOC Long-term Loan [5]	Unsecured loan	USD 30,000	USD 27,000	8.19%	2025	Quarterly interest payment and principal 20% on four equal semi-annual instalments starting October 2022 and 80% on maturity date.	USD 1,789
BPI Long-term Loan [6]	Secured loan	USD 100,000	USD 100,000	8.180%	2023	Monthly interest payments and principal on maturity date.	USD 7,816
BDO Long-term Loan [7]	Secured bridging loan	USD 75,000	USD 60,000	3.0585%	2023	Quarterly interest payment and principal 10% on August 2021, 10% on August 2022 and 80% on maturity date.	USD 1,477
DBP Long-term Loan [8]	Unsecured loan	USD 75,000	USD 68,864	6.7617%	2024	Quarterly interest payment and principal 15% on eleven equal quarterly instalments starting January 2022 and 85% on maturity date.	USD 3,334
DBP Long-term Loan [8]	Unsecured loan	USD 57,300	USD 48,705	6.8024%	2024	Quarterly interest payment and principal 5%, 10% and 85% in fiscal year 2022, 2023 and 2024, respectively.	USD 2,526
Bonds Payable [9]	Unsecured bonds	USD 90,000	USD 90,000	3.75%	2024	Semi-annual interest payments and principal on maturity date.	USD 3,375
Term Loans [10]	Unsecured loan	USD 725,000	USD 723,500	9.3143%	2029	Monthly interest payments and quarterly instalment payments of US$1.5 million in January 2023 and US$1.8 million beginning May 2023 and balance on maturity date	USD 45,395

18. LOANS AND BORROWINGS (CONT'D)

Long-term Borrowings	Classification	Original Principal (In '000)	Outstanding Balance (In '000)	Interest Rate % p.a.	Year of Maturity	Payment Terms (e.g., annually, quarterly, etc.)	Interest paid 1 May 2022 to 30 Apr 2023 (In '000)
Secured senior notes [11]	Secured loan	USD 500,000	–	11.875%	Repaid in fiscal year 2023	Semi-annual interest payments and principal on maturity date	USD 29,852
Term Loan B [12]	Secured loan	USD 500,000	USD 708,531	9.3143%	2029	Quarterly interest payment and principal 0.25%, and the remaining interest and principal on maturity date.	USD 45,395

[1] On 23 October 2020, DMPI obtained a long-term loan facility with BDO amounting to US$27 million (Php1.5 billion) payable over nine equal quarterly installments with the first repayment date due on 3 August 2023 and last repayment date due on 3 August 2025 at a fixed interest rate of 4.125% per annum. This loan is guaranteed by DMPL as its Surety. The Group is in compliance with the loan's covenants as at 30 April 2023 and 2022.

[2] On 6 November 2020, DMPI availed of an unsecured long-term credit facility with DBP amounting to US$27 million (Php1.5 billion) at a variable interest rate (2023: 5.5268% per annum, 30 April 2022: 3.00%), maturing in 2025, to refinance existing debts. The loan shall be repaid in five years, inclusive of a three-year grace period on the principal, the principal payable in eight equal quarterly installments to commence at the end of the 13th quarter from the initial drawdown date until fully paid. The Group is in compliance with the loan's covenants as at 30 April 2023 and 2022.

[3] On 30 October 2020, DMPI issued peso-denominated fixed rate bonds with an aggregate principal amount of US$90.1 million (Php5.0 billion) with an oversubscription option of up to US$45 million (Php2.5 billion).

The following are the series of the bonds:

(i) 3.4840% per annum. three-year fixed-rate bonds due October 2023 and

(ii) 3.7563% per annum five-year fixed-rate bonds due October 2025.

The net proceeds of the bonds were used by DMPI to repay its existing short-term and unsecured loans. As of 30 April 2023, US$105.1 million (Php5.8 billion) three-year fixed-rate and US$11.6 million (Php645.9 million) five-year fixed-rate bonds were issued.

The Company had also entered into an agreement with DBS for uncommitted facilities comprising of a short-term dollar denominated loan (US$25.0 million) and export financing facility (US$5.0 million). The Company had drawn a short-term loan of US$25.0 million as of 30 April 2023 (2022: US$ 25.0 million). The Group is in compliance with the loan's covenants as at 30 April 2023 and 2022.

[4] On 14 December 2022, the Company obtained long-term loan from BDO to US$30.0 million to partly finance redemption of series A-2 preference shares. The loans mature in December 2024. The Company is compliant with the loan's covenants as at 30 April 2023 and 2022.

[5] On 4 April 2022, the Company obtained long-term loans from BDO (secured) and BOC (unsecured) amounting to US$45.0 million and US$30.0 million, respectively, to partly finance redemption of series A-1 preference shares. The loans mature in April 2025. The Company is compliant with the loan's covenants as at 30 April 2023 and 2022.

[6] On 15 May 2020, the Company obtained a long-term loan from Bank of the Philippine Islands ("BPI") amounting to US$100.0 million maturing on 15 May 2023, to finance the Company's subscription of equity shares in DMPL Foods Limited, the proceeds of which were used by DMFI to partially pay its borrowings. The loans are secured by first ranking security interest over DMPI shares. The Company is in compliance with the loan's covenants as at 30 April 2023 and 2022.

[7] The secured bridging loans of US$60.0 million as at 30 April 2023 represent the remaining balance for the bridging loan that was obtained by the Company to finance the acquisition of Sager Creek and its related costs. The loan matures in August 2023.

The Company paid the instalments amounting to US$7.5 million in August 2021 and US$7.5 million in August 2022 bringing the balance to US$60.0 million. On 5 April 2022, the Company entered into a Sixth Amendment Agreement amending the Total Facility Commitment to US$67.5 million.

[8] In fiscal year 2021 and 2020, the Company obtained additional long-term loans from Development Bank of the Philippines ("DBP") amounting to US$57.3 million maturing in April 2024 and US$75.0 million maturing in October 2024 respectively, to refinance existing debt. The Company is in compliance with the loan's covenants as at 30 April 2023 and 2022.

[9] On 9 December 2021, the Company issued unsecured bonds amounting to US$90.0 million. The bonds bear fixed interest of 3.75% per annum and mature on 9 December 2024. The proceeds were used to partly finance redemption of series A-1 preference shares. The Company is in compliance with the loan's covenants as at 30 April 2023.

[10] On 16 May 2022, DMFI issued US$600.0 million term loan (Term Loan B) with an interest equal to the adjusted term SOFR, plus a spread adjustment of 0.10% and margin of 4.25%. As of 30 April 2023, the interest rate for the Term Loan B is 9.3143% per annum. Interest is initially payable monthly and can be paid quarterly at the Company's option. The Term Loan B will mature on 16 May 2029. Proceeds of US$600.0 million from the issuance were used to pay the existing US$500.0 million Senior Secured Notes and the remainder was used for original issue discount, interest, and fees. An instalment amounting to US$1.5 million was paid on 30 January 2023. On 7 February 2023, DMFI obtained additional term loan commitments amounting to US$125.0 million, bearing the same interest and maturity date with the initial term loans. The Group is in compliance with the loan's covenants as at 30 April 2023.

18. LOANS AND BORROWINGS (CONT'D)

[11] Senior Secured Notes

The Group, with DMFI as the issuer, is a party to a credit agreement (the "Senior Secured Notes") with JP Morgan Chase, as administrative agent, and the other lenders and agents parties thereto, that provides for senior secured financing of up to US$500.0 million. The Senior Secured Notes will mature on 15 May 2025. Interest of 11.875% per annum will accrue from 15 May 2020, and payable every 15th May and 15th November.

The issuer may redeem some or all of the Senior Secured Notes at any time on or after 15 May 2022. DMFI may also redeem up to 35% of the Senior Secured Notes using the proceeds of certain equity offerings completed before 15 May 2022. In addition, at any time prior to 15 May 2022, the Issuer may redeem some or all of the Senior Secured Notes at a price equal to 100% of the principal amount, plus a "make-whole" premium, plus accrued and unpaid interest, if any, to the redemption date. Additionally, if the Senior Secured Notes become due and payable prior to their stated maturity, including upon acceleration, the applicable make-whole or redemption price premium, as the case may be shall be due and payable as if the Notes had been redeemed on that date. If the Group sells certain assets or experience specific kinds of changes in control, the Group must offer to purchase the Senior Secured Notes.

DMFHL and each of its existing and future U.S. subsidiaries, other than the DMFI, that guarantees indebtedness of the Issuer or indebtedness of any guarantor will guarantee the Senior Secured Notes. The Senior Secured Notes will rank equally in right of payment with all of the Issuer's existing and future senior debt and senior in right of payment to all of the Issuer's future subordinated debt.

The Senior Secured Notes guarantees will rank equally in right of payment with all of the guarantors' existing and future senior debt and senior in right of payment to all of the guarantors' future subordinated debt. In addition, the Senior Secured Notes will be structurally subordinated to the liabilities of all non-guarantor subsidiaries of DMFHL.

The Senior Secured Notes and the note guarantees will be secured by (i) first-priority liens, subject to permitted liens, on the Notes Priority Collateral and (ii) second-priority liens, subject to permitted liens, on the ABL Priority Collateral now owned or acquired in the future by the Issuer and the guarantors. Obligations under the ABL Facility and certain hedging and cash management obligations will be secured by a first-priority lien on the ABL Priority Collateral and a second-priority lien on the Notes Priority Collateral (provided that such obligations will not be secured by liens on any real property that constitutes Notes Priority Collateral). The Group is compliant with loan covenants of this credit agreement as at 30 April 2022 and 2021.

On 16 May 2022, DMFI redeemed the full balance of $500.0 million Senior Secured Notes. Additional interest expense amounting to $71.9 million was recognized as a result of this redemption (see Note 26).

[12] Term Loan

DMFI is a party to a Term Loan B agreement with the lenders party thereto, Goldman Sachs Bank USA as administrative agent and as collateral agent, that provided for a total term loan of US$725.0 million with a term of seven years. The initial term loan amounting to US$600.0 million was obtained on 16 May 2022 and additional term loan amounting to US$125.0 million was obtain on 7 February 2023. The term loan will mature on 16 May 2029.

Interest Rates. The term loans bear an interest equal to the adjusted term SOFR plus a spread adjustment of 0.10% and margin of 4.25%. As of 30 April 2023, the interest rate for the Term Loan is 9.31% per annum. Interest is initially payable monthly and can be paid quarterly at DMFI's option.

Principal Payments. The outstanding principal amount is payable i) commencing with the last day of each fiscal quarter following 16 May 2022 and on the last day of each fiscal quarter thereafter prior to the maturity date of the term loan, in each case, in an amount equal to 0.25% of the original principal amount of the initial term loan and ii) on the maturity date, in an amount equal to the remainder of the principal amount of the initial term loans outstanding on such date, together, in each case, with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment. In the event any new term loans are made, such new term loans shall be repaid on each instalment date occurring on or after the applicable increased amount date in the manner specified in the agreement.

Ability to Incur Additional Indebtedness. DMFI may, by written notice to Administrative agent, elect to request prior to maturity date, an increase to the existing term loans or the establishment of one or more new term loan commitments by the available incremental amount, and not less than U$5.0 million individually (or such lesser amount which shall reasonably be approved by administrative agent or such lesser amount that shall constitute the difference between the available incremental amount and all such New Term Loan Commitments obtained prior to such date), and integral multiples of U$1.0 million in excess of that amount.

DMFI is compliant with the Term Loan B Agreement loan covenants as at 30 April 2023, 2022 and 2021.

The terms of DMPI's bonds and loans require a debt service coverage ratio of at least 1.2x and debt-to-equity ratio of not exceeding 2.5x based on DMPI's consolidated financial statements. DMPI had been compliant with its debt covenants as at 30 April 2023 and 2022.

Loans and borrowings are stated net of unamortized debt issuance cost. The balance of unamortized debt issuance cost follows:

	Note	Group		Company	
		Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Beginning of year		35,359	44,702	2,732	1,329
Additions		20,295	2,915	218	2,383
Write-off		(26,341)	–	–	–
Amortization	26	(6,156)	(12,258)	(1,488)	(980)
End of year		23,157	35,359	1,462	2,732

19. OTHER NONCURRENT LIABILITIES

	Group	
	30 April 2023 US$'000	30 April 2022 US$'000
Workers' compensation	13,268	14,639
Derivative liabilities	3,097	7,896
Accrued vendors liabilities	461	488
	16,826	23,023

Workers' compensation are liabilities for wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence.

Derivative liabilities

The Group uses interest rate swaps, interest rate caps, commodity swaps and foreign currency forward contracts to hedge market risks relating to possible adverse changes in interest rates, commodity costs and foreign currency exchange rates. The Group continually monitors its positions and the credit rating of the counterparties involved to mitigate the amount of credit exposure to any one party.

As at 30 April 2023 and 2022, the Group designated each of its derivative contracts, as a hedge of a highly probable forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge"). The following fair value of cash flow hedges were outstanding for the Group:

		Group	
	Note	30 April 2023 US$'000	30 April 2022 US$'000
Commodity contracts		(3,928)	685
Foreign currency forward contract		1,061	801
Interest rate cap		6,189	(7,896)
Interest rate swap		(1,105)	–
Total		2,217	(6,410)
Included in:			
Other noncurrent assets	10	6,189	–
Prepaid expenses and other current assets	14	2,678	1,486
Trade payables and other current liabilities	22	(3,553)	–
Other noncurrent liabilities		(3,097)	(7,896)
		2,217	(6,410)

19. OTHER NONCURRENT LIABILITIES (CONT'D)

Derivative liabilities (cont'd)

Interest Rates

As of 30 April 2023 and 2022, the Group designated each of its derivative contracts as a hedge of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge").

The Group adopts a policy of hedging its floating rate exposure in accordance with the current rate environment and expected debt balances. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate using interest rate cap and interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Group applies a hedge ratio in accordance with the risk management objectives.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional quantity or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. Changes in the fair value of the cap other than intrinsic value is excluded from the assessment of effectiveness and amortized over the hedging period using a straight-line method.

In these hedging relationships, the main sources of ineffectiveness are the effect of the counterparty's and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value hedged cash flows attributable to the change in interest rates, and differences in repricing dates between the swaps and the borrowings.

Significant terms of the interest rate cap and interest rate swap contracts are as follows:

30 April 2023

Interest rate cap

Contract Date	Notional amount US$ '000	Fixed Rate	Strike Rate	Effective Date	Maturity Date
8 April 2022	575,000	0.84%	3.00%	1 May 2023	1 April 2026

Interest rate swap

Contract Date	Notional amount US$ '000	Fixed Rate	Floating SOFR	Effective Date	Maturity Date
23 March 2023	250,000	3.84%	Varies	24 March 2023	16 May 2029

Notional amount of US$200.0 million, US$200.0 million and US$175.0 million will mature on 1 April 2024, 2025 and 2026, respectively. The floating rate is based on secured overnight financing rate (SOFR).

30 April 2022

Contract Date	Notional amount US$ '000	Fixed Rate	Strike Rate	SOFR	Effective Date	Maturity Date
8 April 2022	575,000	0.84%	3.00%	3.18%	1 May 2023	1 April 2026

19. OTHER NONCURRENT LIABILITIES (CONT'D)

Derivative liabilities (cont'd)

Commodities

Certain commodities such as diesel fuel and natural gas (collectively, "commodity contracts") are used in the production and transportation of the Group's products. Generally, these commodities are purchased based upon market prices that are established with the vendors as part of the purchase process. The Group may use futures, swaps, and swaption or option contracts, as deemed appropriate, to reduce the effect of price fluctuations on anticipated purchases. These contracts may have a term of up to 24 months. The Group accounts for these commodity derivatives as cash flow hedges. The effective portion of derivative gains and losses is deferred in equity and recognized as part of cost of products sold in the appropriate period and the ineffective portion is recognized as cost of products sold.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). The Group established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity forward contracts are identical to the hedged risk components. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference index prices, purchase dates, maturities and the notional or par amounts.

To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the change in the fair value of the hedging instruments against the changes in the fair value of the hedged items attributable to the hedged risks.

The notional amounts of the Group's commodity contracts were as follows as of 30 April 2023 and 2022:

	30 April 2023 US$'000	30 April 2022 US$'000
Natural gas (MMBTU)	1,039	1,329
Diesel (gallons)	5,786	1,401
Gas (oil barrels)	47	–

Foreign Currency

From time to time, the Group manages its exposure to fluctuations in foreign currency exchange rates by entering into forward contracts to cover a portion of its projected expenditures paid in local currency. These contracts may have a term of up to 24 months. The Group accounted for these contracts as cash flow hedges.

	30 April 2023 US$'000	30 April 2022 US$'000
Mexican pesos	–	221,199
United States dollar	154,000	–

19. OTHER NONCURRENT LIABILITIES (CONT'D)

Derivative liabilities (cont'd)

Amounts Relating to Hedged Items

The amounts at the reporting date relating to items designated as hedged items are as follows:

	30 April 2023		
	Change in value used for calculating hedge effectiveness US$'000	Cash flow hedge reserve US$'000	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied US$'000
Interest rate risk			
Variable rate instruments	(12,437)	9,238	–
Commodity price risk			
Inventory purchases	5,264	(8,394)	–
Foreign exchange risk			
Inventory purchases	3,449	493	–

	30 April 2022		
	Change in value used for calculating hedge effectiveness US$'000	Cash flow hedge reserve US$'000	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied US$'000
Interest rate risk			
Variable rate instruments	7,896	(5,922)	–
Commodity price risk			
Inventory purchases	5,986	(947)	–
Foreign exchange risk			
Inventory purchases	165	1,476	–

19. OTHER NONCURRENT LIABILITIES (CONT'D)

Derivative liabilities (cont'd)

Amounts Relating to Hedging Instruments

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

	30 April 2023				During 2023		
	Notional amount	Carrying amount Assets	Carrying amount Liabilities	Line item in the statement of financial position where the hedged instrument is included	Change in the value of hedge instrument recognized in OCI	Amount reclassified from hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
	US$'000	US$'000	US$'000		US$'000	US$'000	
Interest rate risk							
Interest rate swaps	250,000	1,617		Prepaid and Other Current Assets	12,437	–	
			(2,722)	Derivative liabilities – Noncurrent			
Interest rate cap	575,000	6,189		Derivative assets – Noncurrent	–	–	
Commodity price risk							
Commodity contracts							
Natural gas (MMBTU)	1,039	–	(1,596)	Derivative liabilities – Current	(2,557)	(861)	Cost of sales
			(75)	Derivative liabilities – Noncurrent			
Diesel (gallons)	5,786	–	(1,455) (300)	Derivative liabilities – Current	(2,176)	(403)	Cost of sales
Gas oil (barrels)	47	–	(502)	Derivative liabilities – Current	(531)	–	
Foreign exchange risk							
Foreign currency forward (USD)	154,000	1,061	–	Prepaid and Other Current Assets	1,122	–	Net finance expense
Foreign currency forward (MXN)	–	–	–	–	(4,571)	(4,107)	Cost of sales

19. OTHER NONCURRENT LIABILITIES (CONT'D)

Derivative liabilities (cont'd)

Amounts Relating to Hedging Instruments (cont'd)

	30 April 2022				During 2022		
	Notional amount	Carrying amount		Line item in the statement of financial position where the hedged instrument is included	Change in the value of hedge instrument recognized in OCI	Amount reclassified from hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
	US$'000	US$'000	US$'000		US$'000	US$'000	
Interest rate risk							
Interest rate swaps	575,000	–	(7,896)	Derivative liabilities – Noncurrent	(7,896)	–	Net finance expense
Commodity price risk							
Commodity contracts							
Natural gas (MMBTU)	1,329	24	–	Prepaid and Other Current Assets	(1,872)	(1,701)	Cost of sales
Diesel (gallons)	1,401	661	–	Prepaid and Other Current Assets	(4,114)	(2,830)	Cost of sales
Foreign exchange risk							
Foreign currency forwards	221,199	801	–	Prepaid and Other Current Assets	(165)	(710)	Cost of sales

Hedging Reserves

The following table provides a reconciliation by risk category of the hedging reserve and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

	Group	
	30 April 2023 US$'000	30 April 2022 US$'000
Balance at beginning of year	(5,395)	1,218
Changes in fair value:		
– Interest rate risk	12,437	(7,896)
– Commodity risk	(5,264)	(5,986)
– Foreign exchange risk	(3,449)	(165)
Amount reclassified to profit or loss		
– Interest rate risk	–	–
– Commodity risk	1,264	4,531
– Foreign exchange risk	4,107	710
Tax movements on reserves during the year	(2,274)	2,193
Balance at end of year	1,426	(5,395)

20. EMPLOYEE BENEFITS

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Pension asset	10,630	9,799	60	–
Total pension asset (noncurrent)	10,630	9,799	60	–
Post-retirement benefit obligation	6,795	6,754	–	–
Executive retirement plan	2,188	3,610	–	–
Cash incentive award	4,024	5,051	–	–
Short-term employee benefits	17,972	30,689	–	–
Other plans	2,894	3,756	–	–
Net defined benefit liability	11,701	11,440	–	12
Total employee benefit liability	45,574	61,300	–	12
Current	24,280	36,958	–	–
Noncurrent	21,294	24,342	–	12
	45,574	61,300	–	12

Included in pension asset of the Group and Company is an amount of US$10.6 million and US$0.06 million (2022: US$9.8 million and nil) respectively relating to the defined benefit and defined contribution retirement plans in DMPI.

Included in post-retirement benefit obligation is an amount of US$6.8 million (2022: US$6.8 million) relating to the post-retirement medical benefits plan in DMFI.

Included in net defined benefit liability is an amount of US$11.7 million and nil (2022: US$11.4 million and US$0.01 million) relating to the qualified retirement plans in DMFI and ROHQ, respectively.

The Group contributes to the following post-employment defined benefit plans:

The DMPI Multi Employer Retirement Plan

DMPI has both funded defined benefit and defined contribution retirement plans (the "Plan") which covers all of regular employees as well as of those under DMPL - ROHQ. Contributions and costs are determined in accordance with the actuarial study made for the Plan. Annual cost is determined using the projected unit credit method. DMPI's latest actuarial valuation date is 30 April 2023. Valuations are obtained on a periodic basis.

Starting on the date of membership of an employee in the Plan, DMPI shall contribute to the retirement fund 7.00% of the member's salary as defined every month. In addition, DMPI shall contribute periodically to the fund the amounts which may be required to meet the guaranteed minimum benefit provision of the plan. Such contributions shall not be allocated nor credited to the individual accounts of the members, but shall be retained in a separate account to be used in cases where the guaranteed minimum benefit applies.

Benefits are based on the total amount of contributions and earnings credited to the personal retirement account of the plan member at the time of separation or the 125% of the final basis salary multiplied by the number of credited years of service under the plan, whichever is higher. The manner of payment is lump sum, payable immediately.

20. EMPLOYEE BENEFITS (CONT'D)

The DMPI Multi Employer Retirement Plan (cont'd)

The retirement plan meets the minimum retirement benefit specified under Republic Act No. 7641, The Philippine Retirement Pay Law.

The fund is administered by a trustee bank under the supervision of the Board of Trustees of the Plan.

The Board of Trustees is responsible for investment strategy of the Plan.

DMPI does not expect to make contributions to the plan in fiscal year 2024.

The DMFI Plan

DMFI sponsors a qualified defined benefit pension plan (the "DMFI Plan") and several unfunded defined benefit post-retirement plans providing certain medical, dental, and life insurance benefits to eligible retired, salaried, non-union hourly and union employees. The DMFI Plan comprises of two parts:

- The first part is a cash balance plan ("Part B") which provides benefits for eligible salaried employees and provides that a participant's benefit derives from the accumulation of monthly compensation and interest credits. Compensation credits are calculated based upon the participant's eligible compensation and age each month. Interest credits are calculated each month by applying an interest factor to the previous month's ending balance. Participants may elect to receive their benefit in the form of an annuity or a lump sum. Part B of the plan was frozen to new participants effective 31 December 2016, which the active participation of certain participants was grandfathered subject to meeting participation requirements.

- The second part is an arrangement which provides for grandfathered and suspended hourly participants a traditional pension benefit based upon service, final average compensation and age at termination. This plan was frozen since 31 December 1995, which the active participation of certain participants was grandfathered and the active participation of other participants was suspended.

DMFI currently meets and plans to continue to meet the minimum funding levels required under local legislation, which imposes certain consequences on DMFI's defined benefit plan if it does not meet the minimum funding levels. DMFI has not made any contributions during the year.

In fiscal year 2020, there were amendments to the DMFI Plan and the post-retirement benefit plan. Under the DMFI Plan amendments, certain benefits were eliminated effective 31 December 2019 and 30 April 2022 and the plan obligations associated with these amendments decreased by US$9.1 million. Under the post-retirement amendments, certain benefits will be eliminated effective 30 April 2022 and the plan obligations associated with this amendment decreased by US$5.9 million. Both amendments were recognized immediately in "General and administrative expenses" in the 2020 consolidated income statement.

In fiscal year 2019, there were amendments to the post-retirement benefit plan. Under an amendment, certain benefits will be eliminated after fiscal year 2022. The net liability impact of this amendment was a decrease of US$13.4 million, which was recognized immediately in "General and administrative expenses" in the 2019 consolidated income statement.

DMFI does not expect to make contributions to the plan in fiscal year 2024.

20. EMPLOYEE BENEFITS (CONT'D)

Movement in net defined benefit liability (asset)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability (asset) and its components:

	30 April 2023				30 April 2022			
	Defined benefit obligation US$'000	Fair value of plan assets US$'000	Effect of Asset Ceiling US$'000	Net defined benefit liability (asset) US$'000	Defined benefit obligation US$'000	Fair value of plan assets US$'000	Effect of Asset Ceiling US$'000	Net defined benefit liability (asset) US$'000
Group								
Beginning balance	269,094	(262,372)	1,673	8,395	332,272	(313,505)	606	19,373
Included in profit or loss:								
Current service cost	2,126	–	–	2,126	2,794	–	–	2,794
Plan administration cost	–	939	–	939	–	557	–	557
Interest cost/(income)	10,806	(10,623)	85	268	6,860	(6,666)	22	216
	282,026	(272,056)	1,758	11,728	341,926	(319,614)	628	22,940
Included in OCI								
Remeasurements loss (gain):								
– Actuarial loss (gain) arising from:								
– financial assumptions	(13,784)	–	–	(13,784)	(40,009)	–	–	(40,009)
– demographic assumptions	(1,024)	–	–	(1,024)	(904)	–	–	(904)
– experience adjustment	2,603	–	–	2,603	1,353	–	–	1,353
– Return on plan Assets Excluding interest income	–	7,952	–	7,952	–	25,530	–	25,530
– Changes in the effect of the asset ceiling	–	–	837	837	–	–	1,104	1,104
– Effect of movements in exchange rates	(1,343)	2,357	(115)	899	(2,810)	3,478	(59)	609
	(13,548)	10,309	722	(2,517)	(42,370)	29,008	1,045	(12,317)
Others								
Contributions	–	(472)	–	(472)	–	(2,228)	–	(2,228)
Benefits paid	(24,690)	23,817	–	(873)	(30,462)	30,462	–	–
	(24,690)	23,345	–	(1,345)	(30,462)	28,234	–	(2,228)
Ending balance	243,788	(238,402)	2,480	7,866	269,094	(262,372)	1,673	8,395

20. EMPLOYEE BENEFITS (CONT'D)

Movement in net defined benefit liability (asset) (cont'd)

Remeasurement loss recognized in OCI under executive retirement plan and other plans amounted to US$0.2 million for fiscal year ended 2023 (2022: US$0.2 million).

Represented by:

	Net defined benefit liability (asset)	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Net defined benefit asset	(10,630)	(9,799)
Post-retirement benefit obligation	6,795	6,754
Net defined benefit liability	11,701	11,440
	7,866	8,395

Plan assets

Plan assets comprise:

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Interest-bearing cash/bank deposits	3,318	3,553
Real estate (within Philippines)	14,386	14,850
Common collective trust funds:		
Fixed income	53,055	57,809
Equity fund	69,060	77,014
Mutual funds – Equity fund	9,154	10,209
Debt instruments:		
Corporate	37,733	42,078
Government	41,950	44,879
Others	5,285	4,822
Equity securities – Quoted	3,661	7,109
Others	800	49
Fair value of plan assets	238,402	262,372

The Board of DMFI reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching ("ALM") strategy and investment risk management policy. DMFI's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Group monitors how the duration and expected yield of the investments match the expected cash outflows arising from the retirement benefit obligation.

DMFI's investment objectives are to ensure that the assets of its qualified defined benefit plan are invested to provide an optimal rate of investment return on the total investment portfolio, consistent with the assumption of a reasonable risk level, and to ensure that pension funds are available to meet the plan's benefit obligations as they become due.

DMFI believes that a well-diversified investment portfolio, including both equity and fixed income components, will result in the highest attainable investment return with an acceptable level of overall risk. DMFI's investment policies and procedures are designed to ensure that the plan's investments are in compliance with the Employee Retirement Income Security Act ("ERISA").

20. EMPLOYEE BENEFITS (CONT'D)

Actuarial valuation

The funded obligations and plan assets are measured and valued with the advice of qualified actuary who carries out a full valuation annually. The last valuation of these obligations and plan was performed in April 2023 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 30 April 2023.

The principal actuarial assumptions used for accounting purposes expressed as weighted average were:

	DMFI	
	30 April 2023	**30 April 2022**
Discount rate (per annum)	3.96%-4. 5%	1.82%-4.35%
Current health care cost trend rate (per annum)	N/A	6.20%
Ultimate health care cost trend rate	N/A	4.50%
Mortality rate	N/A	2012 rates associated with the Pri-2012 table with generational projection of improvements in mortality from 2012 based on MP-2020

	DMPI	
	30 April 2023	**30 April 2022**
Discount rate (per annum)	6.58%	5.41%
Future salary increases (per annum)	5.00%	5.00%

	ROHQ	
	30 April 2023	**30 April 2022**
Discount rate (per annum)	6.50%	5.29%
Future salary increases (per annum)	5.00%	5.00%

20. EMPLOYEE BENEFITS (CONT'D)

Actuarial valuation (cont'd)

Since the defined benefit plans and other benefit liabilities are measured on a discounted basis, the discount rate is a significant assumption. The discount rate for DMFI plan was determined based on an analysis of interest rates for high-quality, long-term corporate debt at each measurement date. The discount rate for DMPI and ROHQ Plans were determined based on the theoretical spot yield curve calculated for the government securities market. In order to appropriately match the bond maturities with expected future cash payments, the Group utilized differing bond portfolios to estimate the discount rates for the defined benefits pension plans and for the post-retirement benefits.

The discount rate used to determine the defined benefit plans and for the post-retirement benefits projected benefit obligation as of the reporting date is the rate in effect at the measurement date. The same rate is also used to determine the defined benefit pension plans and post-retirement benefits for the following fiscal year. The defined benefits pension plans' investment guidelines are established based upon an evaluation of market conditions, tolerance for risk and cash requirements for benefit payments. Assumptions regarding future mortality have been based on published statistics and mortality tables.

As at 30 April 2023, the weighted average duration of DMPI's and ROHQ's defined benefit retirement obligation is 7.3 years and 4.8 years, respectively (2022: 7.7 years and 5.5 years, respectively).

The projected future benefit payments for the DMPI and ROHQ plans as of 30 April 2023 are as follows:

	DMPI US$'000	ROHQ US$'000	Total Expected Benefit Payments US$'000
2024	3,421	69	3,490
2025	2,854	524	3,378
2026	2,867	51	2,918
2027	2,437	66	2,503
2028	3,058	72	3,130
2029 to 2033	18,421	906	19,327

The weighted average duration of DMFI's defined benefit retirement obligation are as follows:

	Duration (years)	
	30 April 2023	30 April 2022
Qualified retirement plan	8.6	8.9
Post-retirement benefits plan	8.0	8.9
Executive retirement plans	N/A	N/A

20. EMPLOYEE BENEFITS (CONT'D)

Actuarial valuation (cont'd)

The projected future benefit payments for the DMFI plan as of 30 April 2023 are as follows:

	Normal Retirement US$'000	Other than Normal Retirement US$'000	Total US$'000
Less than one year	21,848	727	22,575
More than one year to five years	76,265	2,529	78,794
More than five years	75,791	2,492	78,283

The weighted-average asset allocation of the Group's pension plan assets and weighted-average target allocation as of the measurement date from date of incorporation is as follows:

	30 April 2023	Target Allocation Range
Equity securities	34%	31-51%
Debt securities	58%	42-64%
Other	8%	2-19%
Total	100%	

	30 April 2022	Target Allocation Range
Equity securities	36%	31-51%
Debt securities	57%	42-64%
Other	7%	2-19%
Total	100%	

The plan exposes the Group to market risk.

The Board of DMFI approves the percentage of asset to be allocated for fixed income instruments and equities. The retirement plan has set maximum exposure limits for each type of permissible investments in marketable securities and deposit instruments. The Board of DMFI may, from time to time, in the exercise of its reasonable discretion and taking into account existing investment opportunities, review and revise such allocation and limits.

Source of estimation uncertainty

Measurement of employee benefit obligations

Pension expense and pension assets/liabilities are determined using certain actuarial estimates and assumptions relating to the discount rate used in valuing the subsidiary's defined benefit obligations and future experiences such as future salary increases, retirement date or age, mortality and turnover rate of covered employees. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognized in the financial statements.

20. EMPLOYEE BENEFITS (CONT'D)

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of reporting period would have increased (decreased) as a result of a change in the respective assumptions by the respective percentages below.

Defined benefit obligation

	DMFI			
	2023		2022	
	0.50% increase US$'000	0.50% decrease US$'000	0.50% increase US$'000	0.50% Decrease US$'000
Discount rate (per annum)	(7,490)	8,038	(9,247)	10,018
Future salary increases (per annum)	N/A	N/A	N/A	N/A

Defined benefit Obligation

	DMPI			
	2023		2022	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Discount rate (per annum)	(1,769)	2,020	(2,065)	2,373
Future salary increases (per annum)	2,032	(1,811)	2,359	(2,091)

Defined benefit Obligation

	ROHQ			
	2023		2022	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Discount rate (per annum)	(47)	52	(49)	55
Future salary increases (per annum)	53	(48)	55	(50)

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 30 April 2023 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumption shown.

Accumulated post-retirement benefit obligation

The accumulated post-retirement benefit obligation is computed in accordance with IAS 19, *Employee Benefits*. This quantity is the actuarial present value of all benefits attributed under the projected unit credit method to service rendered prior to a particular date. Prior to an employee's full eligibility date, the accumulated post-retirement benefit obligation as of a particular date for an employee is the portion of the expected post-retirement benefit obligation attributed to that employee's service rendered to that date; on and after the full eligibility date, the accumulated and expected post-retirement benefit obligations for an employee are the same.

20. EMPLOYEE BENEFITS (CONT'D)

Source of estimation uncertainty

Accumulated post-retirement benefit obligation is determined using certain actuarial estimates and assumptions relating to the annual rate(s) of change in the cost of health care benefits currently provided by the post-retirement benefit plans due to factors other than changes in the composition of the plan population by age and dependency status, for each year from the measurement date until the end of the period in which benefits are expected to be paid. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognized in the financial statements.

Multi-employer plans

The Group participates in several multi-employer pension plans, which provide defined benefits to covered union employees. Contribution rates to the multi-employer plans are provided in the collective bargaining agreements for the covered union employees. The contribution rates are expressed in terms of specific amounts to be contributed based on hours worked by covered union employees. The Group made contributions of US$8.8 million, US$7.9 million and US$7.7 million during fiscal years 2023, 2022 and 2021, respectively.

The risks of participating in the multi-employer pension plans are as follows:

- assets contributed to the multi-employer plan by the Group may be used to provide benefits to employees of other participating employers;
- if a participating employer stops contributing to the plan, the unfunded obligations of the plan allocable to such withdrawing employer may be partially borne by the Group; and
- if the Group stops participating in some of its multi-employer pension plans, the Group may be required to pay those plans an amount based on its allocable share of the underfunded status of the plan, referred to as a withdrawal liability.

Defined Contribution Plans

The Group participates in two defined contribution plans. Group contributions to these defined contribution plans are based on employee contributions and compensation. The expense recognized under these plans for the year ended 30 April 2023 was US$4.8 million (2022: US$4.2 million; 2021: US$4.5 million).

Other plans

The Group has various other nonqualified retirement plans and supplemental retirement plans for executives, designed to provide benefits in excess of those otherwise permitted under the Group's qualified retirement plans. These plans are unfunded and comply with IRS rules for nonqualified plans.

21. ENVIRONMENTAL REMEDIATION LIABILITIES

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
At beginning of the year	203	7,429
Provision made during the year	–	–
Provisions used during the year	(203)	(7,164)
Provisions released during the year	–	(62)
At end of the year	–	203

Provision for environmental remediation relates to legal or constructive obligations incurred by the Group in connection with its operations and have all been settled in 2023.

22. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	Note	Group 30 April 2023 US$'000	Group 30 April 2022 US$'000	Company 30 April 2023 US$'000	Company 30 April 2022 US$'000
Trade payables		216,700	196,833	66	131
Accrued operating expenses:					
Interest	39	10,441	34,122	3,228	3,434
Advertising		4,060	8,825	–	–
Trade promotions		8,410	8,607	–	–
Taxes and insurance		11,755	9,044	–	–
Professional fees		9,200	6,762	394	388
Freight and warehousing		8,902	8,898	–	–
Salaries, bonuses and other employee benefits		2,019	3,042	–	–
Utilities		3,236	3,704	–	–
Tinplate and consigned stocks		2,204	2,569	–	–
Miscellaneous		11,250	5,541	309	1,146
Overdrafts		1,969	5,655	–	–
Accrued payroll expenses		5,980	5,304	4,207	4,087
Withheld from employees (taxes and social security cost)		2,473	1,466	41	37
Contract liabilities	24	2,366	2,091	–	–
VAT payables		214	129	–	–
Advances from customers		208	241	–	–
Derivative liabilities	19	3,553	–	–	–
Amounts due to subsidiaries (non-trade)	37	–	–	107,889	30,806
		304,940	302,833	116,134	40,029

Contract liabilities pertains to contract liabilities relating to advances from customers which are generally expected to be recognized as revenue within a period of less than one year. Accordingly, opening contract liabilities are recognized within each reporting period. The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose the aggregate amount of the transaction price of unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period because its contracts have original expected durations of one year or less.

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

Accrued miscellaneous include management fees and other outside services, land and other rental, credit card payable and other importation incidental costs.

Sources of estimation uncertainty

Estimation of trade promotion accruals

The determination of the unbilled trade promotion accrual requires significant estimation of the amount of discount to be redeemed based on volumes sold when the services are performed and billings are received.

23. LEASES

Group as a lessee

Set out below are the carrying amount of right-of-use assets recognized and the movements during the period:

	Buildings, land improvements and leasehold improvements US$'000	Land US$'000	Machineries and equipment US$'000	Total US$'000
Cost				
At 1 May 2021	128,492	50,166	37,384	216,042
Additions	16,131	12,174	3,534	31,839
Retirements	(4,249)	(1,258)	–	(5,507)
Currency realignment	(2,897)	(4,006)	–	(6,903)
At 30 April 2022 and 1 May 2022	137,477	57,076	40,918	235,471
Additions	12,354	3,052	1,265	16,671
Retirements	–	(871)	–	(871)
Currency realignment	(2,110)	(3,252)	–	(5,362)
At 30 April 2023	147,721	56,005	42,183	245,909
Accumulated amortization				
At 1 May 2021	43,632	14,521	22,681	80,834
Amortization	21,452	8,645	9,006	39,103
Retirements	(4,222)	(1,258)	–	(5,480)
Currency realignment	(929)	(1,596)	–	(2,525)
At 30 April 2022 and 1 May 2022	59,933	20,312	31,687	111,932
Amortization	21,323	8,700	5,935	35,958
Retirements	–	(871)	–	(871)
Currency realignment	(498)	(1,178)	–	(1,676)
At 30 April 2023	80,758	26,963	37,622	145,343
Carrying amounts				
At 30 April 2022	77,544	36,764	9,231	123,539
At 30 April 2023	66,963	29,042	4,561	100,566

In April 2021, DMPI entered a sale and leaseback of buildings, warehouses and equipment located on foreshore land. The assets were sold to DEARBC and subsequently leased back to DMPI with payment and lease terms of 20 years for both the sale and the lease. Right-of-use assets recognized at commencement date amounted to US$7.1 million which comprises the proportion of the previous carrying amount of the assets that relates to right of use retained by DMPI and the adjustment for below-market terms on the sale of assets. Lease liability and gain on sale and leaseback at commencement date amounted to US$4.8 million and US$0.2 million, respectively.

The following are the amounts recognized in the income statement:

	Note	30 April 2023 US$'000	30 April 2022 US$'000
Amortization expense of right-of-use assets	25	32,972	39,292
Interest expense on lease liabilities	26	5,443	6,345
Expenses relating to short-term leases	25	12,882	13,710
Variable lease payments		402	341
Total amount recognized in statement of income		51,699	59,688

23. LEASES (CONT'D)

Group as a lessee (cont'd)

Amortization expense is net of amount capitalized to inventory during the year and includes amortization capitalized in prior years to inventory that was sold during the year.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, 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 such as construction of significant leasehold improvements or significant customization to the leased asset.

The Group included the renewal period for certain lease contract on warehouses as part of the lease term. The Group typically exercises its option to renew for the lease because there will be a significant negative effect on production if a replacement asset is not readily available. The renewable period of land, building and certain warehouse are not included as part of the lease term as these are not reasonably certain to be exercised since it is subject to mutual agreement of both parties and is considered as unenforceable.

The Company also entered into a lease contract with DEARBC, with an initial contract period of 25 years from 11 January 1999 to 10 January 2024. The lease contract was amended by both parties effective 11 January 2019 to extend the lease period to 10 January 2049. Effective January 2019, both parties also approved the amendment granting the Group the sole option to terminate the lease every five years without incurring penalty until the end of the contract period. Since the Group has the sole option to terminate the lease every five years without incurring penalty, the Group has the absolute right to enforce the entire duration of the lease (i.e., lease term).

The Group assessed the lease term to be 5 years from 11 January 2019 since it is not yet reasonably certain to renew beyond the initial 5-year non-cancellable lease period due to the relatively long time horizon to be able to forecast the facts and circumstances that will merit the renewal of the contract. There are also no significant economic penalties other than the standing crops which only have a life cycle of up to 3 years.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	30 April 2023 US$'000	30 April 2022 US$'000
At the beginning of year	121,320	128,803
Additions	17,986	28,075
Accretion of interest	6,615	7,534
Payments of principal	(38,962)	(34,414)
Payments of interest	(3,723)	(4,456)
Adjustments	–	(10)
Terminations	–	(151)
Currency realignment	(3,140)	(4,061)
At the end of year	100,096	121,320
Current	27,892	29,549
Non-current	72,204	91,771
	100,096	121,320

23. LEASES (CONT'D)

Group as a lessor

The Group has sublease agreements which provides for lease rentals based on an agreed fixed monthly rate. Rental income related to these sublease agreements amounted to US$0.5 million for the fiscal year 2023 (2022: US$0.5 million).

Lease receivables represent receipts to be received over the remaining lease term. Movement of the lease receivables during the period are as follows:

	30 April 2023 US$'000	30 April 2022 US$'000
At the beginning of year	691	1,241
Adjustments	3	2
Contractual receipts	(486)	(487)
Interest income	17	37
Currency realignment	(589)	(102)
At the end of year	(364)	691
Current	126	497
Non-current	60	194
	186	691

Sources of estimation uncertainty

Determination of incremental borrowing rate for lease liabilities

The Group is not able to 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 (e.g. when leases are not in the subsidiary's functional currency). The Group uses existing debt borrowing rates of the respective Group's entities as its IBR.

24. REVENUE

Revenue of the Group comprises fair value gains arising from changes in fair value of the Group's biological assets recognized upon harvest of agricultural produce and gross invoiced sales of goods, net of discounts and returns, recognized when goods are delivered. All intra-group transactions have been excluded from the Group revenue.

Revenue for fiscal year ended 30 April 2023 is net of discounts of US$89.0 million (2022: US$84.3 million; 2021: US$ 78.6 million), returns of US$20.2 million (2022: US$18.3 million; 2021: US$17.1 million) and direct promotions of US$339.9 million (2022: US$ 339.9 million; 2021: US$304.3 million). Revenue for fiscal year ended 30 April 2022 is net of discounts of US$84.3 million, returns of US$18.3 million and direct promotions of US$339.9 million. Revenue for fiscal year ended 30 April 2021 is net of discounts of US$78.6 million, returns of US$17.1 million and direct promotions of US$304.3 million.

Disaggregation of revenue is presented in Note 29.

Contract balances

The following table provides information about trade receivables and contract liabilities from contracts with customers.

		Group		
	Note	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2021 US$'000
Receivables, included in Trade and other receivables – Gross of ECL allowance	13	195,335	189,839	65,370
Contract liabilities, included in Trade payables and other current liabilities	22	2,366	2,091	543

Contract liabilities pertain to advances from customers which are generally expected to be recognized as revenue within a period of less than one year. Accordingly, opening contract liabilities are recognized within each reporting period. The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose the aggregate amount of the transaction price of unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period because its contracts have original expected durations of one year or less.

The Group recognized revenue adjustments from performance obligations satisfied or partially satisfied in previous periods due to changes in estimates of trade promotions, coupon redemptions, cash discounts and penalties amounting to nil and US$0.7 million in fiscal year 2023 and 2022, respectively.

Contract liabilities amounting to US$2.1 million as at 1 May 2022 have been recognized as revenue in fiscal year 2023 (2022: US$0.5 million).

25. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging (crediting):

	Note	Group			Company		
		Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Amortization of intangible assets	8	6,967	6,650	6,650	–	–	–
Changes in fair value of agricultural produce harvested and sold	11	(57,307)	(60,236)	(53,564)	–	–	–
Allowance for inventory obsolescence	12	9,542	4,135	7,043	–	–	–
Inventories recognized as cost of sales	12	1,385,159	1,300,313	1,193,666	–	–	–
(Reversal of impairment) / impairment of trade and nontrade receivables	13	(181)	1,060	144	–	–	–
Depreciation of property, plant and equipment		154,439	146,480	139,950	–	–	–
Amortization of right-of-use assets	23	32,972	39,292	37,205	93	93	106
Short-term leases	23	12,882	13,710	29,676	–	–	–
Research and development expenses		10,237	9,970	10,157	–	–	–
Audit fees paid to:							
– EY Singapore		172	95	93	136	60	57
– SGV		1,438	1,297	1,216	251	450	326
– affiliates of auditors of the Company		50	43	298	–	–	–
– other auditor		6	6	6	–	–	–
Non-audit fees paid to:							
– SGV		160	–	–	111	–	–
– other auditors		80	80	39	2	2	2
(Gain) loss on disposal of property, plant and equipment		759	789	(1,333)	–	–	–
Legal expenses		3,646	2,318	2,257	3	8	6
Staff costs							
Wages and salaries		310,871	308,951	263,113	5,538	5,174	4,901
Social security costs		22,128	20,039	19,146	22	44	22
Pension costs – defined benefit pension plan*		10,401	10,426	10,511	107	145	97
Pension costs – provident fund		5,313	4,757	5,093	4	4	3
Equity-settled share-based payment transactions**		–	(1,753)	–	–	–	–

* Included the effect of post-retirement medical plan amendment and enhanced early retirement program.
** Net of non-controlling interests amounting to US$0.2 million for 2022.

Other expenses not included above are advertising and marketing costs, freight, warehousing costs and others.

26. NET FINANCE EXPENSE

		Group			Company		
	Note	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Finance income							
Realized foreign exchange gain		12,839	1,858	6,481	169	–	–
Unrealized foreign exchange gain		542	2,572	506	–	134	5
Interest income from:							
– Bank deposits		88	43	65	1	1	1
– Due from a subsidiary		–	–	–	–	–	833
– Others		824	728	482	7	10	12
Gain on purchase of second lien term loan	18	–	–	–	–	–	–
		14,293	5,201	7,534	177	145	851
Finance expense							
Interest expenses on bank loans		(125,526)	(91,197)	(97,338)	(30,741)	(12,225)	(12,459)
Redemption cost on Senior Secured Notes		(44,530)	–	–	–	–	–
Write-off of deferred financing cost		(26,341)	–	–	–	–	–
Amortization of debt issue cost, discount	18	(6,156)	(12,258)	(11,481)	(1,488)	(980)	(647)
Leases	23	(5,443)	(6,345)	(7,435)	–	(3)	–
Interest rate swap settlement		744	–	5,210	–	–	–
Realized foreign exchange loss		(4,101)	(2,186)	(2,571)	–	(23)	(10)
Unrealized foreign exchange loss		(4,508)	(721)	(495)	(108)	(7)	(18)
		(215,861)	(112,707)	(114,110)	(32,337)	(13,238)	(13,134)
Net finance expense		(201,568)	(107,506)	(106,576)	(32,160)	(13,093)	(12,283)

27. TAX EXPENSE – NET

	Note	Group Year ended 30 April 2023 US$'000	 Year ended 30 April 2022 US$'000	 Year ended 30 April 2021 US$'000
Current tax expense				
– Current year		26,759	20,605	33,059
Deferred tax credit				
– Origination and reversal of temporary differences	9	(9,592)	18,695	(5,786)
		17,167	39,300	27,273
Reconciliation of effective tax rate				
Profit before taxation		42,544	154,830	103,743
Taxation on profit at applicable tax rates		6,201	31,048	17,829
Final tax on dividend		6,586	9,477	7,658
Non-deductible expenses		4,822	2,389	299
Non-taxable income		(12)	(6)	(8)
Change in unrecognized deferred tax asset		(1,410)	(4,356)	(3,346)
Change in tax rate		1,174	1,005	–
Effect of CREATE Act		–	–	4,611
Others		(194)	(257)	230
		17,167	39,300	27,273

	Group Year ended 30 April 2023 US$'000	 Year ended 30 April 2022 US$'000	 Year ended 30 April 2021 US$'000
Applicable tax rates			
– Philippines (non-PEZA)	25.0%	25.0%	25.0%
– Philippines (PEZA)*	5.0%	5.0%	5.0%
– India	31.0%	31.2%	31.2%
– Singapore	17.0%	17.0%	17.0%
– United States of America	25.0%	25.0%	24.5%
– Mexico	30.0%	30.0%	30.0%

* based on gross profit for the year

DMPI's production operations in Cagayan de Oro City, Philippines are undertaken in the Philippine Packing Agricultural Export Processing Zone ("PPAEPZ"). This zone was established in accordance with the regulations of the Philippine Economic Zone Authority ("PEZA"). DMPI enjoys several fiscal and non-fiscal incentives including a 5% tax on gross profit in lieu of the statutory 25% (2022: 25% and 2021: 25%) on profit before tax, duty free importation of capital equipment, raw materials and supplies used in pursuit of its Ecozone-registered activities, among other incentives. DMPI received PEZA approval for a second zone, the Bukidnon Agro-Resources Export Zone ("BAREZ"), for agri-development projects. The current tax incentive expired in fiscal year 2018 and was extended for an additional three years ending fiscal year 2021. On 21 December 2021, PEZA issued a Certificate of Board Resolution approving the retention of DMPI's status as an Export Ecozone Enterprise (EEE) beyond 31 December 2021. The incentives may be availed of for as long as DMPI complies with the PEZA's requirements which include exporting 70% of its production and these incentives are not rationalized by law.

27. TAX EXPENSE – NET (CONT'D)

On 7 May 2021, PEZA issued LOA No. 21-EOD-LS/F/EE-1006 that provides for extension of the DMPI's Ecozone Export Enterprise status until the Implementing Rules and Regulation of CREATE Act is issued. The status of DMPI as a PEZA registered export enterprise is expected to be retained being part of the Investment Priority Plan and for meeting the conditions set forth by PEZA to allow a company to continue availing of the incentives despite exceeding local sales.

On 17 August 2021, PEZA issued LOA No. 21-EOD-LS/FP/EE-1916 to renew DMPI's authority to sell to the domestic market a portion of its production of its registered products produced at the PPAEPZ / BAREZ. Said LOA expired December 31, 2021. On 24 January 2022, LOA No. 22-EOD-LS/FP/EE-0166 was issued to cover the period 1 January 2022 to 31 July 2022.

On June 8, 2022, PEZA issued LOA No. 22-EOD-LS/FP/EE-2251 to renew DMPI's authority to sell to the domestic market a portion of its production of its registered products produced at the PPAEPZ / BAREZ for the period August 1, 2022 to July 31, 2023.

On June 29, 2023, PEZA issued LOA No. 22-ERD/AA/EEEE-2485, the application to include the additional facility at the Quezon Agro-Industrial Zone (QAIZ) to engage in the "production of packed fresh pineapples in carton boxes with or without crown" was approved

Corporate Recovery and Tax Incentive for Enterprise ("CREATE") Act

On 26 March 2021, President Rodrigo Duterte signed into law the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. RA No. 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It took effect 15 days after its complete publication in a newspaper of general circulation on 11 April 2021.

The following were the key changes to the Philippine tax law pursuant to the CREATE Act which has an impact on DMPI:

(i) Effective 1 July 2020, Regular Corporate Income Tax ("RCIT") rate was decreased from 30% to 20% for corporations with total assets (excluding the value of land on which the particular business entity's office, plant and equipment are situated during the taxable year) of Php100 million (US$2.1 million) or below and taxable income of Php5 million (US$1.0 million) and below. All other corporations not meeting the criteria are subject to lower RCIT rate of 25% from 30%;

(ii) Effective 1 July 2020 and for a period of 3 years, Minimum Corporate Income Tax ("MCIT") rate was lowered from 2% to 1% of gross income; and

(iii) Improperly accumulated earnings tax of 10% was repealed.

The RCIT and MCIT applied in the preparation of the Group's financial statements as of and for the fiscal year ended 30 April 2021 are based on the enacted tax rate of 30% RCIT for the months covered before the effectivity of CREATE, and 25% or 20% RCIT, as the case may be, for the months covered under CREATE. In the computation of current income tax, income and expenses were deemed to have been earned and spent equally for each month of the fiscal period. The effective RCIT rate for the DMPI for the year ended 30 April 2021 is 25.83%.

27. TAX EXPENSE – NET (CONT'D)

Company

There is no tax expense for the Company as the income of the Company is exempt from all income taxes in the British Virgin Islands except for ROHQ in the Philippines which has a preferential tax rate of 10%.

Sources of estimation uncertainty

Measurement of income tax

The Group has exposure to income taxes in several foreign jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

28. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

Cumulative undeclared preference dividends amounted to US$0.4 million as of 30 April 2022. There was no cumulative undeclared preference dividends as of 30 April 2023 as all preference shares were already redeemed.

	Group		
	Year ended 30 April 2023 US$'000	**Year ended 30 April 2022 US$'000**	**Year ended 30 April 2021 US$'000**
Profit attributable to owners of the Company	16,949	100,031	63,256
Cumulative preference share dividends for the year	(4,063)	(18,903)	(19,750)
	12,886	81,128	43,506
Weighted average number of ordinary shares ('000):			
Outstanding ordinary shares at 1 May, representing weighted average number of ordinary shares during the year	1,943,960	1,943,960	1,943,960
Basic earnings per share (in US cents)	0.66	4.17	2.24

28. EARNINGS PER SHARE (CONT'D)

Diluted earnings (loss) per share

For the purpose of calculation of the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from Del Monte Pacific RSP, with the potential ordinary shares weighted for the period outstanding.

	Group		
	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Profit attributable to owners of the Company	16,949	100,031	63,256
Cumulative preference share dividends for the year	(4,063)	(18,903)	(19,750)
	12,886	81,128	43,506
Diluted weighted average number of shares ('000):			
Weighted average number of ordinary shares at end of year (basic)	1,943,960	1,943,960	1,943,960
Potential ordinary shares issuable under share awards	–	–	–
Weighted average number of ordinary shares issued (diluted)	1,943,960	1,943,960	1,943,960
Diluted earnings per share (in US cents)	0.66	4.17	2.24

29. OPERATING SEGMENTS

The Group has two operating segments: geographical and product. In identifying these operating segments, management generally considers geographical as its primary operating segment.

Geographical segments

Americas

Reported under the Americas segment are sales and profit on sales in USA, Canada and Mexico. Majority of this segment's sales are principally sold under the Del Monte brand but also includes products under the Contadina, S&W, College Inn and other brands. This segment also includes sales of private label food products. Sales in the Americas are distributed across the United States, in all channels serving retail markets, as well as to the US military, certain export markets, the foodservice industry and other food processors.

Asia Pacific

Reported under Asia Pacific are sales and profit on sales in the Philippines, comprising of Del Monte branded packaged products, including Del Monte traded goods, and Today's brand; S&W products in Asia and the Middle East both fresh and packaged; and Del Monte packaged products from the Philippines into Indian subcontinent as well as unbranded fresh and packaged goods.

Europe

Included in this segment are sales of S&W co-branded, buyer's own label and unbranded products in Europe.

29. OPERATING SEGMENTS (CONT'D)

Product segments

Packaged fruit and vegetable

The packaged fruit and vegetable segment includes sales and profit of processed fruit and vegetable products under the Del Monte, S&W and Today's brands, as well as buyer's labels, that are packaged in different formats such as can, plastic cup, pouch and aseptic bag. Key products under this segment are canned beans, peaches and corn sold in the United States and canned pineapple and tropical mixed fruit in Asia Pacific.

Beverage

Beverage includes sales and profit of 100% pineapple juice in can, juice drinks in various flavors in can, tetra and PET packaging, and pineapple juice concentrate.

Culinary

Culinary includes sales and profit of packaged tomato-based products such as ketchup, tomato sauce, pasta sauce, recipe sauce, pizza sauce, pasta, broth and condiments under four brands, namely Del Monte, S&W, College Inn and Contadina.

Fresh fruit and others

Fresh fruit and others include sales and profit of S&W branded fresh pineapples in Asia Pacific and buyer's label or non-branded fresh pineapples in Asia, and sales and profit of cattle in the Philippines. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals. This also include non-branded sales to South America as well as various product innovations such as Mr. Milk, a new fruit yoghurt milk drink introduced in July 2020.

The Group allocated certain overhead and corporate costs to the various product segments based on sales for each segment relative to the entire Group.

Segment assets

Segment assets consist primarily of property, plant and equipment, intangible assets, trade and other receivables, biological assets, inventories and investments in joint ventures.

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29. OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Americas			Asia Pacific			Europe			Total		
	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Revenue												
Packaged/processed fruit and vegetable	1,344,522	1,342,835	1,190,191	125,970	139,935	137,384	31,796	24,753	27,885	1,502,288	1,507,523	1,355,460
Beverage	66,804	35,772	18,498	141,012	141,630	150,026	15,492	10,171	10,326	223,308	187,573	178,850
Culinary	322,870	282,946	286,000	145,008	147,496	155,651	223	199	373	468,101	430,641	442,024
Fresh fruit and others	5,996	6,038	2,262	221,620	210,311	184,113	–	–	–	227,616	216,349	186,375
Total	**1,740,192**	**1,667,591**	**1,496,951**	**633,610**	**639,372**	**627,174**	**47,511**	**35,123**	**38,584**	**2,421,313**	**2,342,086**	**2,162,709**
Gross profit	413,381	404,029	340,856	182,358	207,067	205,007	11,254	11,561	10,100	606,993	622,657	555,963
Share in net loss of joint ventures	–	–	–	(1,486)	(4,954)	(1,531)	–	–	–	(1,486)	(4,954)	(1,531)
Depreciation and amortization	52,459	57,794	69,055	141,919	134,628	114,750	–	–	–	194,378	192,422	183,805
Capital expenditure	55,433	32,122	25,112	182,489	170,537	138,862	–	–	–	237,922	202,659	163,974

29. OPERATING SEGMENTS (CONT'D)

Major customer

Revenues from a major customer of the Americas segment for fiscal year 2023 amounted to approximately US$609.2 million or 25% (2022: US$561.4 million or 24%, 2021: 475.4 million or 22%) of the Group's total revenue. The customer accounted for approximately 14% of trade and other receivable as at 30 April 2023 and 2022.

30. SEASONALITY OF OPERATIONS

The Group's business is subject to seasonal fluctuations as a result of increased demand during the end of year festive season. For Americas, products are sold heavily during the Thanksgiving and Christmas seasons. As such, the Group's sales are usually highest during the five months from August to December.

The Group operates 11 production facilities in the USA, Mexico, and the Philippines as at 30 April 2023 and 30 April 2022. Fruit plants are located in California and Washington in the U.S. and in the Philippines. Most of its vegetable plants are located in the U.S. Midwest and its tomato plant is located in California.

The US Consumer Food Business has a seasonal production cycle that generally runs between the months of June and October. This seasonal production primarily relates to the majority of processed fruit, vegetable and tomato products, while some of its processed fruit and tomato products and its College Inn broth products are produced throughout the year. Additionally, the Consumer Food Business has contracts to co-pack certain processed fruit and vegetable products for other companies.

31. SHARE OPTION AND INCENTIVE PLANS

The Company adopted the Del Monte Pacific Executive Share Option Plan 2016 ("ESOP 2016"), which was approved by the shareholders at the general meeting held on 30 August 2016. The purpose of the ESOP 2016 is to provide an opportunity for Group executives and directors to participate in the equity of the Company in order to motivate them to excel in their performance. The ESOP 2016 shall be valid for a period of ten years; however, it has yet to be implemented, and no options had been granted to-date.

The ESOP 2016 is administered by the Remuneration Share Option Committee (RSOC).

Del Monte Foods Holding Equity Compensation Plan

During the second quarter of fiscal year 2016, DMFHI established a new plan, the 2015 Executive Long-Term Incentive Plan ("LTIP"), which intends to provide key executives with the opportunity to receive grants of stock options, cash-based awards and other stock-based awards. 9,000,000 shares of common stock of DMFHI were reserved for grant under the plan. In fiscal year 2016, DMFHI granted nonqualified stock options and cash incentive awards under the plan.

In September 2016, the authorized shares reserved for grant under the plan was increased from 9,000,000 to 15,000,000. As of 30 April 2021, 14,776,500 share were available for future grant. The plan was retired in fiscal year 2022.

31. SHARE OPTION AND INCENTIVE PLANS (CONT'D)

Del Monte Foods Holding Equity Compensation Plan (cont'd)

The fair value for stock options granted was estimated at the date of grant using a Black-Scholes option pricing model. This model estimates the fair value of the options based on a number of assumptions, such as expected option life, interest rates, the current fair market value and expected volatility of common stock and expected dividends. The expected term of options granted was based on the "simplified" method. Expected stock price volatility was determined based on the historical volatilities of comparable companies over a historical period that matches the expected life of the options. The risk-free interest rate was based on the expected U.S. Treasury rate over the expected life. The dividend yield was based on the expectation that no dividends will be paid. The following table presents the weighted-average assumptions for performance-based stock options granted for the periods indicated:

	3 November 2015
Expected life (in years)	5.5
Expected volatility	38.49%
Risk-free interest rate	1.64%

Stock option activity and related information during the periods indicated was as follows:

	2023		**2022**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at beginning of year	–	–	223,500	5
Cancelled	–	–	(223,500)	5
Outstanding at end of year	–	–	–	–
Exercisable at end of year	–	–	–	–

There was no expense recognized in the consolidated income statement for equity-settled share based compensation for fiscal year 2023 and 2022.

The remaining 223,500 options were cancelled in fiscal year 2022 through a "buy-out" as a means of retiring the plan. Each holder was offered $1 per share with a total cost of US$216 million.

Cash incentives

On 16 December 2019, DMFHI granted a total cash incentive of US$2.6 million to key executives under cash incentive award agreements. The grants require performance criteria to be achieved. The awards will vest in two equal annual parts over a period of approximately two years when the employee remains employed on each vesting date.

The accrued net obligation as of 30 April 2023 is US$4.0 million (2022: US$5.1 million). Total expense recognized under "Wages, salaries and other benefits" in the consolidated income statement of the Group amounted to US$0.3 million, US$5.0 million and US$3.5 million in fiscal years 2023, 2022 and 2021, respectively.

31. SHARE OPTION AND INCENTIVE PLANS (CONT'D)

Long Term Incentive Plan

Overview

Effective as of 4 October 2021, DMPI had established the DMPI Long Term Incentive Plan of 2021 (DMPI LTIP) for the purpose of providing designated employees of DMPI with the opportunity to receive grants of nonqualified stock options.

Participation

Participation in the DMPI LTIP is limited to employees of DMPI and its subsidiaries (including any officer who is also an employee), who will be qualified and approved by the DMPI RSOC from the list of potential participants identified by Management as critical to the delivery of DMPI's Long Range Plan.

Administration

The DMPI RSOC administers and interprets the DMPI LTIP. The DMPI RSOC has full power and express discretionary authority to administer and interpret the Plan, to make factual determinations and to adopt or amend such rules, regulations, agreements and instruments for implementing the DMPI LTIP in its sole discretion. The DMPI RSOC may amend or terminate the LTIP at any time; provided, however, that the RSOC cannot amend the DMPI LTIP without the approval of the shareholders of DMPI if such approval is required in order to comply with applicable laws or securities exchange requirements.

Principal Terms of the Plan

Grants under the DMPI LTIP consist of stock options and are subject to the terms and conditions of the plan as well as those specified as to the participants in the applicable grant agreements. Subject to certain adjustments, the maximum aggregate number of DMPI shares that may be issued pursuant to such stock options is up to 2% of DMPI's total issued and outstanding common shares.

The DMPI RSOC determines the number of shares pursuant to each stock option and the recipient of each grant. Each stock option has a term of five years; 50% shall become vested on the third year from the grant date while the remaining 50% shall become vested on the fifth year from the grant date. Each stock option will vest in accordance with such vesting schedule if the recipient continues to be employed by DMPI from the date of grant until the applicable vesting date. Any unvested stock option shall be forfeited upon the participant's separation of service and may be made available for re-issuance to another participant. However, vested stock options will remain exercisable by a separated participant for 90 days from separation from DMPI or in case of death or disability, vested stock options shall be exercisable by the participant's legal heirs or legal representatives within one year from such occurrence.

Recipients of grants of stock options are not required to pay any amount upon application or acceptance of the grant. The exercise price of stock options shall not be less than the fair market value of a share on the date of grant. Once a stock option is exercised, the voting, dividend, transfer and other rights attached to the shares are the same as with other shares of DMPI common stock, provided the shares remain outstanding.

Upon vesting of a stock option, a recipient of a grant will have the right to require DMPI to repurchase all or any portion of the vested portion of a stock option at the applicable fair market value of a share, less the exercise price.

32. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from financial instruments:

- credit risk
- interest rate risk
- liquidity risk
- foreign exchange risk
- commodity price risk

Risk management framework

The Board of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee ("ARC") is responsible for monitoring the Group's risk management policies developed by management.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The ARC oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

Financial risk management objectives and policies

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Board of the Group continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and Company do not hold any collateral in respect of their financial assets.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and countries in which customers are located, as these factors may have an influence on credit risk.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (cont'd)

The ARC has approved a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes credit ratings, where available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount. Customers failing to meet the Group's benchmark credit worthiness may transact with the Group only on a prepayment or Letters of Credit basis.

Exposure to credit risk

At the reporting date, the maximum exposure to credit risk for financial assets, excluding cash on hand, by geographic region was:

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Americas	154,486	118,366
Europe	10,418	15,192
Asia Pacific	99,238	111,703
	264,142	245,261

At 30 April 2023, the Group's most significant customer accounted for 14% of the trade and other receivables carrying amount (2022: 14%).

Impairment losses

The aging of financial assets excluding cash on hand that were not impaired at the reporting date was:

	30 April 2023 US$'000	**30 April 2022 US$'000**
Group		
Not past due	177,466	168,854
Past due 0 – 60 days	39,012	44,814
Past due 61 – 90 days	7,128	6,255
Past due 91 – 120 days	6,203	3,060
More than 120 days	34,333	22,278
	264,142	245,261

As at 30 April 2023 and 2022, the Company's financial assets are all not past due.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

The table below shows the credit quality of the Group's financial assets based on their historical experience with the corresponding third parties:

	2023				
	General approach			Simplified	
	Stage 1 US$'000	Stage 2 US$'000	Stage 3 US$'000	Approach US$'000	Total US$'000
Cash in banks and cash equivalents	19,752	–	–	–	19,752
Trade and other receivables*	2,631	–	–	240,681	243,312
Short-term placements	18	–	–	–	18
Refundable deposits**	1,838	–	–	–	1,838
	24,239	–	–	240,681	264,920
ECL Allowance	–	–	–	(9,645)	(9,645)
	24,239	–	–	231,036	255,275

* includes noncurrent portion of receivables from sale and leaseback and lease receivables
** included under advance rentals and deposits

	2022				
	General approach			Simplified	
	Stage 1 US$'000	Stage 2 US$'000	Stage 3 US$'000	Approach US$'000	Total US$'000
Cash in banks and cash equivalents	21,786	–	–	–	21,786
Trade and other receivables*	2,818	–	–	224,914	227,732
Short-term placements	1,288	–	–	–	1,288
Note receivables	–	1,000	–	–	1,000
Refundable deposits**	2,136	–	–	–	2,136
	28,028	1,000	–	224,914	253,942
ECL Allowance	–	–	–	(10,167)	(10,167)
	28,028	1,000	–	214,747	243,775

* includes noncurrent portion of receivables from sale and leaseback and lease receivables
** included under advance rentals and deposits

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

As at 30 April 2023 and 2022, the Company's financial assets were all classified under Stage 1.

	2023				
	General Approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cash in banks and cash equivalents	554	–	–	–	554
Trade and other receivables	26,406	–	–	–	26,406
Short-term placements	–	–	–	–	–
	26,960	–	–	–	26,960

	2022				
	General Approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cash in banks and cash equivalents	2,129	–	–	–	2,129
Trade and other receivables	84,832	–	–	–	84,832
Short-term placements	883	–	–	–	883
	87,844	–	–	–	87,844

Stage 1 financial assets pertain to those cash that are deposited in reputable banks. Stage 2 includes receivables that are collected on their due dates even without an effort from the Group to follow up with them.

The Group sells its products through major distributors and buyers in various geographical regions. Management has a credit risk policy which includes, among others, the requirement of certain securities to ensure prompt observance and performance of the obligations of its distributors and other buyers from time to time. The Group monitors its outstanding trade receivables on an on-going basis. In addition, the Group also engages in sale of its trade receivables without recourse to certain financial institutions.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

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 US'000s	**<30 days US'000s**	**30-60 days US'000s**	**61-120 days US'000s**	**Over 120 days US'000s**	**Total US'000s**
Trade receivables	119,651	35,579	3,404	4,875	31,826	195,335
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	16.74%	–
Expected credit loss	–	–	–	–	5,328	5,328

		2022 Days past due				
	Current US'000s	**<30 days US'000s**	**30-60 days US'000s**	**61-120 days US'000s**	**Over 120 days US'000s**	**Total US'000s**
Trade receivables	121,770	23,290	7,137	4,214	33,428	189,839
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	17.50%	–
Expected credit loss	–	–	–	–	5,850	5,850

The Group assessed that all balances under Stage 1 and Stage 2 have not experienced significant increase in credit risk as of 30 April 2023 and 2022.

The Group applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables. The Group uses a provision matrix to measure ECLs. Loss rates are based on actual credit loss experience over a period of three years. The Group has assessed that adjusting the loss rates for forward-looking information does not have a material effect considering the significantly low historical loss rates and the absence of economic factors that are highly correlated with the Group's credit loss experience on receivables.

For other financial assets such 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 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 a significant increase in credit risk 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).

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Cash in banks and cash equivalents

Cash in banks and cash equivalents are held with banks and financial institutions which are regulated.

The percentages of cash in banks and cash equivalents held in the following regions are:

	30 April 2023 %	30 April 2022 %
Group		
United States of America	35	11
Philippines	50	57
Hong Kong	14	32
Singapore	1	<1
Company		
Philippines	82	97
Hong Kong	7	1
Singapore	11	1

Apart from the information stated above, the Group and Company have no significant concentration of credit risk with any single counterparty or group counterparties.

Derivatives

The derivatives are entered into with banks and financial institutions which are regulated.

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 the market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short-term debt obligations with floating interest rates.

The Group's cash balances are placed with reputable global banks and financial institutions. The Group manages its interest rate risks by placing the cash balances with varying maturities and interest rate terms. This includes investing the Group's temporary excess liquidity in short-term low-risk securities from time to time. The Group also enters into interest rate swaps to manage the volatility. The Group obtains financing through bank borrowings and leasing arrangements. Funding is obtained from bank loan facilities for both short-term and long-term requirements. The Group's policy is to obtain the most favorable interest rate available without increasing its foreign currency exposure.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Interest rate risk (cont'd)

Interest rate profile of interest-bearing financial instruments

The interest rate profile of the interest-bearing financial instruments as reported to management of the Group is as follows:

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Fixed rate instruments				
Loans and borrowings	292,040	788,372	148,758	163,464
Variable rate instruments				
Loans and borrowings	1,981,314	778,994	418,099	441,694
Interest rate caps	5,084	7,896	–	–
	1,986,398	786,890	418,099	441,694
	2,278,438	1,575,262	566,857	605,158

Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had moved as illustrated in the table below, with all other variables held constant, profit/loss before tax in the next 12 months would have been affected as follows:

	Profit before tax in the next 12 months	
	100 bp increase US$'000	100 bp decrease US$'000
Group		
30 April 2023		
Variable rate instruments	(18,569)	18,569
Interest rate caps	7,208	(7,208)
	(11,361)	11,361
30 April 2022		
Variable rate instruments	(5,124)	5,124
Interest rate caps	5,750	(5,750)
	626	(626)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing significantly higher volatility than in prior years.

As at 30 April 2023 and 2022, the Group designated each of its derivative contracts as a hedge of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge").

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks. Currently, the Group excluding DMFI is entitled to a total of US$1,639.9 million (2022: US$1,040.5 million) in credit lines, of which 17% (2022: 29%) remain available. The lines are mostly for short-term financing requirements since the long-term facilities have been fully drawn. The Group constantly maintains good relations with its banks, such that additional facilities, whether for short or long-term requirements, may be made available.

The Group is able to increase the commitments under the ABL Facility, subject only to the consent of the new or existing lenders providing such increases, such that the aggregate principal amount of commitments does not exceed US$625.0 million. The lenders under this facility are under no obligation to provide any such additional commitments, and any increase in commitments will be subject to customary conditions precedent. Notwithstanding any such increase in the facility size, the Group's ability to borrow under the facility will remain limited at all times by the borrowing base (to the extent the borrowing base is less than the commitments).

The following are the expected contractual undiscounted cash outflows of financial assets and liabilities, including interest payments and excluding the impact of netting agreements:

	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
Group						
30 April 2023						
Derivative financial assets						
Interest rate swap	19	7,806	7,806	1,617	6,189	–
Foreign currency contracts	19	1,061	1,061	1,061	–	–
Non-derivative financial assets						
Cash in banks and cash equivalents	15	19,752	19,752	19,752	–	–
Trade and other receivables*	10,13	233,667	235,178	231,036	976	3,166
Short-term placements	14	18	18	18	–	–
Refundable deposits**	10	1,838	1,838	–	–	1,838
		264,142	265,653	253,484	7,165	5,004

* includes noncurrent portion of receivables from sale and leaseback and non-current portion of lease receivables
** included under advance rentals and deposits

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
Group						
30 April 2023						
Derivative financial liabilities						
Interest rate swap	19	2,722	2,722	–	2,722	–
Commodity contracts	19	3,928	3,928	3,553	375	–
Non-derivative financial liabilities						
Unsecured bank loans						
– Current	18	633,873	651,106	651,106	–	–
– Noncurrent	18	212,652	235,321	11,643	223,678	–
Secured bank loans						
– Current	18	645,003	655,382	655,382	–	–
– Noncurrent	18	781,825	810,253	6,041	116,978	687,234
Lease liabilities	23	100,096	168,381	36,508	80,787	51,086
Trade payables and other current liabilities*	22	296,126	296,126	296,126	–	–
		2,676,225	2,823,219	1,660,359	424,540	738,320
Net financial liabilities (assets)		2,412,083	2,557,566	1,406,875	417,375	733,316

* excludes derivative liabilities, advances from customers, deferred revenue, withheld from employees (taxes and social security cost) and VAT payables

	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
Group						
30 April 2022						
Derivative financial assets						
Foreign currency forward contracts	19	1,486	1,486	1,486	–	–
Non-derivative financial assets						
Cash in banks and cash equivalents	15	21,786	21,786	21,786	–	–
Trade and other receivables*	10, 13	217,565	219,579	214,553	1,192	3,834
Short-term placements	14	1,288	1,288	1,288	–	–
Note receivables	10	1,000	1,000	–	1,000	–
Refundable deposits**	10	2,136	2,136	–	–	2,136
		245,261	247,275	239,113	2,192	5,970

* includes noncurrent portion of receivables from sale and leaseback and non-current portion of lease receivables
** included under advance rentals and deposits

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
Group						
30 April 2022						
Derivative financial liabilities						
Foreign exchange contracts	19	7,896	7,896	7,896	–	–
Non-derivative financial liabilities						
Unsecured bank loans						
– Current	18	327,794	330,353	330,353	–	–
– Noncurrent	18	384,524	418,599	13,656	404,943	–
Secured bank loans						
– Current	18	151,560	155,960	155,960	–	–
– Noncurrent	18	703,488	955,694	67,828	887,866	–
Lease liabilities	23	121,320	180,515	42,203	80,009	58,303
Trade payables and other current liabilities*	22	298,906	298,906	298,906	–	–
		1,987,592	2,340,027	908,906	1,372,818	58,303
Net financial liabilities (assets)		1,750,227	2,100,648	677,689	1,370,626	52,333

* excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
Company						
30 April 2023						
Non-derivative financial assets						
Cash and cash equivalents	15	554	554	554	–	–
Trade and other receivables	13	26,406	26,406	26,406	–	–
		26,960	26,960	26,960	–	–
Non-derivative financial liabilities						
Unsecured bank loans						
– Short-term	18	156,794	160,223	160,223	–	–
– Long-term	18	177,531	196,273	9,873	186,400	–
Secured bank loans						
– Short-term	18	168,104	173,838	173,838	–	–
– Long-term	18	64,428	74,574	5,287	69,287	–
Trade payables and other current liabilities*	22	116,093	116,093	116,093	–	–
		682,950	721,001	465,314	255,687	–
Net financial liabilities (assets)		655,990	694,041	438,354	255,687	–

* excludes withheld from employees (taxes and social security cost) and VAT payables

	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2022						
Non-derivative financial assets						
Trade and other receivables	13	84,832	84,832	84,832	–	–
Short-term placements	14	883	883	883	–	–
Cash and cash equivalents	15	2,129	2,129	2,129	–	–
		87,844	87,844	87,844	–	–
Non-derivative financial liabilities						
Unsecured bank loans						
– Short-term	18	160,071	162,357	162,357	–	–
– Long-term	18	233,290	256,304	8,377	247,927	–
Secured bank loans						
– Short-term	18	10,500	9,960	9,960	–	–
– Long-term	18	201,297	216,224	7,254	208,970	–
Trade payables and other current liabilities*	22	39,992	39,992	39,992	–	–
		645,150	684,837	227,940	456,897	–
Net financial liabilities (assets)		557,306	596,993	140,096	456,897	–

* excludes withheld from employees (taxes and social security cost) and VAT payables

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

The Group's bank loans contain loan covenants, a default of which would require the Group to repay the loans earlier than indicated in the above table. The covenants are constantly monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance.

For derivative financial liabilities, the disclosure shows net cash from amounts for derivatives that are net cash settled.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Foreign exchange risk

Foreign exchange 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 currency giving rise to this risk is primarily the Philippine Peso and Mexican Peso.

From time to time, the Group manages its exposure to fluctuations in foreign currency exchange rates by entering into forward contracts to cover a portion of its projected expenditures paid in foreign currency. The Group accounts for these contracts as cash flow hedges.

At the reporting date, the Group's exposure to foreign currencies is as follows:

	Philippine Peso US$'000	**Mexican Peso US$'000**
30 April 2023		
Trade and other receivables	41,972	4,813
Cash and cash equivalents	16,282	310
Other noncurrent assets	19,891	1,383
Loans and borrowings	(143,701)	–
Trade and other payables	(119,528)	(27,855)
	(185,084)	(21,349)
30 April 2022		
Trade and other receivables	68,940	2,904
Cash and cash equivalents	12,979	797
Other noncurrent assets	28,599	2,366
Loans and borrowings	(223,093)	–
Trade and other payables	(90,901)	(12,450)
	(203,476)	(6,383)

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Foreign exchange risk (cont'd)

The Company has no significant exposure to foreign currencies as at 30 April 2023 and 2022.

Sensitivity analysis

A 10% strengthening of the group entities' foreign currencies against their respective functional currency at the reporting date would have increased (decreased) loss/profit before taxation and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% weakening of the group entities' foreign currencies against their respective functional currency would have the equal but opposite effect on the amounts shown below, on the basis that all other variables remain constant.

	US Dollar		Mexican Peso	
	Increase (decrease) Profit Before Taxation US$'000	Equity US$'000	Increase (decrease) Profit before taxation US$'000	Equity US$'000
30 April 2023				
10% strengthening	(18,508)	–	(2,135)	–
10% weakening	18,508	–	2,135	–
30 April 2022				
10% strengthening	20,348	–	(638)	–
10% weakening	(20,348)	–	638	–

Commodity price risk

Certain commodities such as diesel fuel and natural gas (collectively, "commodity contracts") are used in the production and transportation of the Group's products. Generally, these commodities are purchased based upon market prices that are established with the vendors as part of the procurement process. The Group uses futures, swaps, and swaption or option contracts, as deemed appropriate, to reduce the effect of price fluctuations on anticipated purchases. These contracts may have a term of up to 24 months. The Group accounts for these commodity derivatives as cash flow hedges. The effective portion of derivative gains and losses is deferred in equity and recognized as part of cost of products sold in the appropriate period and the ineffective portion is recognized as cost of products sold.

In these hedge relationships, the main sources of ineffectiveness are the effect of the differences in timing of cash flows of the hedged item and the hedging instrument, difference in indexes linked to the hedged risk of the hedged item and the hedging instrument, the counterparties' credit risk differently impacting the fair value movements of the hedging instruments and changes to the forecasted amount of cash flows of hedged item and hedging instrument.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Commodity price risk (cont'd)

Sensitivity analysis

A 10% change in commodity prices at the reporting date would have increased/(decreased) profit/loss before tax and increased (decreased) equity by the amounts shown below.

	30 April 2023		30 April 2022	
	Profit before taxation US$'000	Equity US$'000	Profit before taxation US$'000	Equity US$'000
10% increase in commodity price	–	53	–	538
10% decrease in commodity price	–	(53)	–	(538)

33. ACCOUNTING CLASSIFICATION AND FAIR VALUES

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Financial assets at amortized cost US$'000	Financial assets at FVOCI US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Group							
30 April 2023							
Cash and cash equivalents	15	19,836	–	–	–	19,836	19,836
Trade and other receivables*	10,13	233,667	–	–	–	233,667	233,667
Short-term placements	14	18	–	–	–	18	18
Refundable deposits**	10	1,838	–	–	–	1,838	1,838
Investment in unquoted equity	10	–	5,023	–	–	5,023	5,023
Derivative assets	14	–	–	8,867	–	8,867	8,867
		255,359	5,023	8,867	–	269,249	269,249
Loans and borrowings	18	–	–	–	2,273,353	2,273,353	2,356,065
Trade and other payables***	22	–	–	–	296,126	296,126	296,126
Derivative liabilities	19, 22	–	–	6,650	–	6,650	6,650
		–	–	6,650	2,569,479	2,576,129	2,658,841

* includes noncurrent portion of receivables from sale and leaseback and noncurrent portion of lease receivables
** included under advance rentals and deposits
*** excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables

33. ACCOUNTING CLASSIFICATION AND FAIR VALUES (CONT'D)

Fair values versus carrying amounts (cont'd)

	Note	Financial assets at amortized cost US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Group						
30 April 2022						
Cash and cash equivalents	15	21,853	–	–	21,853	21,853
Trade and other receivables*	10, 13	217,565	–	–	217,565	217,565
Short-term placements	14	1,288			1,288	1,288
Note receivables	10	1,000	–	–	1,000	1,000
Refundable deposits**	10	2,136	–	–	2,136	2,136
Derivative assets	14	–	1,486	–	1,486	1,486
		243,842	1,486	–	245,328	245,328
Loans and borrowings	18	–	–	1,567,366	1,567,366	1,642,995
Trade and other payables***	22	–	–	298,906	298,906	298,906
Derivative liabilities	19, 22	–	7,896	–	7,896	7,896
		–	7,896	1,866,272	1,874,168	1,949,797

* includes noncurrent portion of receivables from sale and leaseback and noncurrent portion of lease receivables
** included under advance rentals and deposits
*** excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables

	Note	Financial assets at amortized cost US$'000	Financial assets at FVOCI US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Company						
30 April 2023						
Trade and other receivables	13	26,406	–	–	26,406	26,406
Cash and cash equivalents	15	554	–	–	554	554
Investment in unquoted equity	10	–	5,023	–	5,023	5,023
		26,960	5,023	–	31,983	31,983
Loans and borrowings	18	–	–	566,857	566,857	566,857
Trade and other payables*	22	–	–	116,093	116,093	116,093
		–	–	682,950	682,950	682,950

* excludes withheld from employees (taxes and social security cost)

33. ACCOUNTING CLASSIFICATION AND FAIR VALUES (CONT'D)

Fair values versus carrying amounts (cont'd)

	Note	Financial assets at amortized cost US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Company					
30 April 2022					
Trade and other receivables	13	84,832	–	84,832	84,832
Short-term placements	14	1,288	–	1,288	1,288
Cash and cash equivalents	15	2,129	–	2,129	2,129
		88,249	–	88,249	88,249
Loans and borrowings	18	–	605,158	605,158	605,158
Trade and other payables*	22	–	39,992	39,992	39,992
		–	645,150	645,150	645,150

* excludes withheld from employees (taxes and social security cost)

34. DETERMINATION OF FAIR VALUES

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing the categorisation at the end of each reporting period.

For purposes of the fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

34. DETERMINATION OF FAIR VALUES (CONT'D)

Fair value hierarchy (cont'd)

	Note	Level 1	30 April 2023 Level 2	Level 3	Total
Group					
Financial assets					
Derivative assets	14, 19	–	8,867	–	8,867
Investment in unquoted equity	10	–	5,023	–	5,023
Non-financial assets					
Fair value of agricultural produce harvested under inventories	11	–	–	4,496	4,496
Fair value of growing produce	11	–	–	44,852	44,852
Freehold land	5	–	–	74,462	74,462
Financial liabilities					
Derivative liabilities	19	–	3,097	–	3,097
Lease liabilities	23	–	–	100,096	100,096
Loans and borrowings	18	–	1,621,836	734,229	2,356,065

	Note	Level 1	30 April 2022 Level 2	Level 3	Total
Financial assets					
Derivative assets	10, 14, 19	–	1,486	–	1,486
Non-financial assets					
Fair value of agricultural produce harvested under inventories	11	–	–	3,375	3,375
Fair value of growing produce	11	–	–	47,346	47,346
Freehold land	5	–	–	53,342	53,342
Financial liabilities					
Derivative liabilities	19	–	7,896	–	7,896
Lease liabilities	23	–	–	121,320	121,320
Loans and borrowings	18	–	858,253	784,742	1,642,995

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Other than the unquoted equity investment at fair value through other comprehensive income (level 2). The unquoted equity investment is valued based on recent placement of the equity instruments to other third-party investors. The Company has no other assets and liabilities measured at fair value as of 30 April 2023 and 2022.

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

34. DETERMINATION OF FAIR VALUES (CONT'D)

Financial instruments measured at fair value

Type	Valuation technique
Interest rate swaps/caps	Market comparison technique: The fair values are calculated using a discounted cash flow analysis based on terms of the swap contracts and the observable interest rate curve. Fair values reflect the risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.
Commodities contracts	Market comparison technique. The commodities are traded over-the-counter and are valued based on the Chicago Board of Trade quoted prices for similar instruments in active markets or corroborated by observable market data available from the Energy Information Administration. The values of these contracts are based on the daily settlement prices published by the exchanges on which the contracts are traded.
Call option	The estimated fair value of the additional call option as at 30 April 2023 is based on the Black-Scholes model. The value of these derivative liabilities is driven primarily by DMPI's forecasted net income which is not based on observable market data.
Investment in unquoted equity	The estimated fair value of the investment unquoted equity shares as at 30 April 2023 is based on recent open-market transactions of the equity shares.

Financial instruments not measured at fair value

Type	Valuation technique
Financial assets and liabilities	The fair value of the Term Loan B, note receivable and refundable deposits are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date (Level 2).
Other financial assets and liabilities	The notional amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are, because of the short period to maturity, assumed to approximate their fair values. All financial assets and liabilities with maturity of more than one year are discounted using risk-free rates, LIBOR and credit spreads to determine their fair values ranging from 2.9% to 7.6% (2022: 3.0% to 6.5%) (Level 3).

34. DETERMINATION OF FAIR VALUES (CONT'D)

Other non-financial assets

Assets	Valuation technique	Significant unobservable inputs
Freehold land	The fair value of freehold land is determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued. The valuation method used is sales comparison approach. This is a comparative approach that consider the sales of similar or substitute properties and related market data and establish a value estimate by involving comparison (Level 3).	The unobservable inputs used to determine market value are the net selling prices, sizes, property location and market values. Other factors considered to determine market value are the desirability, neighborhood, utility, terrain, and the time element involved. The market value per square meter ranges from US$109.1 to US$122.5. The market value per acre ranges from US$5,251 to US$104,585.
Livestock (cattle for slaughter and cut meat)	Sales Comparison Approach: the valuation model is based on selling price of livestock of similar age, weight, breed and genetic make-up (Level 3).	The unobservable inputs are age, average weight and breed.
Harvested crops – sold as fresh fruit	The fair values of harvested crops are based on the most reliable estimate of selling prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the fresh fruit reduced by costs to sell (Level 3).	The unobservable input is the estimated pineapple selling price per ton specific for fresh products.
Harvested crops – used in processed products	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the processed product reduced by costs to sell (concentrates, pineapple beverages, sliced pineapples, etc.) and adjusted for margin associated to further processing (Level 3).	The unobservable input is the estimated pineapple selling price and gross margin per ton specific for processed products.

34. DETERMINATION OF FAIR VALUES (CONT'D)

Other non-financial assets (cont'd)

Assets	Valuation technique	Significant unobservable inputs
Unharvested crops – fruits growing on the bearer plants	The growing produce are measured at fair value from the time of maturity of the bearer plant until harvest. Management used future selling prices and gross margin of finished goods, adjusted to remove the margin associated to further processing, less future growing costs applied to the estimated volume of harvest as the basis of fair value.	The unobservable inputs are expected selling price and gross margin for harvested produce while key assumptions for the fair value of produce prior to harvest include expected selling prices, gross margin, estimated tonnage of harvests and future growing costs. The unobservable inputs are estimated pineapple selling price and gross margin per ton for fresh and processed products, estimated volume of harvest and future growing costs.

Significant increase (decrease) in the significant unobservable inputs of freehold land, livestock, harvested crops sold as fresh fruit and harvested crop sold used in processed products would result in higher (lower) fair values. Significant increase (decrease) in the estimated future pineapple selling price, gross margin per ton and estimated volume of harvest would result in higher (lower) fair value of growing produce, while significant increase (decrease) in the future growing costs would result in lower (higher) fair value.

35. COMMITMENTS

Purchase commitments

The Group has entered into non-cancellable agreements with growers, co-packers, packaging suppliers and other service providers with commitments generally ranging from one year to ten years, to purchase certain quantities of raw products, including fruit, vegetables, tomatoes, packaging services and ingredients.

At the reporting date, the Group have commitments for future minimum payments under non-cancellable agreements as follows:

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Within one year	414,042	512,267
After one year but within five years	308,337	307,077
After five years	325,056	308,712
	1,047,435	1,128,056

Future capital expenditure

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Capital expenditure not provided for in the financial Statements		
– approved by Directors and contracted for	33,769	20,356
– approved by Directors but not contracted for	29,625	23,523
	63,394	43,879

36. CONTINGENCIES

Legal cases

The Group is the subject of, or a party to, various suits and pending or threatened litigation. While it is not feasible to predict or determine the ultimate outcome of these matters, the Group believes that none of these legal proceedings will have a material adverse effect on its financial position.

Source of estimation uncertainty

The Group, in the ordinary course of business, sets up appropriate provisions for its present legal or constructive obligations, if any, in accordance with its policies on provisions. In recognizing and measuring provisions, management takes risk and uncertainties into account.

As at 30 April 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.

The Group, in consultation with its external and internal legal and tax counsels, believe that its position on these assessments are 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 30 April 2023, management has assessed that the probable cash outflow to settle these assessments is not material.

As of 30 April 2023, provision for retained liabilities arising from workers' compensation claims amounted to US$14.8 million, US$13.3 million of which is noncurrent (2022: US$17.8 million, US$14.6 million of which is noncurrent) (see Note 19).

37. RELATED PARTIES

Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

All publicly-listed entities, including the Company, have 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.

Other than those disclosed elsewhere in the financial statements, there are no other significant transactions with related parties.

37. RELATED PARTIES (CONT'D)

Related party transactions (cont'd)

Group

Category/Transaction	Year	Amount of the transaction US$'000	Outstanding Balance: Due from Related Parties* US$'000	Outstanding Balance: Due to Related Parties** US$'000	Terms	Conditions
Under Common Control						
• Shared IT services	**2023**	**98**	**60**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	112	41	–		
	2021	185	308	–		
• Sale of raw materials	**2023**	**–**	**–**	**(4)**	Due and demandable; non-interest bearing	Unsecured;
	2022	48	–	(68)		
	2021	–	–	–		
• Sale of apple juice concentrate /materials	**2023**	**15**	**8**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	12	–	–		
	2021	28	5	–		
• Purchases	**2023**	**119**	**5**	**(21)**	Due and demandable; non-interest bearing	Unsecured
	2022	122	5	(11)		
	2021	64	12	(3)		
• Tollpack fees	**2023**	**–**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured
	2022	12	58	–		
	2021	–	21	–		
• Security deposit	**2023**	**25**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured
	2022	7	–	–		
	2021	9	–	–		

37. RELATED PARTIES (CONT'D)

Related party transactions (cont'd)

Group			Outstanding balance			
Category/Transaction	Year	Amount of the transaction US$'000	Due from Related Parties* US$'000	Due to Related Parties** US$'000	Terms	Conditions
Other Related Parties						
• Management fees from DMPI retirement fund	**2023**	**4**	**–**	**2**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	53	7	2		
	2021	69	5	(3)		
• Rental to DMPI Retirement	**2023**	**1,851**	**–**	**(174)**	Due and demandable; non-interest bearing	Unsecured
	2022	1,837	–	(362)		
	2021	1,747	–	(7)		
• Rental to NAI Retirement	**2023**	**629**	**–**	**(57)**	Due and demandable; non-interest bearing	Unsecured
	2022	652	–	(121)		
	2021	602	–	–		
• Rental to DMPI Provident Fund	**2023**	**6**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured
	2022	7	–	–		
	2021	–	–	–		
• Cash advances NAI	**2023**	**–**	**–**	**–**	Short-term; Non interest bearing	Unsecured; no impairment
	2022	1,261	1,261	–		
	2021	703	–	–		
	2023	**2,747**	**73**	**(254)**		
	2022	4,123	1,372	(560)		
	2021	3,407	351	(13)		

* included as part of trade and other receivables excluding long-term loans receivable
** included as part of trade and other payables

37. RELATED PARTIES (CONT'D)

Related party transactions (cont'd)

Company			Outstanding balance			
Category/Transaction	Year	Amount of the transaction US$'000	Due from Related Parties* US$'000	Due to Related Parties** US$'000	Terms	Conditions
Subsidiaries						
• Dividend income	**2023**	**88,503**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	33,519	–	–		
	2021	242,721	–	–		
• Long-term loans receivable	**2023**	**–**	**–**	**–**	Due on 2021; Interest-bearing	Unsecured; no impairment
	2022	–	–	–		
	2021	–	–	–		
• Reimburse-ment of expenses	**2023**	**(136,439)**	**26,400**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	7,317	84,229	–		
	2021	15,512	82,274	–		
• Cash advance	**2023**	**(76,517)**	**–**	**106,796**	Due and demandable; non-interest bearing	Unsecured
	2022	5,277	–	30,278		
	2021	24,090	–	35,555		
• Management fees payable to subsidiaries	**2023**	**565**	**–**	**1,093**	Due and demandable; non-interest bearing	Unsecured
	2022	577	–	528		
	2021	463	–	29		
Joint Venture						
• Cash advance	**2023**	**185**	**4,377**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	595	2,835	–		
	2021	840	2,788	–		
	2023	**(123,703)**	**30,777**	**107,889**		
	2022	47,285	87,064	30,806		
	2021	283,626	85,062	35,584		

* included as part of trade and other receivables excluding long-term loans receivable and advances to joint venture
** included as part of trade and other payables

37. RELATED PARTIES (CONT'D)

Related party transactions (cont'd)

The transactions with related parties are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies and are carried out based on terms agreed between the parties. Pricing for the sales of products are market driven, less certain allowances. For purchases, the Group's policy is to solicit competitive quotations. Purchases are normally awarded based on the best products and/or services on the best terms. In determining whether the price and terms offered by vendors, including related parties, are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account.

Except for transactions identified in the previous section as interest-bearing, outstanding balances at financial reporting date are unsecured, interest-free and settlement occurs in cash and are collectible or payable on demand. For the years ended 30 April 2023 and 2022, the Group has not made any provision for doubtful accounts relating to amounts owed by related parties.

As discussed in Note 18, the Company extended a loan to DMFHII that was used to finance DMFHII's purchase of DMFI's Second Lien term loans. The loan was converted into ordinary shares in DMPLFL in May 2020.

Key management personnel compensation

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Directors of the Company and key executive officers (excluding executive directors) are considered as key management personnel of the Group.

The key management personnel compensation is as follows:

	Group			Company		
	Year ended 30 April 2023 US$'000	**Year ended 30 April 2022 US$'000**	**Year ended 30 April 2021 US$'000**	**Year ended 30 April 2023 US$'000**	**Year ended 30 April 2022 US$'000**	**Year ended 30 April 2021 US$'000**
Directors:						
Fees and remuneration	7,576	5,930	5,416	6,673	5,007	4,546
Key executive officers (excluding Directors):						
Short-term employee benefits	5,056	4,625	3,616	4,168	3,525	2,604
Post-employment benefits	28	27	22	–	–	–

38. NON-CONTROLLING INTEREST IN SUBSIDIARIES

The following table summarises the information relating to the Group's subsidiaries with shareholder/s with material non-controlling interests, based on their respective financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in Group's accounting policies.

	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2021 US$'000
DMPLFL			
Ownership interests held by non-controlling interests	6.43%	6.43%	6.43%
Revenue	1,733,102	1,654,913	1,483,057
Profit	(2.942)	45,818	16,117
Other comprehensive income	6,777	5,031	41,578
Total comprehensive income			
Attributable to non-controlling interests:			
– Profit	(189)	2,946	1,036
– Other comprehensive income	436	323	2,673
Total comprehensive income	247	3,269	3,709
Noncurrent assets	1,202,400	1,119,963	1,144,894
Current assets	1,135,911	727,810	574,108
Noncurrent liabilities	(838,835)	(678,406)	(701,766)
Current liabilities	(682,635)	(356,362)	(258,576)
Net assets	816,841	813,005	758,660
Net assets attributable to non-controlling interests	52,518	52,271	48,777
Cash flows provided by operating activities	(217,687)	54,848	112,817
Cash flows provided by (used in) provided by investing activities	(127,133)	(31,998)	(24,101)
Cash flows used in financing activities, before dividends to non- controlling interests	349,267	(24,471)	(91,939)
Currency realignment	43	(149)	(15)
Net increase (decrease) increase in cash and cash equivalents	4,490	(1,770)	(3,238)

On 15 May 2020, the Company increased its effective stake in DMPLFL after converting its long-term receivable from DMFHL into equity investment (see Note 6).

38. NON-CONTROLLING INTEREST IN SUBSIDIARIES (CONT'D)

	30 April 2023 US$'000	30 April 2022 US$'000
DMPI		
Ownership interests held by non-controlling Interests	13%	13%
Revenue	739,026	728,435
Profit	66,455	97,482
Other comprehensive income	8,441	1,833
Total comprehensive income		
Attributable to non-controlling interests:		
– Profit	8,639	12,673
– Other comprehensive income	1,097	238
Total comprehensive income	9,736	12,911
Noncurrent assets	492,792	462,811
Current assets	462,949	330,667
Noncurrent liabilities	(94,274)	(230,099)
Current liabilities	(628,283)	(308,345)
Net assets	233,184	255,034
Net assets attributable to non-controlling interests	30,314	33,154
Cash flows provided by operating activities	41,112	181,701
Cash flows used in investing activities	(183,556)	(175,855)
Cash flows provided by used in financing activities, before dividends to non-controlling interests	137,502	(7,090)
Currency realignment	45	131
Net decrease in cash and cash equivalents	(4,897)	(1,113)

In relation to the sale of 13% stake in DMPI, the Group recognized non-controlling interest amounting to US$26.4 million, representing 13% of the net asset value of DMPI as at 30 April 2021 (see Note 6).

On 16 December 2020, additional 1% stake was sold to SEA Diner. The increase in ownership interest of SEA Diner in DMPI resulted to an increase in equity reserve amounting to US$9.3 million (see Note 6).

39. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

The changes in liabilities arising from financing activities of the Group for the year ended 30 April 2023, 2022 and 2021 are as follows:

	Note	1 May 2022 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Foreign exchange movement US$'000	Reclassification and Others US$'000	30 April 2023 US$'000
Group								
Fiscal Year 2023								
Current interest-bearing loans and borrowings	18	479,354	3,991,953	(3,531,073)	–	(11,069)	349,711	1,278,876
Noncurrent interest-bearing loans and borrowings	18	1,088,012	755,000	(501,500)	–	(8,729)	(338,306)	994,477
Lease liabilities	23	121,320	–	(42,691)	6,615	(3,134)	17,986	100,096
Accrued interest payable	22	34,122	–	(144,006)	120,361	(36)	–	10,441
Derivative liabilities	19, 22	7,896	–	–	–	–	(1,246)	6,650
Total liabilities from financing activities		1,730,704	4,746,953	(4,219,270)	126,976	(22,968)	28,145	2,390,540

	Note	1 May 2021 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Foreign exchange movement US$'000	Reclassification and others US$'000	30 April 2022 US$'000
Fiscal Year 2022								
Current interest-bearing loans and borrowings	18	332,453	2,683,113	(2,547,034)	–	(13,081)	23,903	479,354
Noncurrent interest-bearing loans and borrowings	18	953,290	165,000	–	–	(15,717)	(14,561)	1,088,012
Lease liabilities	23	128,803	–	(38,870)	7,534	(4,061)	27,914	121,320
Accrued interest payable	22	30,843	–	(89,359)	92,690	(52)	–	34,122
Derivative liabilities	19, 22	–	–	–	–	–	7,896	7,896
Total liabilities from financing activities		1,445,389	2,848,113	(2,675,263)	100,224	(32,911)	45,152	1,730,704

	Note	1 May 2020 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Foreign exchange movement US$'000	Reclassification and others US$'000	30 April 2021 US$'000
Fiscal Year 2021								
Current interest-bearing loans and borrowings	18	1,298,292	3,447,918	(4,357,916)	–	15,857	(71,698)	332,453
Noncurrent interest-bearing loans and borrowings	18	97,737	851,263	(22,737)	–	–	27,027	953,290
Lease liabilities	23	158,525	–	(43,376)	8,412	2,508	2,734	128,803
Accrued interest payable	22	9,045	–	(71,195)	93,056	20	(83)	30,843
Derivative liabilities	19, 22	5,916	–	(6,154)	–	–	238	–
Total liabilities from financing activities		1,569,515	4,299,181	(4,501,378)	101,468	18,385	(41,782)	1,445,389

39. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION (CONT'D)

	Note	1 May 2022 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Reclassification and others US$'000	30 April 2023 US$'000
Company							
Fiscal Year 2023							
Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	170,571	98,500	(168,071)	–	223,898	324,898
Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	434,587	30,000	–	–	(222,628)	241,959
Accrued interest payable	22	3,434	–	(28,932)	28,726	–	3,228
Total liabilities from financing activities		608,592	128,500	(197,003)	28,726	1,270	570,085

	Note	1 May 2021 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Reclassification and others US$'000	30 April 2022 US$'000
Fiscal Year 2022							
Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	69,810	168,000	(89,810)	–	22,571	170,571
Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	293,561	165,000	–	–	(23,974)	434,587
Accrued interest payable	22	2,341	–	(11,004)	12,097	–	3,434
Total liabilities from financing activities		365,712	333,000	(100,814)	12,097	(1,403)	608,592

	Note	1 May 2020 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Reclassification and others US$'000	30 April 2021 US$'000
Fiscal Year 2021							
Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	291,282	2,865	(158,911)	–	(65,426)	69,810
Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	75,000	154,435	–	–	64,126	293,561
Accrued interest payable	22	1,568	–	(11,686)	12,459	–	2,341
Total liabilities from financing activities		367,850	157,300	(170,597)	12,459	(1,300)	365,712

Reclassification and others include the effect of reclassification of noncurrent portion of interest-bearing loans and borrowings to current due to the passage of time, deferred financing costs, and fair value adjustments of hedge contracts. This also include additions and terminations of lease liabilities.

40. SUBSEQUENT EVENTS

On 11 May 2023, the Company refinanced its US$100 million facility with BPI that was due to mature on 15 May 2023 for an additional period of 18 months up to 15 November 2024.

On 25 May 2023, the Company obtained a loan amounting to US$50.0 million from Union Bank of the Philippines, with an interest rate equal to 7.69155% per annum. The loan matures on 25 May 2024. The proceeds were used by the Company to settle a portion of its payable to DMPI. DMPI used the collection to repay a portion of its short-term loans.

STATISTICS OF ORDINARY SHAREHOLDERS
AS AT 7 JULY 2023

ORDINARY SHARES

Authorized Share Capital	:	US$30,000,000
Issued and Fully Paid-up Capital (including Treasury Shares)	:	US$19,449,358
Issued and Fully Paid-up Capital (excluding Treasury Shares)	:	US$19,163,646
Number of Shares Issued (including Treasury Shares)	:	1,944,935,826
Number of Shares Issued (excluding Treasury Shares)	:	1,943,960,024
Number of Treasury Shares held	:	975,802
Number of Subsidiary Holdings held	:	Nil
Class of Shares	:	Ordinary shares of US$0.01 each, with each ordinary shares entitled to one vote

Percentage of the aggregate number of Treasury Shares and Subsidiary Holdings held against the total number of issued ordinary shares: 0.05%

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	59	0.80	2,162	0.00
100 – 1,000	172	2.33	93,819	0.00
1,001 – 10,000	5,389	72.97	14,695,345	0.76
10,001 – 1,000,000	1,721	23.30	119,231,862	6.13
1,000,001 and above	44	0.60	1,809,936,836	93.11
Total	**7,385**	**100.00**	**1,943,960,024**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	NUTRIASIA PACIFIC LIMITED	1,196,539,958	61.55
2	HSBC (SINGAPORE) NOMINEES PTE LTD	193,566,772	9.96
3	LEE PINEAPPLE COMPANY PTE LTD	106,854,000	5.50
4	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	54,393,432	2.80
5	RAFFLES NOMINEES (PTE.) LIMITED	51,439,365	2.65
6	DBS NOMINEES (PRIVATE) LIMITED	24,732,943	1.27
7	CITIBANK NOMINEES SINGAPORE PTE LTD	19,403,959	1.00
8	WEE POH CHAN PHYLLIS	16,640,100	0.86
9	GOVERNMENT SERVICE INSURANCE SYSTEM	15,957,937	0.82
10	MAYBANK SECURITIES PTE. LTD.	11,041,595	0.57
11	BDO SECURITIES CORPORATION	10,128,982	0.52
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	9,016,280	0.46
13	COL FINANCIAL GROUP, INC.	8,406,865	0.43
14	JOSELITO JR DEE CAMPOS	7,621,466	0.39
15	PHILLIP SECURITIES PTE LTD	6,190,604	0.32
16	ABN AMRO CLEARING BANK N.V.	6,083,900	0.31
17	BANCO DE ORO - TRUST BANKING GROUP	4,845,876	0.25
18	TIGER BROKERS (SINGAPORE) PTE. LTD.	4,677,500	0.24
19	UOB KAY HIAN PRIVATE LIMITED	4,384,520	0.23
20	G.D. TAN & COMPANY, INC.	4,373,975	0.23
	TOTAL	**1,756,300,029**	**90.36**

SUBSTANTIAL ORDINARY SHAREHOLDERS

AS RECORDED IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 7 JULY 2023

	Direct Interest		Deemed Interest		Total Interest	
Name of Shareholders	Number of Shares	%[(1)]	Number of Shares	%[(1)]	Number of Shares	%[(1)]
Bluebell Group Holdings Limited	189,736,540[(2)]	9.76	–	–	189,736,540	9.76
Golden Sunflower International Limited	–	–	189,736,540[(2)]	9.76	189,736,540	9.76
Mr. Joselito D. Campos, Jr.	7,621,466	0.39	1,386,276,498[(2)(3)]	71.31	1,393,897,964	71.70
NutriAsia Pacific Limited	1,196,539,958	61.55	–	–	1,196,539,958	61.55
NutriAsia, Inc.	–	–	1,196,539,958[(4)]	61.55	1,196,539,958	61.55
NutriAsia Holdings Limited	–	–	1,196,539,958[(5)]	61.55	1,196,539,958	61.55
Golden Chamber Investment Limited	–	–	1,196,539,958[(5)]	61.55	1,196,539,958	61.55
Star Orchid Limited	–	–	1,196,539,958[(5)]	61.55	1,196,539,958	61.55
Well Grounded Limited	–	–	1,196,539,958[(5)]	61.55	1,196,539,958	61.55
HSBC Trustee (Hong Kong) Limited	–	–	1,386,276,498[(6)]	71.31	1,386,276,498	71.31
HSBC International Trustee Limited	–	–	1,386,276,498[(6)]	71.31	1,386,276,498	71.31
HSBC International Trustee (Holdings) Pte. Limited	–	–	1,386,276,498[(6)]	71.31	1,386,276,498	71.31
The Hongkong and Shanghai Banking Corporation Limited	–	–	1,386,276,498[(6)]	71.31	1,386,276,498	71.31
HSBC Asia Holdings Limited	–	–	1,386,276,498[(6)]	71.31	1,386,276,498	71.31
HSBC Holdings plc	–	–	1,386,276,498[(6)]	71.31	1,386,276,498	71.31
Lee Pineapple Company (Pte.) Limited	106,854,000	5.50	–	–	106,854,000	5.50
Lee Foundation	–	–	106,854,000[(7)]	5.50	106,854,000	5.50

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HAND

Based on the information provided, to the best knowledge of the Directors and Substantial Shareholders of the Company, approximately 22.3% of the Company's Shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notes:

(1) The percentage of issued capital is calculated based on 1,943,960,024 Shares (being 1,944,935,826 Shares excluding 975,802 Treasury Shares) and there are no subsidiary holdings.

(2) Bluebell Group Holdings Limited ("**BGHL**") is wholly owned by Golden Sunflower International Limited ("**GSIL**"). GSIL is therefore deemed interested in the Shares of the Company held by BGHL.

GSIL is wholly owned by the Twin Palms Pacific Trust ("**TPP Trust**"), of which HSBC Trustee (Hong Kong) Limited ("**HKL**") is the trustee. The beneficiaries of the TPP Trust are Mr. Joselito D. Campos, Jr. ("**JDC**") and his children. JDC is therefore deemed interested in the Shares held by BGHL. The 189,736,540 Shares are held in nominee by HSBC (Singapore) Nominees Pte. Ltd.

(3) NutriAsia Pacific Limited ("**NPL**") is a substantial and controlling shareholder of the Company, holding 1,196,539,958 Shares in the Company. JDC and his family have beneficial interests in NPL (through Golden Chamber Investment Limited ("**GCIL**") and Star Orchid Ltd. ("**SOL**") which hold trusts in which they are beneficiaries). JDC is therefore deemed interested in the Shares held by NPL.

(4) NutriAsia, Inc. ("**NI**") owns 57.8% of NutriAsia Holdings Limited ("**NHL**"), which in turn owns 100% of NPL. NI is therefore deemed to be interested in the Shares held by NPL.

(5) NPL is wholly owned by NHL. NHL is therefore deemed interested in the Shares held by NPL.

NHL is in turn majority owned by NI (57.8%) and partly owned by Well Grounded Limited ("**WGL**") (42.2%). NI and WGL are therefore deemed interested in the Shares held by NPL.

NI is in turn majority owned by GCIL (65.4%) and WGL is in turn wholly owned by SOL. GCIL and SOL are therefore deemed interested in the Shares held by NPL.

(6) GCIL and GSIL are owned by the TPP Trust and SOL is wholly owned by The Star Orchid Trust, for which HKL acts as trustee for both trusts. HKL is therefore deemed interested in the Shares held by NPL and BGHL. The beneficiaries of the Star Orchid Trust are beneficially owned by the Campos family.

HKL is wholly owned by HSBC International Trustee Limited. HSBC International Trustee Limited is therefore deemed interested in the Shares held by NPL and BGHL.

HSBC International Trustee Limited is wholly owned by HSBC International Trustee (Holdings) Pte. Limited. HSBC International Trustee (Holdings) Pte. Limited is therefore deemed interested in the Shares held by NPL and BGHL.

HSBC International Trustee (Holdings) Pte. Limited is wholly owned by The Hongkong and Shanghai Banking Corporation Limited. The Hongkong and Shanghai Banking Corporation Limited is therefore deemed interested in the Shares held by NPL and BGHL.

The Hongkong and Shanghai Banking Corporation Limited is wholly owned by HSBC Asia Holdings Limited. HSBC Asia Holdings Limited is therefore deemed interested in the Shares held by NPL and BGHL.

HSBC Asia Holdings Limited is wholly owned by HSBC Holdings plc. HSBC Holdings plc is therefore deemed interested in the Shares held by NPL and BGHL.

(7) Lee Foundation, by virtue of its not less than 20% interest in Lee Pineapple Company (Pte.) Limited, had a deemed interest in the Company's Shares in which Lee Pineapple Company (Pte.) Limited had a direct or deemed interest.

INTERESTED PERSON TRANSACTIONS

FOR THE YEAR ENDED 30 APRIL 2023

The aggregate value of IPT conducted pursuant to shareholders' mandate obtained in accordance with Chapter 9 of the Singapore Exchange's Listing Manual was as follows:

US$'000 **Name of Interested Person**	**Nature of Relationship**	**Aggregate value of all IPTs (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**		**Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**	
		FY2023	**FY2022**	**FY2023**	**FY2022**
NutriAsia, Inc.	Affiliate of the Company	–	–	233	355
NutriAsia Pacific Limited	Affiliate of the Company	–	–	–	1,261
DMPI Retirement Fund	Retirement Fund of Subsidiary's Employees	–	–	1,878	1,841
NutriAsia, Inc. Retirement Fund	Retirement Fund of Affiliate's Employees	–	–	636	659
Aggregate Value		**–**	**–**	**2,747**	**4,116**

PROFORMA GROUP FINANCIAL INFORMATION*

FOR THE YEAR ENDED 30 APRIL 2023

(Amounts in Singapore Dollars)

	Year ended 30 April 2023 S$'000	Year ended 30 April 2022 S$'000	Year ended 30 April 2021 S$'000
Revenue	3,317,199	3,161,816	2,941,284
Cost of sales	(2,485,618)	(2,321,229)	(2,185,175)
Gross Profit	**831,581**	**840,587**	**756,109**
Distribution and selling expenses	(314,103)	(299,427)	(272,567)
General and administrative expenses	(164,858)	(174,570)	(195,912)
Other income (expenses) – net	(16,151)	(5,748)	486
Results from operating activities	**336,469**	**360,842**	**288,116**
Finance income	19,581	7,021	10,246
Finance expenses	(295,730)	(152,154)	(155,190)
Net finance expense	(276,149)	(145,133)	(144,944)
Share in loss of investments in joint ventures, net of tax	(2,036)	(6,688)	(2,082)
Profit (loss) before taxation	**58,284**	**209,021**	**141,090**
Tax credit (expense) – net	(23,519)	(53,055)	(37,091)
Profit (loss) for the year	**34,765**	**155,966**	**103,999**
Profit attributable to:			
Non-controlling interests	11,546	20,924	17,971
Owners of the Company	23,220	135,042	86,028

* Basis of presentation of Proforma Group Financial Information
The audited financial statements of the Group are expressed in United States dollars (US$).
Given the Company's listing on the SGX-ST, for the convenience of certain readers, the above financial information for the years 2023, 2022 and 2021 are presented in Singapore dollars (S$) obtained by measurement of the S$ figures using the exchange rate of S$1.37, S$1.35 and S$1.36, respectively. Such translations should not be construed as a representation that the US$ amounts have been or could be converted into S$ at this or any other rates. In addition, the above financial information does not form part of the audited financial statements of the Group.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rolando C. Gapud
Executive Chairman

Mr. Joselito D. Campos, Jr.
Managing Director and CEO

Mr. Edgardo M. Cruz, Jr.
Executive Director

Mr. Benedict Kwek Gim Song
Lead Independent Director

Mr. Godfrey E. Scotchbrook
Independent Director

Dr. Emil Q. Javier
Independent Director

Mrs. Yvonne Goh
Independent Director

AUDIT AND RISK COMMITTEE

Mr. Benedict Kwek Gim Song
Chairman and Lead Independent Director

Mr. Godfrey E. Scotchbrook
Independent Director

Dr. Emil Q. Javier
Independent Director

Mrs. Yvonne Goh
Independent Director

NOMINATING AND GOVERNANCE COMMITTEE

Mrs. Yvonne Goh
Chairperson and Independent Director

Mr. Benedict Kwek Gim Song
Lead Independent Director

Mr. Godfrey E. Scotchbrook
Independent Director

Dr. Emil Q. Javier
Independent Director

Mr. Rolando C. Gapud
Board Executive Chairman

Mr. Edgardo M. Cruz, Jr.
Executive Director

REMUNERATION AND SHARE OPTION COMMITTEE

Mr. Godfrey E. Scotchbrook
Chairman and Independent Director

Mr. Benedict Kwek Gim Song
Lead Independent Director

Dr. Emil Q. Javier
Independent Director

Mrs. Yvonne Goh
Independent Director

EXECUTIVE OFFICERS

Mr. Joselito D. Campos, Jr.
Managing Director and Chief Executive Officer

Mr. Luis F. Alejandro
Chief Operating Officer

Mr. Ignacio C. O. Sison
Chief Corporate Officer

Mr. Parag Sachdeva
Chief Financial Officer

Mr. Antonio E. S. Ungson
Chief Legal Counsel, Chief Compliance Officer and Company Secretary

Mr. Ruiz G. Salazar
Chief Human Resource Officer

COMPANY SECRETARY

Mr. Antonio E. S. Ungson
10/F JY Campos Centre
9th Avenue corner 30th Street
Bonifacio Global City
Taguig City 1634
Philippines
Tel : +632 8856 2888
Fax: +632 8856 2628

AUDITORS

Ernst & Young LLP
One Raffles Quay
North Tower, Level 18
Singapore 048583
Partner in-charge: Philip Ling Soon Hwa
(Date of appointment: since financial year ended 30 April 2021)

SyCip Gorres Velayo & Co.*
(A member firm of Ernst & Young)
6760 Ayala Avenue
1226 Makati City
Philippines
Partner in-charge: Johnny F. Ang
(Date of appointment: since financial year ended 30 April 2022)
*SGV is the auditor for the Philippine SEC filings

BANKERS

Australia and New Zealand Banking Group Limited
BDO Unibank, Inc.
Bank of Commerce
Bank of the Philippine Islands
CTBC Bank (Philippines) Corporation
Coöperatieve Rabobank U.A.
DBS Bank, Ltd.
Development Bank of the Philippines
Goldman Sachs Bank USA
The Hongkong & Shanghai Banking Corporation
JPMorgan Chase & Co.
KEB Hana Bank
Metropolitan Bank and Trust Company
Mizuho Bank Ltd.
Philippine Bank of Communications
Philippine National Bank
Rizal Commercial Banking Corporation
Robinsons Bank Corporation
Security Bank Corporation
Standard Chartered Bank (Singapore) Limited
UBS AG Singapore
Union Bank of the Philippines
Wealth Development Bank Corporation

REGISTERED OFFICE

Craigmuir Chambers
PO Box 71 Road Town, Tortola
British Virgin Islands
Tel: +284 494 2233
Fax: +284 494 3547

SINGAPORE SHARE TRANSFER AGENT

Boardroom Corporate & Advisory Services Pte. Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632
Tel: +65 6536 5355
Fax: +65 6536 1360

PHILIPPINES SHARE TRANSFER AGENT

BDO Unibank, Inc.
Trust and Investments Group - Securities Services (Stock Transfer)
46th Floor BDO Corporate Center
Ortigas, East Tower
12 ADB Avenue, Mandaluyong City
Philippines
Tel: +632 8878 4961
Fax: +632 8878 4056

BVI REGISTRAR AND SHARE TRANSFER OFFICE

Nerine Trust Company (BVI) Limited
PO Box 905 Quastisky Building
Road Town, Tortola VG 1110
British Virgin Islands

LISTING & TRADING SYMBOLS

Listed on 2 August 1999 on the Singapore Exchange
Listed on 10 June 2013 on the Philippine Stock Exchange
Bloomberg: DELM SP and DELM PM
Reuters: DMPL.SI and DELM.PS

FOR FURTHER INQUIRIES, PLEASE CONTACT:

Investor Relations and Business Office
Ms. Jennifer Y. Luy
DMPL Management Services Pte. Ltd.
17 Bukit Pasoh Road
Singapore 089831
Tel: +65 6324 6822
Fax: +65 6221 9477
jluy@delmontepacific.com

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c/o 17 Bukit Pasoh Road, Singapore 089831
Tel +65 6324 6822 | Fax +65 6221 9477
Email: jluy@delmontepacific.com

www.delmontepacific.com

DEL MONTE PACIFIC LIMITED

SUSTAINING OUR FUTURE

SUSTAINABILITY REPORT FY2023

Corporate Profile

Dual listed on the Mainboards of the Singapore Exchange Securities Trading Limited and the Philippine Stock Exchange, Inc., Del Monte Pacific Limited (Bloomberg: DELM SP/ DELM PM), together with its subsidiaries (the "Group"), is a global branded food and beverage company that caters to today's consumer needs for premium quality, healthy products. The Group innovates, produces, markets and distributes its products worldwide.

The Group is proud of its heritage brands - *Del Monte, S&W, Contadina and College Inn* – some of which originated in the USA more than 100 years ago as premium quality packaged food products. The Group has exclusive rights to use the *Del Monte* trademarks for packaged products in the United States, South America, the Philippines, Indian subcontinent and Myanmar, while it owns *S&W* globally except for Australia and New Zealand. The Group owns the *Contadina* and *College Inn* trademarks in various countries.

DMPL's USA subsidiary, Del Monte Foods, Inc. (DMFI) (www.delmontefoods.com), owns other trademarks such as *Fruit Refreshers, Veggieful, Bubble Fruit, JOYBA, Kitchen Basics* and *Take Root Organics* while DMPL's Philippine subsidiary, Del Monte Philippines, Inc. (www.delmontephil.com), owns exclusive rights to trademarks such as *Del Monte, Today's, Fiesta, 202, Fit 'n Right, Heart Smart, Bone Smart* and *Quick 'n Easy* in the Philippines.

The Group sells packaged fruit, vegetable and tomato, sauces, condiments, pasta, broth, stock, juices and frozen pineapple, under various brands and also sells fresh pineapples under the S&W brand (www.swpremiumfood.com).

DMPL's USA subsidiary operates six plants in the USA and two in Mexico, while its Philippine subsidiary operates a fully-integrated pineapple operation with its 28,000-hectare pineapple plantation in Bukidnon, a frozen fruit processing facility and a Not From Concentrate juicing plant nearby, and a fruit processing facility that is about an hour away from the plantation. The Philippine subsidiary also operates a beverage bottling plant in Cabuyao, Laguna.

The Group owns approximately 96% of a holding company that owns 50% of Del Monte Foods Private Limited (www.delmontefoods.in) in India which markets Del Monte-branded packaged products in the Indian market. The Group's joint venture partner is the well-respected Bharti Enterprises, which is one of the largest conglomerates in India.

DMPL and its subsidiaries are not affiliated with the other Del Monte companies in the world, including Fresh Del Monte Produce Inc., Del Monte Canada, Del Monte Asia Pte. Ltd. and these companies' affiliates.

DMPL is 71%-owned by NutriAsia Pacific Ltd. and Bluebell Group Holdings Limited, which are beneficially-owned by the Campos family of the Philippines. A subsidiary of the NutriAsia Group is the market leader in the liquid condiments, specialty sauces and cooking oil market in the Philippines.

www.delmontepacific.com
www.delmontefoods.com
www.delmontephil.com
www.lifegetsbetter.ph
www.delmontefoods.in
www.delmonte.com
www.swpremiumfood.com
www.contadina.com
www.collegeinn.com
www.joyba.com
www.kitchenbasics.com
www.takerootorganics.com

For more information, please scan QR Code to access DMPL's website

Use of QR Codes:
This report includes a QR code at the start of every section. Scan the code for more information about the latter in our website.

Contents

SUSTAINING OUR FUTURE

Through five key sustainability goals and their respective sustainability pillars:

1. **Better Nutrition** (Nourishing Consumers)
2. **ESG Ethos** (Nurturing Employees and Developing Communities)
3. **Waste Reduction**
4. **Net Zero** (Preserving Nature)
5. **Responsible Sourcing** (Strengthening Governance and Sustaining Growth)

ABOUT THIS REPORT

This Sustainability Report of Del Monte Pacific Ltd. (DMPL) is for financial year 2023, covering the period 1 May 2022 to 30 April 2023. DMPL has been publishing its Sustainability Report since FY2018.

As prescribed by the Singapore Exchange (SGX), this Sustainability Report includes the following: material ESG factors, climate-related disclosures consistent with the Task Force on Climate-related Financial Disclosures (TCFD), ESG policies, practices and performance, ESG targets and metrics, sustainability reporting standards and framework, and board statement and associated governance structure for sustainability.

As a Company dual listed on the SGX and the Philippine Stock Exchange (PSE), DMPL also complies with the sustainability reporting requirements of the Securities and Exchange Commission (SEC) of the Philippines. The SEC requires listed companies to disclose their non-financial performance relating to their economic, environmental and social aspect.

Sustainability Reporting Structure for Philippine Publicly Listed Companies

OUR COMPANY is a Sustainable Business	We conduct our businesses in an **ETHICAL and RESPONSIBLE** manner	Corporate Governance
	We manage our **KEY IMPACTS**	Economic Environmental Social
	Our products and services create **VALUE TO SOCIETY**	Contribution to Sustainable Development

Source: SEC Memorandum Circular No. 4, Sustainability Reporting Guidelines for Publicly Listed Companies

DMPL prepared this report using the Global Reporting Initiative (GRI) 2021 standards and GRI 13 sector standard for Agriculture, Aquaculture and Fishing Sectors 2022, as cited in the GRI Content Index.

This report was also prepared with reference to the framework of the United Nations' Sustainable Development Goals (SDGs). DMPL aligned its six sustainability pillars with the SDGs, supporting the universal call to action to end poverty, promote prosperity and protect the planet. The Group also provided a summary of its contributions to the SDGs which are linked to the GRI. The 17 SDGs are represented by their icons in every relevant section of the report.

The Internal Audit teams of DMPL's subsidiaries, Del Monte Philippines, Inc. and Del Monte Foods, Inc., have internally verified this report in compliance with the Singapore Exchange mandate on internal assurance. The scope of the review included the compliance of information with SGX guidelines and Listing Rules, compliance with GRI sustainability reporting standards and frameworks, including TCFD, accuracy of data presented, and the flow of the narrative. In general, the sustainability report is accurate and complies with the latter. The report narrative also discusses DMPL's sustainability programs.

DMPL Group affirms its commitment to transparency and accountability and provides a progress report to stakeholders with respect to the Company's sustainability pillars and goals based on material priorities.

The Group plans to assess further how climate change affects the Company. With this objective, DMPI has engaged a consultant to conduct a climate scenario analysis to assess its risks and opportunities. DMPL will continue to mitigate the Group's climate-related risks and opportunities and update its plans accordingly.

This report excludes the Group's detailed financial performance which can be found in DMPL's FY2023 Annual Report. The report excludes the operations of Del Monte Foods Private Limited in India (formerly FieldFresh Foods Private Limited) which is a joint venture with the Bharti Enterprises. DMFPL's contribution to DMPL is not deemed material to the Group.

Should you have any feedback, please contact **rrodil@delmontepacific.com**. To access DMPL's Sustainability Report, please scan the QR Code or visit **https://www.delmontepacific.com/sustainability/sustainability-report**

Use of QR Codes:
This report includes a QR code at the start of every section. Scan the code for more information about the latter in our website.

WHO WE ARE

Our Vision

NOURISHING FAMILIES. ENRICHING LIVES. EVERY DAY.

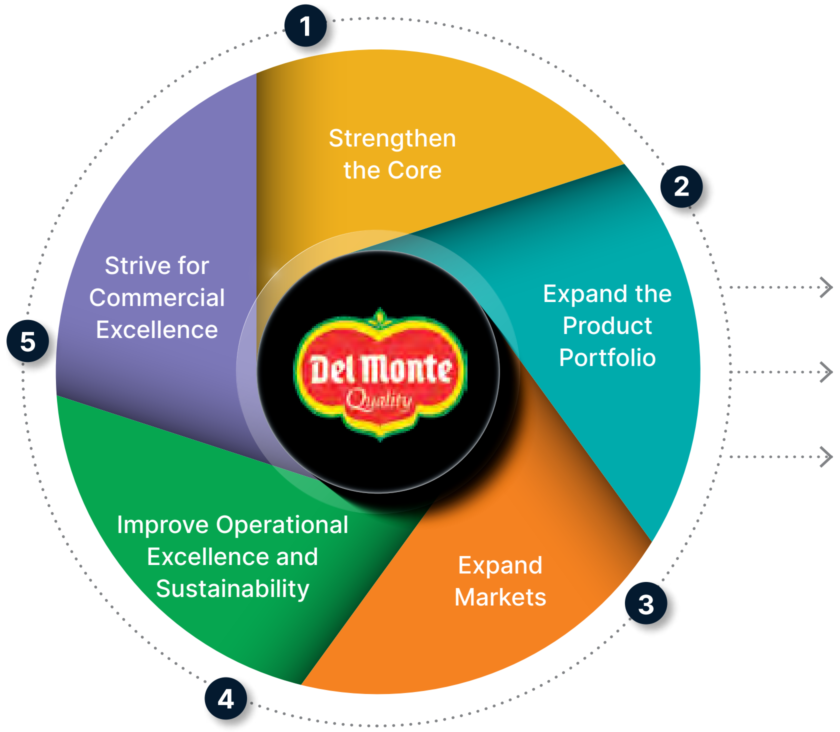
We nourish families by providing delicious food and beverages that make eating healthfully effortless – anytime and anywhere. We build brands with quality products that are perfectly wholesome and thoughtfully prepared.

Our Values

CHOICE VALUES

- **C** **Championing Together**
- **H** **Healthy Families**
- **O** **Ownership with Integrity**
- **I** **Innovation**
- **C** **Commitment to Society and Environment**
- **E** **Excellence in Everything We Do**

Our Strategy



Enablers

Build the Right Capabilities, Talent, Culture and Team to Deliver Against Vision

OUR SUSTAINABILITY PILLARS

Consumers	Employees	Communities	Nature	Governance	Growth
We nourish consumers with quality products that promote health, wellness and nutrition	We nurture employees by promoting diversity, equality, well-being and development	We develop communities through employment, livelihood, health care, education and nutrition	We preserve nature through environmentally-friendly agricultural and manufacturing practices	We strengthen governance through principles of transparency, integrity, and accountability	We generate growth based on the triple bottom line — people, planet and profit — that will sustain our future
→ Plant-based products → Healthy and nutritious products	→ 40% women leaders in senior management → 11,000 full-time and seasonal employees	→ 32k medical and dental consultations → 200k people nourished during the year	→ Pineapple operations certified as carbon negative → 665k trees planted to date	→ Majority of 4 Independent Directors → 2022 Best Managed Board (Silver), Singapore Corporate Award	→ Market leader with iconic brands → Essential food industry to address consumer needs

LETTER TO OUR STAKEHOLDERS

Mr. Rolando C. Gapud
Executive Chairman

Mr. Joselito D. Campos, Jr.
Managing Director and CEO

Dear Stakeholders,

Sustainability is core to the vision of Del Monte Pacific (DMPL) as a food company, "***Nourishing Families. Enriching Lives. Every Day.***", and is one of DMPL's strategic pillars, while commitment to society and environment is one of the Company's core corporate values.

SUSTAINABILITY PILLARS

DMPL's sustainability framework has six pillars which address the needs of our stakeholders:

- Nourishing Consumers
- Nurturing Employees
- Developing Communities
- Preserving Nature
- Strengthening Governance
- Sustaining Growth

KEY SUSTAINABILITY GOALS

DMPL's five key sustainability goals, which were approved by the Board in the prior fiscal year, promote these sustainability pillars:

1. **Better Nutrition**
   As a food company, we provide health, wellness and nutrition through our product portfolio which is primarily plant-based.
   (Nourishing Consumers)

2. **ESG Ethos**
   We cultivate an environmental, social and governance (ESG) culture among our employees and extend this ethos to our local communities.
   (Nurturing Employees and Developing Communities)

3. **Waste Reduction**
   We reduce wastage of materials and resources across our supply chain, from production to distribution, to decrease our environmental impact.
   (Preserving Nature)

4. **Net Zero**
   We have set a target for net zero carbon emissions by 2050 in line with global climate goals wherein greenhouse gas emissions are equivalent to carbon sequestration.
   (Preserving Nature)

5. **Responsible Sourcing**
   We address the social and environmental compliance of our suppliers and other business partners through our Supplier Code of Conduct.
   (Strengthening Governance and Sustaining Growth)

Under the framework of these five key sustainability goals and respective pillars, we have set specific goals as outlined in this Sustainability Report.

SUSTAINABLE DEVELOPMENT GOALS

Our sustainability goals contribute to the United Nations Sustainable Development Goals (SDG) which have become more important than ever, halfway through the 15-year timeline to the 2030 goals of the UN. Our Company has been expanding our contribution to the 17 SDGs each year.

We have updated our climate report in this Sustainability Report based on the Task Force on Climate-Related Financial Disclosures (TCFD). Following the certification last year of the British Standard Institution (BSI) of Del Monte Philippines' pineapple operations negative carbon footprint based on ISO standards for scopes 1, 2 and limited scope 3 (for air travel and fuel used by vehicles), DMPI is now measuring scope 3 beyond pineapple and across a broader supply chain, including toll packers, top suppliers, and logistics providers.

DMPL's subsidiary in the Philippines also obtained the Rainforest Alliance certificate for its fresh pineapple and juicing plant, recognizing that its plantation complies with standards that require long-term environmental, social, and economic sustainability.

The Company has also developed an Extended Producer Responsibility Program that is being implemented beginning this year in collaboration with a waste management company to recycle plastic waste.

ESG POLICIES AND COMPLIANCE

The Company reinforced its governance of sustainability by updating its Food Safety Policy. In the previous fiscal year, the Company updated its Environmental Policy, issued a new Health Statement, a Responsible Marketing Policy and a Supplier Code of Conduct. Two years ago, DMPL issued a new Human Rights Policy. All these policies are in our Company's website and have been shared with our stakeholders. Key stakeholders concerned with these areas are the policy owners that are primarily responsible to implement these. Moreover, the Company has Sustainability, Legal and Internal Audit teams that monitor compliance.

Del Monte Pacific addresses stakeholder concerns through different channels:

- **Consumers** – Company's website contact info, social media, hotline phone number
- **Employees** – Human Resources, labor unions, Labor Management Council
- **Communities** - Del Monte Foundation, Stakeholder Relations, Legal
- **Regulators** – Legal, R&D, Company department concerned
- **Investors** – Investor Relations, Company's website contact info

In FY2023, Del Monte Pacific did not have any significant compliance issues with respect to laws and regulations which govern the Group and was not subjected to any significant compliance-related penalty.

ESG RECOGNITION

Del Monte Pacific was honored to receive the 2022 Singapore Corporate Governance Award from the Securities Investors Association (Singapore), its 3rd SIAS governance award in this category since 2019. This recognition included a weighting not only for Governance but also Sustainability, a recognition of their linkage and importance in an ESG context.

SUSTAINABILITY JOURNEY

Del Monte has been nourishing families for generations – those who have been part of Del Monte's long history and heritage, and future generations to come. ***Sustaining our Future*** is our commitment to grow healthier produce, healthier people and a healthier planet.

We thank you, our stakeholders, for your partnership in this journey.

Mr. Rolando C. Gapud
Executive Chairman

Mr. Joselito D. Campos, Jr.
Managing Director and CEO

21 July 2023

KEY SUSTAINABILITY GOALS

Better Nutrition

- More nutritious products
- Product innovation and renovation with more positive nutrients
- Reduced sugar and sodium
- Plant-based
- Health and wellness

ESG Ethos

- Environmental, Social, Governance corporate culture
- Sustainability goals
- Employee engagement, well-being
- Diversity, equality, inclusion
- Community development

Waste Reduction

- Reduce wastage from production to distribution
- Manage material usage
- Plastic solution
- Recycle, reuse and repurpose
- Lower environmental impact

Net Zero

- Net zero carbon emissions by 2050
- Pineapple operations negative carbon footprint
- Renewable energy
- Sustainable agriculture, manufacturing and supply chain

Responsible Sourcing

- Supplier code of conduct adherence
- Environmental and social compliance
- Sustainability programs of suppliers
- Sustainable ingredient and product sourcing

OUR SUSTAINABILITY GOALS ARE ALIGNED WITH THE UN SUSTAINABLE DEVELOPMENT GOALS.

Del Monte Pacific aligned its strategy, action plans and progress towards achieving the 5 Key Sustainability Goals which were approved by the Board in the prior financial year. DMPL's subsidiaries are working to achieve their goals to become "Growers of Good" and "Nourish Families for Generations."

Goal	Strategy	Progress
Better Nutrition	Annual reduction of added sugar by 7.5% and added sodium by 3.75%	• Average reduction of sugar by 7% and sodium by 7% in certain SKUs
	Increase the proportion of products that provide better nutrition to 85%	• 80% of DMPI products based on sales volume provide better nutrition based on a global nutritional rating system
	Reduce natural sugars by at least 30% for 100% Juice	• At least 30% reduction of natural sugars based on ongoing tests, subject to external consumer testing before being commercialized
	Provide nutrition education to an average of five million children and parents on healthy choices	• Educated over 3 million children and parents through its *Choose Good, Do Good* campaign to raise awareness
ESG Ethos	Attract and retain the right talents via an engaging and winning culture	• Reduced Customer Channel and Development (Sales) attrition rate to 17% in FY23 from 55% in FY22 • Completed hiring of 15 Marketing vacancies • Implemented informal check-ins for new hires
	Strengthen engagement and motivate performance through the CHOICE Recognition Program	• Launched SNAPasalamat employee program to foster a culture of mutual recognition, from Q1 to Q4 FY23
	Secure Great Place to Work Certification and be recognized as one of the Best Workplaces in time for DMPI's 100th Year Anniversary in 2026	• Conducted a survey for a baseline rating in June 2023, plan interventions and start implementation in FY24
	Provide the opportunity for all team members to earn a decent wage	• Daily wages of Mindanao hourly employees average 40% to 50% above the government's mandated minimum wage
	Ensure a safe and secure workplace	• DMPI's Occupational Safety and Health data for FY23: - 141 recordable injuries - 8 work-related ill health cases - 2 fatalities among service providers
	Promote good governance	• Best Managed Board (Silver) Award, Singapore Corporate Awards, 2022 • Singapore Corporate Governance Award, Securities Investors Association (Singapore), 2022 • ASEAN Asset Class, ASEAN Corporate Governance, 2022
	Generate livelihood and employment through the Del Monte Foundation	• Del Monte Foundation initiatives in FY23: - 300 scholars, with 20 university graduates passing the board licensure examinations - 160 TESDA graduates for 6 community-based skills training - 80 Indigenous People families participated in the Foundation's citronella growing project

KEY SUSTAINABILITY GOALS

Goal	Strategy	Progress
	Define and measure team member engagement and achieve top quartile scores	• Del Monte Foods rolled out the first annual Team Member Survey to measure organizational health. Results were presented to team members and action plans are being developed
	Establish a Diversity Leadership Council, increase diversity across leadership roles	• Established a council and 6 employee groups • 53% of senior managers and above are women or team members of color
	Provide the opportunity for all team members to earn a living wage	• 100% of full-time employees at DMFI manufacturing facilities earn above the living wage for their geographies
	Donate an average of 5 million pounds (2,300 tons) per year to support Feeding America, food banks and various non-profit organizations	• Donated about 3 million pounds (1,373 tons) of food worth over US$1.5 million to various food banks such as Feeding America, Conscious Alliance, Convoy of Hope, and Brackens Kitchen
Waste Reduction	Reduce water use ratio (WUR) in manufacturing facilities by 3% yearly	• WUR in the DMPI manufacturing facilities decreased by 12% vs. prior year • Plantation WUR increased by 2% vs. prior year
	Reduce usage of PET bottles by 15%, pouches by 6%, and tin can by 2% by FY26	• FY23 material usage reduction: - Rigid plastic 121MT, 9% - Metal 482MT, 7% - Pouches and laminates, 13MT, 4%
	Reduce obsolescence of FG, RPM to Php 60 million	• Obsolescence at Php 90 million
	Comply with Extended Producers Responsibility (EPR) Law	• Submitted DMPI's EPR Program in February 2023 to the Environmental Management Bureau, Department of Environment and Natural Resources • Engaged a waste diverter to recover at least 20% of plastic packaging footprint in CY22 • Started plastic waste diversion in July 2023
	Use biodegradable Stand-Up Pouch (SUP) and PET bottles	• Biodegradable additives test in progress • As of the 24th month, biodegradation rate is 68% for rigid plastics and 59% for SUPs
	Include 30% recycled content in rigid plastic packaging	• Testing of recycled content ongoing • Preform sample of 20% recycled PET and 80% virgin PET resin blend for trials
	Include 25% recycled content into plastic packaging, once recycled supply is available, approved by FDA	• Approved inclusion of post-consumer recycled plastic content for beverage cups • Testing post-consumer recycled plastics in fruit cups
	Add How2Recycle® icons to 100% of our packaging	• Added How2Recycle® icons to all new product launches and all redesigned products
	Upcycle food waste to ensure all food reaches its highest and best purpose	• Received five upcycle certificates for Blue Lake® Petite Cut Green Beans, Blue Lake® Farmhouse Cut Green Beans, Del Monte® Classics Cut Green Beans, Del Monte® Gut Love and Boost Me Fruit Infusions • Upcycled ~600K pounds (270 tons) of surplus green beans, plus pineapple juice, syrup and boba product

Goal	Strategy	Progress
Net Zero	Replace certain pesticides and obtain Rainforest Alliance certification	• Obtained Rainforest Alliance certificate for fresh pineapple and juicing plant • Replaced 5 pesticides and depleting inventory of 2 chemicals by FY24
	Reduce carbon emissions at the cannery equivalent to 3% per year	• Cannery emissions reduced by 3% vs. prior year to 122,286 $MTCO_2eq$
	Carbon emissions measurement to include scope 3 emissions	• Conducted GHG inventory gap analysis on DMPI facilities and toll packers • Broader Scope 3 being measured • Trained key employees on Climate Change
	Install solar power in the cannery and plantation	• Installation at Cannery to be completed by December 2023 • Estimated completion at Plantation by end of FY24
	Develop a biodiversity conservation plan for the plantation	• Plantation operation to establish a Biodiversity Conservation Plan by FY24
	Shift 35% of third party delivery transportation to double-decker trucks by FY24	• 27% of third party delivery transport currently using double-decker trucks as of FY23
	Install Global Positioning Satellite (GPS) devices on 100% of third party delivery transportation	• Installed GPS in 92% of third party trucks as of FY23
	Shift transport units to electric vehicles (EV) or plug-in hybrid electric vehicles (PHEV)	• Monitoring the availability of EV and PHEV trucks in the market
	Reduce carbon emissions and measure Scope 3 third-party emissions	• Achieved a 6% reduction in Scope 1 and 2 overall emissions from FY21 to FY22 • Set net zero target and committed carbon reduction targets with the Science Based Targets Initiative (SBTi)
	Increase truckload efficiency in miles per gallon to 7.5 miles per gallon (mpg)	• Truckload efficiency is 7 mpg, same as prior year, but higher by 14.3% since 2017
	Reduce empty miles driven in supply chain by 20%	• Increased rail miles by 45% versus prior year • Reduced total miles by over 5.5 million
	Increase cover cropping by 5% per year	• Increased the total fields with cover crops by 11%, and the number of growers adopting cover crops by 5%
Responsible Sourcing	Implement the Supplier Code of Conduct	• 238 of 564 (42%) suppliers have to date confirmed adherence to Supplier Code of Conduct
	100% of top 20 suppliers to develop sustainability programs as part of their accreditation	• 50% of the top 20 suppliers have sustainability programs • Sustainability part of Supplier Quality Management Program relaunch

DMPL'S ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) METRICS

Topic	Metric	Unit of Measure	Progress
Greenhouse Gas (GHG) Emissions*	DMFI (FY22)		
	Scope 1 Emissions	$MTCO_2eq$	68,993
	Scope 2 Emissions		25,884
	Scope 3 Emissions		2,086,448
	Carbon Intensity – Scope 1	Per '000 Common Cases	0.93
	Carbon Intensity – Scope 2		0.35
	Carbon Intensity – Scope 3		28.18
Energy Consumption	Energy Consumption (includes electricity, natural gas, coal and bunker fuel)	MWH	742,921
	Energy Intensity	MWH/MT produced	0.66
Water Consumption	Total Consumption – Manufacturing	Liters	7,371,972,131
	Water Use Ratio – Manufacturing	Liters/Kg	6.51
	Total Consumption – Farming	Liters	756,246,241
	Water Use Ratio – Farming	Liters/Farm Hectare	3,929
Waste Generation	Waste Generated	MT	14,045,315
	Waste Sent to Landfills	MT	26,108
Gender Diversity	Male Employees	Percentage	63%
	Female Employees	Percentage	37%
	Male New Hires	Percentage	63%
	Female New Hires	Percentage	37%
	Male Turnover	Percentage	67%
	Female Turnover	Percentage	33%
Age Diversity	Employees Below 30 years old	Percentage	17%
	Employees 30 to 50 years old	Percentage	47%
	Employees Above 50 years old	Percentage	36%
	New Hires Below 30 years old	Percentage	43%
	New Hires 30 to 50 years old	Percentage	49%
	New Hires Above 50 years old	Percentage	8%
	Turnover Below 30 years old	Percentage	22%
	Turnover 30 to 50 years old	Percentage	46%
	Turnover Above 50 years old	Percentage	32%

Topic	Metric	Unit of Measure	Progress
Employment	Total Employees	Headcount	6,282
	Turnover	Headcount	600
Development and Training	Average Training Hours per Employee	Hours	11
	Average Training Hours – Male Employees	Hours	12
	Average Training Hours – Female Employees	Hours	10
Occupational Health and Safety	Recordable Injuries	Cases	215
	High-Consequence Injuries	Cases	0
	Recordable Work-Related Ill Health	Cases	8
	Fatalities	Cases	2
Board Composition	Independent Directors	Percentage	57% (4 out of 7)
	Women on the Board	Percentage	14%
Management Diversity	Women in Senior Management	Percentage	40%
Ethical Behavior	Anti-Corruption Disclosures	Number of Disclosures	7
	Anti-Corruption Training for Employees	Number of Employees	440
Certifications	Facilities with Relevant Certifications (See List in Nourishing Consumers)	Number of Facilities	14
Alignment with Framework	Frameworks Disclosed	Standards	GRI 2021 Standards GRI 13 Sector Standards TCFD
Assurance	Assurance of Sustainability Report		Internal Verification

*DMPI FY22 carbon footprint emissions calculation in progress to include scope 3 emissions

DMPL'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

Members of the United Nations pledged to implement 17 Sustainable Development Goals (SDGs) from 2015 to 2030 to end poverty by promoting prosperity while sustaining the planet and its people. The SDGs include environmental, social and economic goals.

We have aligned DMPL's Sustainability Pillars with the SDGs based on our material priorities. We benchmarked our initiatives with peer companies and best practices of other industries. We partnered with various institutions to uplift people's lives, protect the environment and build a sustainable future.

GOAL 1: NO POVERTY
End poverty in all its forms everywhere

DMPL's Position
DMPL Group strives to uplift the lives of poor families by providing employment to people in communities where we operate

Contribution to the SDGs
- About **6,300** full-time and **4,700** seasonal employees, and **17,700** service providers in Del Monte Philippines, Inc. (DMPI) are paid the **minimum wage or above**
- In the U.S., Del Monte Foods, Inc. (DMFI) meets the **living wage** in each of our major operating areas based on the Massachusetts Institute of Technology definition

Linked to: GRI 13.21

GOAL 2: NO HUNGER
End hunger, achieve food security and improved nutrition and promote sustainable agriculture

DMPL's Position
DMPL implements sustainable agricultural practices to increase productivity and production, help maintain ecosystems, adapt processes to combat climate change and reduce soil erosion

Contribution to the SDGs
- DMFI works with growers and the **Stewardship Index of Specialty Crops (SISC)** to implement sustainable farming practices and ensure stable crop yields
- DMFI and its growers use **CropTrak™** software to track various data including sustainability
- DMPI manages soil health through various sustainable practices
- DMPI has a **Smart Farm Roadmap** that uses big data analytics, to harness technology in farm management

Linked to: GRI 13.9, GRI 13.10, Task Force on Climate-Related Financial Disclosure (TCFD), GlobalG.A.P.

GOAL 3: GOOD HEALTH AND WELL-BEING
Ensure healthy lives and promote well-being for all at all ages

DMPL's Position
As a food and beverage company, DMPL is committed to '**Better Nutrition**' to promote health and well-being of people

Contribution to the SDGs
- In FY2023, DMPI reduced sugar and sodium by an average of **8.5%** and **7.0%**, respectively
- **80%** of Del Monte products in the Philippines provide better nutrition based on a global nutrition profile system
- Over **32,200 consultations** were served by the Foundation's Mobile Clinic during the fiscal year

Linked to: GRI 13.10, GRI 13.12

GOAL 4: QUALITY EDUCATION
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

DMPL's Position
DMPL ensures equal opportunity for employees to develop their skills through training courses for all women and men, and provide communities with access to proper education and skills training through the Del Monte Foundation

Contribution to the SDGs
- Provided training to DMPL employees:
  - **12.0 average training** hours for male
  - **10.0 average training** hours for female
- The Foundation supported **300 scholars** from high school to college levels during the school year 2022-2023
- In partnership with TESDA, **160** women, out-of-school, unemployed heads of families and farmers were provided with technical skills training such as dressmaking, defensive driving, and organic farming
- **80 Indigenous People families** participated in the Citronella Growing Project of the Foundation in Talakag, Bukidnon

Linked to: GRI 13.15, GRI 13.12

GOAL 5: GENDER EQUALITY
Achieve gender equality and empower all women and girls

DMPL's Position
The Group promotes a diverse workforce of women and men, provides equitable livelihood opportunities, and ensures women are given equal opportunities for leadership roles at all levels

Contribution to the SDGs
- **40%** of the Group's senior management team are women
- Workforce gender ratio: **63% men**, **37% women**
- DMPL provides equal opportunity for men, women, LGBTQ+ for vacant job postings
- Del Monte Foods, Inc. received a **score of 100** on the Human Rights Campaign Foundation's 2022 Corporate Equality Index annual assessment and was designated as one of the **Best Places to Work for LGBTQ+ Equality**

Linked to: GRI 13.15

DMPL'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

GOAL 6: CLEAN WATER AND SANITATION
Ensure water availability and sustainable management of water and sanitation for all

DMPL's Position
DMPL pledges to provide clean drinking water, adequate sewage disposal, and provide access to clean, safe water and sanitation

Contribution to the SDGs
- The Foundation implemented water system projects to provide water access and availability to **290 families** in two locations in Bukidnon
- In partnership with the local government units and a private NGO, **312 families** improved their sanitation and hygiene through the Foundation's toilet construction project

Linked to: GRI 13.12

GOAL 7: AFFORDABLE AND CLEAN ENERGY
Ensure access to affordable, reliable, sustainable and modern energy for all

DMPL's Position
The Group commits to increase usage of renewable energy, and optimize efficiency across energy sources in its operations

Contribution to the SDGs
- In the U.S., Del Monte's solar panels in Hanford produced **401 megawatt-hours** of electricity
- DMPI's waste-to-energy facility contributed **19% of the electricity** of the cannery contributing to its carbon emissions reduction

Linked to: GRI 13.1

GOAL 8: DECENT WORK AND ECONOMIC GROWTH
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

DMPL's Position
DMPL commits to protect labor rights, the right to freedom of association, and promote safe and secure working environments for all workers

Contribution to the SDGs
- **79% of DMPI Mindanao-based employees** are members of an Employee Union
- **73% of full-time and seasonal workers** in DMFI are union members
- **100% of Cabuyao-based employees** in the Bottling Plant are members of an Employees Council

Linked to: GRI 13.18

GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

DMPL's Position
The Group advocates inclusive growth by providing opportunities for small and medium enterprises as part of '**Responsible Sourcing**', promotes innovation, leverages technology to improve production efficiency and infrastructure

Contribution to the SDGs
- About **60% of DMPI suppliers** are small and medium enterprises supplying various products and services – e.g. papaya outgrowers, service providers, Nata de Coco supplier and wooden pallets supplier
- New product innovations contributed **9% of total Group sales**

Linked to: GRI 13.22

GOAL 10: REDUCED INEQUALITIES
Reduce inequality within and among countries

DMPL's Position
DMPL's Human Rights policy and Supplier Code of Conduct promote respect for human rights, and provide equal opportunity for all genders

Contribution to the SDGs
- DMPL has a Code of Business Ethics which serves as a guide for its close to **6,300 full time employees** in the U.S. and the Philippines, and about **4,700 seasonal workers** in DMFI
- Del Monte has Data Privacy, and a Policy and Data Relating to Health, Safety and Welfare of Employees that ensures employees are not discriminated on the grounds of nationality, ethnic group, religion, age and gender

Linked to: GRI 13.15, 13.20

GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES
Make cities and human settlements inclusive, safe, resilient and sustainable

DMPL's Position
Provide employees and communities with a safe and sustainable living environment

Contribution to the SDGs
- Del Monte in the Philippines provides close to **1,400 houses** and **50 dormitories** for plantation workers
- The **camp sites** around the plantation, where DMPI employees and their families reside, have schools, churches and sports facilities

Linked to: GRI 13.22

DMPL'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION
Ensure sustainable consumption and production patterns

DMPL's Position
The Group implements '**Waste Reduction**' in its operations through material reduction, recycling, reuse and repurposing, and promotion of clean emissions and effluent

Contribution to the SDGs
- DMFI's paper-based products are **100 percent certified** by Sustainable Forestry Initiative® or Forest Stewardship Council®
- DMFI received **five Upcycled Certified™ recognition from Upcycled Food Association** by transforming surplus ingredients into new, high-quality products
- Del Monte in the U.S. re-diverted more than **25 million pounds** of food from landfills through upcycling and food donations
- DMPI reduced rigid plastic bottles and caps material usage by **9%**, tin cans by **7%** and stand-up pouches by **4%**

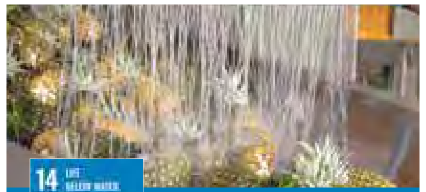
Linked to: GRI 13.8

GOAL 13: CLIMATE ACTION
Take urgent action to combat climate change and its impacts

DMPL's Position
DMPL commits to '**Net Zero Carbon Emissions**' by reducing its greenhouse gas emissions in its operations and implementing climate change risk mitigation including renewable energy and reforestation

Contribution to the SDGs
- Del Monte Pacific Limited commits to achieving **net zero emissions by 2050**
- Both DMFI and DMPI are measuring their carbon emissions to include **scope 3** upstream and downstream GHG emissions
- Del Monte Foundation embarked on a multipartite agreement for **bamboo-growing** at the riverbanks and slopes of the Bubonawan watershed in Mt. Kitanglad to protect the watershed, prevent soil erosion and provide livelihood for Indigenous People

Linked to: GRI 13.1, GRI 13.2, GRI 13.4



GOAL 14: LIFE BELOW WATER
Conserve and sustainably use the oceans, seas and marine resources for sustainable development

DMPL's Position
The Group commits to protect marine and coastal ecosystems to avoid significant adverse impacts, and take action to conserve marine life by treating waste that goes to waterways

Contribution to the SDGs
- Through the wastewater-to-energy facility, DMPI cleansed its Bugo facility water discharge at Macajalar Bay which has Biochemical Oxygen Demand levels better than government mandated **100mg /liter**
- **2% reduction** in the Group's Water Use Ratio in FY23 vs. FY22

Linked to: GRI 13.7

GOAL 15: LIFE ON LAND
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

DMPL's Position
DMPL commits to protect biodiversity through sustainable agricultural practices and reforestation, and promote environmental stewardship of natural resources

Contribution to the SDGs
- **35,000 trees** were collectively planted by the Foundation and its partners for reforestation and soil conservation purposes
- The Foundation continues its **10-hectare agro forestry project** in Mt. Kitanglad with the indigenous community that grows coffee and bamboo for livelihood in order to protect the forest from denudation
- Del Monte Foundation and the Department of Environment and Natural Resources local office in Misamis Oriental collaborated to rehabilitate the mangroves in coastal areas through a **Mangrove Tree Growing Project**

Linked to: GHG 13.1, GHG 13.3, GHG 13.13

GOAL 16: PEACE, JUSTICE AND STRONG INSTITUTIONS
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

DMPL's Position
Part of DMPL's '**ESG Ethos**' is to uphold good governance, eliminate corruption and bribery in all its forms and promote industrial peace

Contribution to the SDGs
- DMFI provides **anti-corruption training** biennially to management and certain personnel that interact with government officials
- DMPI has a stringent **policy against fraud and corruption** through the Code of Business Ethics, supplemented by the Employee Code of Conduct and Supplier Code of Conduct, which help employees and business partners to have harmonious business relationships
- DMPL's employees, suppliers and contractors should adhere to its **Human Rights policy and Supplier Code of Conduct**

Linked to: GRI 13.15, GRI 13.16, GRI 13.17

GOAL 17: PARTNERSHIPS FOR THE GOALS
Strengthen the means of implementation and revitalize the Global Partnerships for Sustainable Development

DMPL's Position
Del Monte Pacific pursues global partnerships with stakeholders for sustainable development

Contribution to the SDGs
- The Group **engages stakeholders** such as Feeding America, Upcycled Food Coalition, SBTi, Rise Against Hunger, Packaging Institute of the Philippines and the Philippine Chamber of Food Manufacturers, Inc. as partners in the Group's sustainability goals

Linked to: GRI 13.9

NOURISHING CONSUMERS

Our products have been part of people's meals at home for generations, offering nutrition through our plant-based culinary food behind brands that people trust.

For more information about this section, please scan QR Code

NOURISHING CONSUMERS

Del Monte Pacific Ltd. is passionate about cultivating nutritious food that brings health and wellness to our consumers. With one of the most well-known and well-trusted brands in the market, we are committed to maintaining this trust.

At Del Monte, sustainability is at the heart of everything we do, from growing healthy produce that enriches the land to providing nutritious products to consumers and communities. We produce food that goes through comprehensive safety and quality procedures to provide premium products which meet the strictest food standards to nourish consumers.

Certifications of Del Monte Foods, Inc.	Hanford Facility	Toppenish Facility	Markesan Facility	Modesto Facility	Plover Facility	Yakima Facility	Puebla Facility	Rochelle Distribution Center
Non-Good Manufacturing Practices Project	✓	✓	✓	✓				
Organic	✓	✓		✓				✓
HALAL Certification	✓	✓			✓	✓		
Kosher	✓	✓	✓	✓	✓	✓	✓	
British Retail Consortium - Global Food Safety Initiative	✓	✓	✓	✓	✓	✓	✓	✓
Hazards Analysis and Critical Control Point Codex Alimentarius	✓	✓	✓	✓	✓	✓	✓	✓
Food Safety Plans	✓	✓	✓	✓	✓	✓	✓	
Good Manufacturing Practices	✓	✓	✓	✓	✓	✓	✓	✓
Food Safety Modernization Act - Preventive Controls Qualified Individuals	✓	✓	✓	✓	✓	✓	✓	

Certifications of Del Monte Philippines, Inc.	Bugo Cannery	Plantation	Freezing Plant	Juicing Plant	Cabuyao Beverage Plant	Toll Manufacturing Operations
Brand Reputation Compliance Global Standards (BRCGS)	✓		✓	✓		
Food Safety Modernization Act (FSMA)	✓					
Food Safety System Certification 22000 Ver. 5. I (FSSC)	✓		✓	✓	✓	
GlobalGAP (IFA v5.2)		✓				
Good Manufacturing Practices (GMP)	✓				✓	
HALAL Certification	✓		✓	✓	✓	
HACCP	✓				✓	
ISO 17025 (Chemical Testing Lab)	✓					
Kosher Certification	✓		✓	✓		
Phil FDA LTO	✓		✓	✓		
PhilGap (Outgrowership)		✓				
PhilGap (Plantation)		✓				
Quality Management System (QMS ISO 9001:2015)	✓	✓				✓
Rainforest Alliance Sustainable Agriculture Standard		✓		✓		
US FDA LTO	✓		✓	✓		
Voluntary Control Systems of SGF International	✓			✓		

NOURISHING CONSUMERS

PRODUCT SAFETY AND QUALITY

The Group ensures that consumers understand our commitment to conform to food safety standards and regulatory requirements through our food safety management system.

DMPL facilities have quality certifications which attest to the quality and safety of our products. Manufacturing programs have been established to mitigate hazards including periodic assessments facilitated by third-party certification agencies.

Del Monte conducts extensive Risk Assessment/Hazard Analysis and incorporates its actions to assure that the products and ingredients meet the highest standards prior to market launch.

Our toll manufacturers likewise adhere to the same commitment.

Workers in the Del Monte Freezing plant in Bukidnon

1. Del Monte Foods, Inc. (DMFI) products, from farm to consumer, are assessed for their nutrient profile, ingredient safety and packaging integrity.
2. DMFI designed and deployed a multi-layered quality system protocol to each of its facilities that begins with its executive leadership providing proper guidance and direction. This is further supported by manufacturing site procedures.
3. In FY23, DMFI facilities received an A or AA rating from the Global Food Safety Initiative.
4. Del Monte Philippines, Inc. (DMPI) is committed to Total Customer Satisfaction in providing food products that meet the highest global standards in food safety, quality, hygiene and service. The Company has a Food Safety and Quality Management System in place that ensures the safety and quality of our products.

FY23 Audits on Plant Sites

	Cannery	Freezing and Juicing Facilities	Beverage Facility
Certification	12	5	1
Regulatory	1	0	0
Customer	9	5	0
	ALL PASSED	ALL PASSED	ALL PASSED

Customer and Channel Development, Marketing and Commercial Joint Venture Operations teams with Philip G. Macahilig, Group Head of Philippine Market Commercial Operations, Sharon G. Tanganco, Chief Marketing Officer, and Eileen M. Asuncion, Group Head, Commercial Joint Venture Operations

DEL MONTE FOOD SAFETY POLICY

Del Monte is committed to provide authentic food products that conform to food safety standards, to customers' specifications, and to statutory and regulatory requirements. The company is also committed to continual improvement of its Food Safety Management System and to nurturing a positive food safety and quality culture throughout the business.

We achieve this by maintaining a food safety management system throughout the food chain following a full hazard analysis of all food-related operations, by communicating the requirements of the Food Safety Management System to interested parties, and by ensuring that our people are trained to perform their duties well. We practice the company Vision and CHOICE Values as way of life.

HEALTH AND NUTRITION

Del Monte is a well-trusted brand committed to health and nutrition. We aspire to preserve this trust among consumers.

As the Original Plant-Based Food Company®, Del Monte spent 135+ years developing products focusing on nourishment. By building on this rich history, we believe that we can Grow Good for a healthier and hopeful tomorrow for our people and our planet. Products that deliver full servings of fruits and vegetables, while also introducing new flavors and functional ingredients, highlight the depth of the earth's goodness. We grow and produce our products using sustainable and earth-friendly practices.

Del Monte products in the U.S. meet the Food and Drug Administration guidelines for fruit and vegetable servings, and our unique process, processing crops not far from the field, means that our products retain more nutrients than our competitors. Majority of our products are no-sugar-added/low-fat fruit products, and no-salt-added/reduced-sodium vegetable products compared to branded players.

The products of DMPL are mostly plant-based. Pineapples are rich in vitamins and minerals that boost immunity, while tomato products contain lycopene, a nutrient full of antioxidant properties that helps prevent certain diseases.

To support DMPI's goal of Better Nutrition, R&D is evaluating a nutrient profile system to determine the health level and nutrition properties of the Company's products. Around 80% of DMPI's products provide better nutrition based on such evaluation. The Company's goal is to increase the proportion of products that provide better nutrition to 85%.

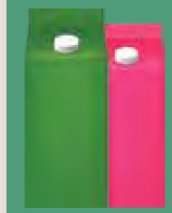
NOURISHING CONSUMERS

DMPI NUTRITION FACTS

Del Monte products comply with Recommended Energy and Nutrient Intake (RENI) nutritional factor standards

1. Total Energy
2. Total Fat
3. Saturated Fat
4. Trans Fat
5. Added Sugars and Sodium

- Calorie level ranges 1-8%, a good contribution in a 2.490 calories daily requirement.
- Products meet at least 90% sugar and sodium RENI requirement.
- Majority of our products across all categories are good sources of dietary fiber, ranging 5-20%.
- Thrust on 'no added sugar" keeps our beverage products' sugar content within acceptable levels.
- Del Monte products are not sources of saturated or trans fats.



Del Monte products address micronutrient deficiency

- Beverages, fresh and packaged fruits are rich sources of vitamin C. ranging 30-100%.
- Pineapple-based products contain high levels of manganese: 13-70%
- Calcium fortification in pineapple juice provides at least 80% of daily need.
- Vitamin A at 25-66% of daily need in beverages and tomato paste products.

Plant-based functional ingredients' health benefits

Fresh Pineapple
- Bromelain and Metabolomes account for the treatment of heart disease
- Phenols and Flavonoids are good sources of anti-oxidant

Tomato sauce
- Lycopene compound reduces the risk of cancer

Olive oil
- Mono-unsaturated fats reduce bad cholesterol level

Del Monte Nutrition Facts

Del Monte products are within RENI range in terms of public health sensitive nutritional factors, such as total energy, total fat, saturated and trans fats, added sugars and sodium.

a. Calorie level ranges 1 - 8%, a good contribution in a 2,490-calorie daily requirement
b. Del Monte products are not sources of saturated or trans fats
c. A significant number of products across all categories are good sources of dietary fiber, ranging 5 – 20%
d. Products meet at least 90% requirements on sugar and sodium based on current reference standards. Will pursue reformulations to reduce sugar by 10% and sodium by 5% by FY2026
e. Thrust on "no added sugar" controls sugar levels of most beverage products within acceptable levels

Del Monte products address micronutrient deficiency in the diet:

- Beverages, Fresh and Packaged Fruits are rich sources of Vitamin C, ranging 30 – 100%
- Vitamin A at 25 – 66% of daily need in Beverages and Tomato Paste
- Pineapple-based products with high levels of Manganese, 13 – 70%
- Calcium fortification in pineapple juice to provide at least 80% of daily need

Plant-based functional ingredients have health benefits:

- Anti-hypertensive Bromelain and cholesterol-lowering metabolomes in fresh pineapples
- Phenols and Flavonoids in fresh pineapples
- Lycopene in tomato-based sauces
- Mono-Unsaturated Fats in olive oil-based products

International Commercial Operations with Tan Chooi Khim, Group Head

PRODUCT INNOVATION

The Del Monte brand name has been synonymous with premium quality since its debut in 1886. For generations, our company has proudly earned this reputation with a singular dedication to quality.

As a market leader that seeks to cater to consumer preferences, we understand that consumers are becoming increasingly mindful of the ingredients in their food and are often looking for positive health properties such as low-sugar, low-sodium or low-fat. Moreover, Del Monte have seen heightened interest in ready-made cooking ingredients as consumers double down on home meal preparation, health and wellness. This emphasis on health benefits has ongoing implications for product design and sourcing.

About 33% of DMFI's R&D spending is allocated to innovation. New products accounted for 9% of total sales in USA in FY2023 .

Innovation and renovation in the Philippine Market has largely focused on strengthening our core categories behind relevant functional benefits. New products contributed 8.5% of total FY23 sales of DMPI.

Del Monte Gut Love and Boost Me Fruit Cup Snacks with Infusions have been recognized as the Overall Snack Products of the Year by the 2023 Mindful Awards.

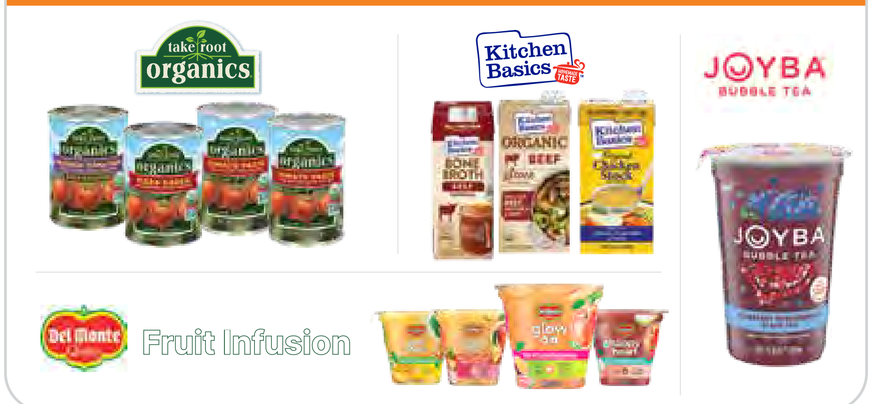
NOURISHING CONSUMERS

DMFI R&D Team

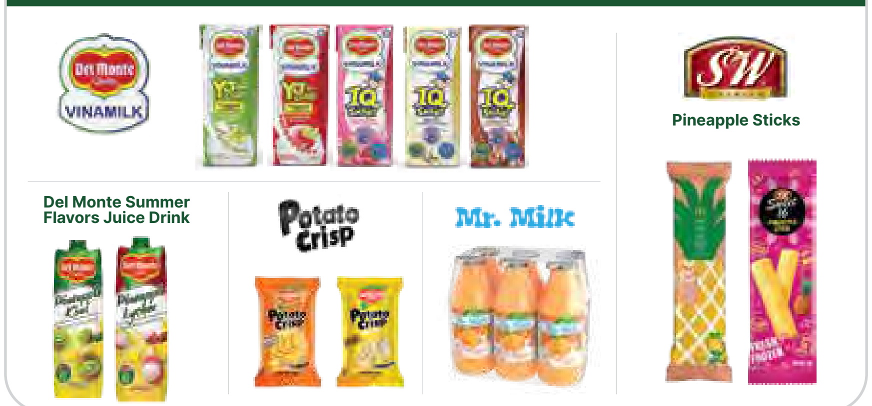
DMPI Research and Development team with Iris P. Uy, Group Head

The Mindful Awards highlight conscious companies and products in the Consumer Packaged Goods (CPG) industry that stand up for what's right and take action to make a positive impact on people and the planet. This recognition speaks to Del Monte Foods' purpose as Growers of Good® to nourish people and the planet by making nutritious foods more accessible to all.

Del Monte New Products in the U.S.



Del Monte New Products in the Philippines



TRACEABILITY

To ensure that our products are safe, we have a robust traceability program allowing us to protect our consumers' health during unwarranted events by identifying the origin of the product from its production to the retailer. This equips us to efficiently handle consumer inquiries. Having a reliable traceability program enables the Group to have an effective process to identify a defective product or component and to execute the recall process, if warranted.

The Group's traceability program is frequently tested and results are used to drive continuous process improvements. Del Monte also maintains records that allow the Company to determine the source of the ingredients used in its products.

QA checking the pineapple products

Del Monte Foods, Inc.	Del Monte Philippines, Inc.
56	25
Total Exercises Conducted	Total Exercises Conducted
100% traced	100% traced

Marketing team with Sharon G. Tanganco, Chief Marketing Officer

NURTURING EMPLOYEES

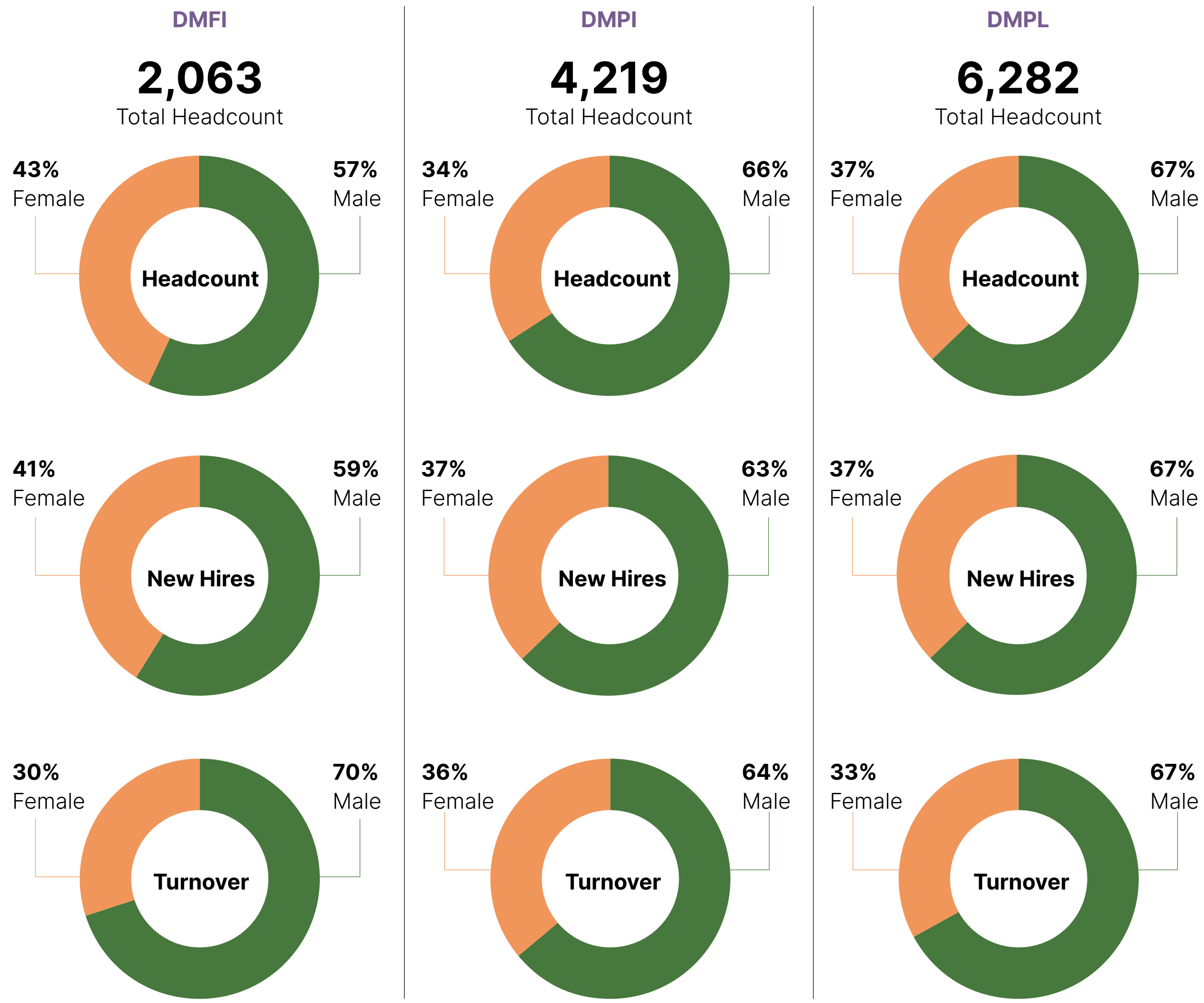
We are a people-driven organization committed to health and wellness, reinforcing safety and well-being especially during the pandemic.

For more information about this section, please scan QR Code

NURTURING EMPLOYEES

Organization Profile

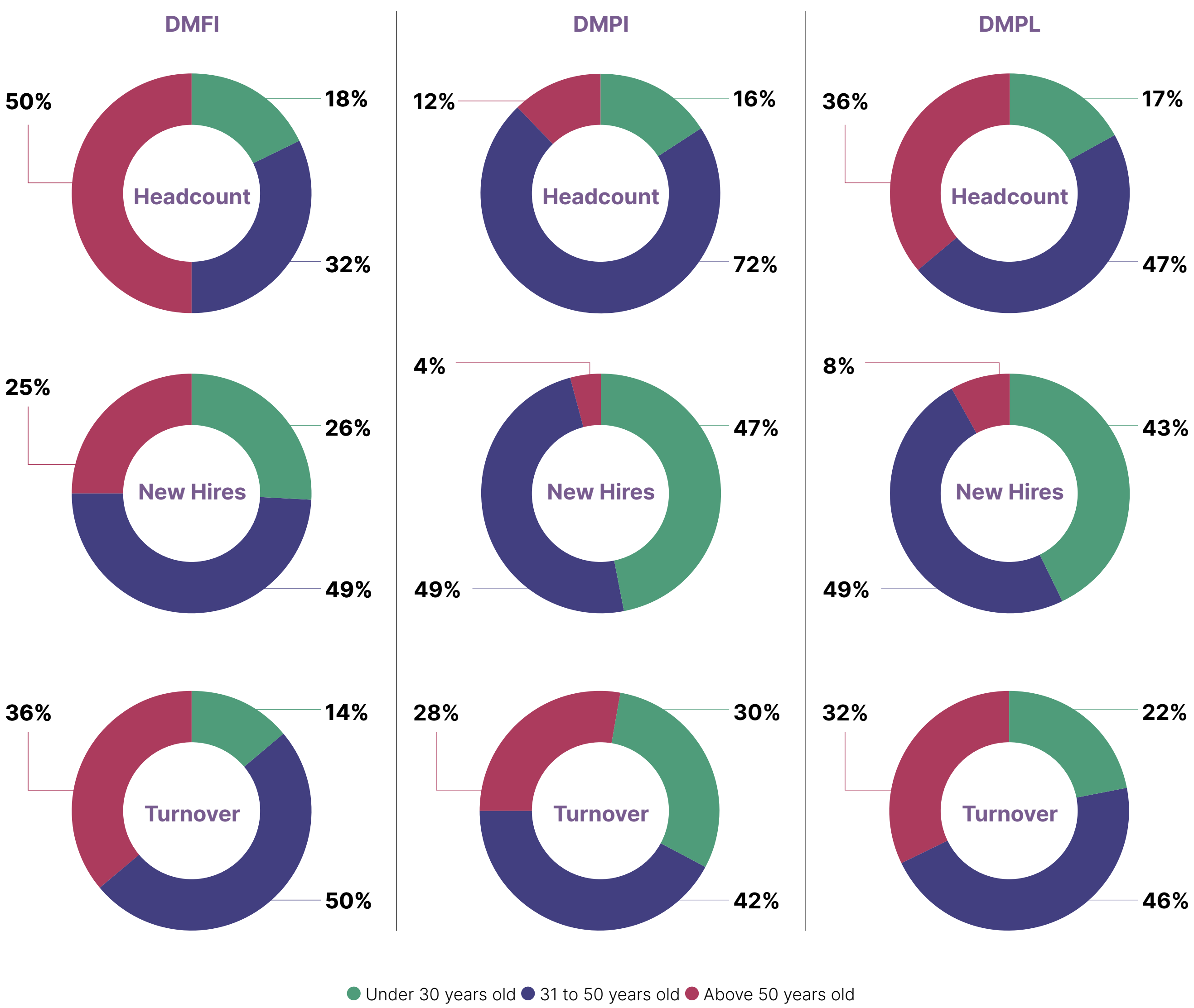
GENDER DIVERSITY



	DMFI	DMPI	TOTAL	%
Headcount				
Managers up	251	371	622	10%
Supervisors	467	679	1,146	18%
Staff/Rank and File	1,345	3,169	4,514	72%
New Hires	78	342	420	
Turnover	304	296	600	

NURTURING EMPLOYEES

AGE DIVERSITY



TRAINING & DEVELOPMENT

	DMFI	DMPI	DMPL
Average Training Hours	**8**	**16**	**11**
Average Training Hours by Gender			
Male	9	16	12
Female	6	15	10

INJURIES

215 Recordable Injuries

2 Fatalities

8 Work-related ill health cases

DMPI JYCC employees with Luis F. Alejandro, DMPI President and Chief Operating Officer

Del Monte Pacific Limited (DMPL) is an organization committed to health and wellness, reinforcing employee safety and well-being especially during the pandemic. About 6,300 full-time regular employees and 4,700 seasonal employees of the Group work at our plantation, manufacturing facilities, administrative and marketing offices across locations. Close to 4,200 are based in Asia, mostly in the Philippines, while about 2,100 work full time in the United States and Mexico plus 4,700 seasonal employees that work during the packing season mostly in the U.S.

DMPI was inducted by the People Management Association of the Philippines (PMAP) in the PMAP Hall of Fame for being named “Employer of the Year” three times, the maximum number a company is recognized. The Company has nurtured generations of employees, some from the same family, a testimony of its care for its people.

DMFI employees with Gregory Longstreet, DMFI President and CEO

NURTURING EMPLOYEES

FAIR WAGES AND BENEFITS

We commit to providing employees fair wages and benefits. Del Monte complements government-mandated privileges for all full-time employees and qualified dependents with a broad range of benefits such as a comprehensive retirement package, vacation and sick leaves, and insurance benefits.

1. DMFI designs employee benefits that allow employees to select a package of coverage that meets their and their dependents' unique needs.
2. Del Monte in the U.S. offers Paid Parental Leave Benefits to eligible employees for bonding purposes under the Company's Family Medical and Leave Act (or state law equivalent) policy and offers six weeks of Paid Parental Leave following the birth, adoption, or foster placement of a child.
3. The Company offers additional benefits that help employees improve their quality of life, including an adoption assistance program, community service day allocation (one volunteer day time-off per year), product donations, and floating holidays (at designated locations).
4. In the Philippines, the Company pays workers above minimum wage and average industry rates and informs them about employment terms and conditions prior to their appointment. Memorandums of agreement with labor unions in the Philippines stipulate annual wage increases and enhancements in benefits for farm and factory workers.
5. DMPI provides benefits better than the minimum prescribed by the Department of Labor and Employment (DOLE). This includes health care benefits, leave benefits, life insurance coverage and retirement plan.

Bugo cannery workers in Cagayan de Oro, Mindanao

Del Monte employees in the Modesto facility in California, USA

Demand Planning Team with Cheryll Anne V. Valino, Senior Manager

OCCUPATIONAL HEALTH AND SAFETY

The Group values the safety of every person who works in its facilities and offices. Work committees identify and mitigate potential safety risks through safety programs, process improvements and other action plans.

Trained safety officers ensure workers follow the Group's safety management standards, identify risks, unsafe acts and conditions, provide guidance on improving the overall occupational health and safety performance and work conditions. These standards cover all our operations in the field, offices and manufacturing facilities in the US and the Philippines.

Workers provided with personal protective equipment in the U.S.

Phillips Memorial Hospital run by DMPI

1. DMPL's U.S. and Philippine facilities have emergency response teams that plan for crises. They conduct regular Emergency Preparedness Drills to prepare employees against emergencies and natural disasters.
2. Del Monte Foods, Inc. (DMFI) Total Incidence Rate (TIR) is lower by 4% compared to prior year. This is lower than the standard of the Bureau of Labor Statistics (2015) 5.2 TIR for the fruit and vegetable canning industry. The company achieved this by focusing on increased training for our employees and standardizing our Standard Operating Procedures (SOPs).
3. DMPI Manufacturing TIR is also below that of the Philippine Statistics Authority (2015) TIR of 4.25 for the manufacturing sector, and complies with Article 168 of the Philippine Labor Code, further reinforced by Republic Act No. 11058 to ensure a safe and healthy work environment for employees.
4. Managers and supervisors ensure compliance with relevant workplace safety laws and regulations. This includes the mandatory eight-hour training on occupational safety and health as prescribed by law. The safety training includes risk identification and mitigation, identifying unsafe acts, and work-related hazardous conditions, activities and situations.
5. In the Philippines, the Company's Phillips Memorial Hospital attends to the health care needs of employees, their qualified dependents, and third party workers.
6. Del Monte provides medical staff in the manufacturing facilities and offices of the company to attend to medical emergencies as required by law.
7. DMPI regularly audits its toll manufacturers for compliance with all laws and regulations governing the workplace, including Occupational Safety and Health Regulations, Wages and Benefits, and Human Rights practices.

NURTURING EMPLOYEES

DMPI Non-Mindanao QA team with Jonathan Biscocho, Director, Non-Mindanao Manufacturing and QA

HUMAN RIGHTS AND LABOR STANDARDS

The Group maintains a Code of Conduct for employees and suppliers. Both Del Monte Foods, Inc. and Del Monte Philippines, Inc. are members of the Supplier Ethical Data Exchange.

1. Del Monte's Human Rights policy is in line with the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights and the International Labor Organization Core Convention on Fundamental Principles and Rights at Work. Refer to the following link for more details. https://www.delmontepacific.com/corporate-governance/ch-manual-1

Del Monte employees in the Yakima facility, Washington, in the U.S.

2. One provision of the Company's Human Rights Policy is to engage in meaningful consultation with potentially affected stakeholders, to respect the right of indigenous peoples to self-determination and the right to participation of communities where we operate.

3. The Group respects the right of employees to Freedom of Association, and has collective bargaining agreements with labor unions, which stipulate wage increases and enhancements in benefits. About 73% of Del Monte employees in the U.S. and 79% in the Philippines are part of labor unions and covered by collective bargaining agreements.

   DMPI established an Employee Council in Cabuyao Bottling Plant for labor management concerns and a healthy work environment.

4. All labor must be voluntary. The Group prohibits the practice of forced labor, child labor (under 18 years of age) and other forms of exploitation of workers as stated in the DMPL Code of Business Ethics and the Philippine Labor Code.

   The Group's suppliers have to adhere to the Company's Supplier Code of Conduct which includes respect for human rights and compliance with labor practices. Suppliers are forbidden from using forced, bonded, prison, or indentured labor of any kind. The use of child labor as defined by local laws is strictly prohibited.

5. The Group's Code of Business Ethics denounces discrimination on any grounds. The Group has a Standard Against Discrimination which commits to promote a culture of equality in the workplace.

   DMPL and its subsidiaries give equal opportunity to all applicants, treat them fairly and with respect, free from unlawful discrimination related to age, race, ethnic origin, color, nationality, gender, disability, health status, marital status, pregnancy, migrant worker status, political opinion, religion, and union affiliation.

6. Six Employee Resource Groups (ERGs) were established to support minority workers. These include affinity groups for women employees, LGBTQ+ employees, Black employees, Hispanic employees, and Asian American and Pacific Islander employees.

7. DMFI received a score of 100 on the Human Rights Campaign Foundation's 2022 Corporate Equality Index (CEI). The CEI is the nation's foremost benchmarking survey for measuring corporate policies and practices related to LGBTQ+ workplace equality. Del Monte's efforts in satisfying all the CEI's criteria earned DMFI a top score and designation as one of the "Best Places to Work for LGBTQ+ Equality."

HUMAN RIGHTS CAMPAIGN FOUNDATION
BEST PLACES TO WORK 2022 for LGBTQ+ Equality
100% CORPORATE EQUALITY INDEX

Growing our network of Employee Resource Groups (ERGs)

Del Monte Foods Asian American Workers Network, one of six Employee Resource Groups, with DMFI CEO Gregory Longstreet and Jeanette Naughton, VP Strategic Planning

DMPI Supply Chain teams with Arnold C. Alvarez, Chief Supply Chain Officer

DEVELOPING COMMUNITIES

Our business operates in communities that depend on us as much as we rely on them. We sustain their health and wellness, livelihood and development.

For more information about this section, please scan QR Code

DEVELOPING COMMUNITIES

Del Monte Foundation Board led by Joselito D. Campos, Jr., Chairman, Edgardo M. Cruz, Jr., Director, and Luis F. Alejandro, Director

The Del Monte Pacific Group strives to improve the quality of life of communities where we operate. Del Monte Foods' Corporate Giving Program supports local and national organizations that make a difference.

Del Monte Foundation, Inc. in the Philippines spearheads our corporate social responsibility in local communities by promoting social progress through the delivery of health and basic community services, livelihood programs, rural education, youth development, and environmental conservation.

The Foundation enables the Company to support over 100 communities in the provinces of Bukidnon and Misamis Oriental in Mindanao, southern Philippines. In FY23, the Foundation continued to mobilize resources and increase partnerships with stakeholders. The main focus areas of the Foundation are:

1. **Community Health and Home Care Education** – to improve the health and wellness of individuals in communities where we operate.
2. **Technical Skills Training and Livelihood Development** – community-based skills training for employment or self-employment to provide access to technical education to out-of-school youths and unemployed family heads.
3. **Scholarships and Youth Development** – qualified children are given grants and benefit from quality education from elementary school to university through our academic, grants-in-aid, and sports scholarships.
4. **Environmental Conservation** – to protect the environment through various environmental projects such as tree-growing programs, including partnerships with schools and organizations' volunteers .
5. **Community Assistance** – to provide nutrition through product donations to food banks, non-governmental agencies, schools and medical facilities in the Philippines and United States.

Del Monte Foundation team with Bella G. Quimpo, Executive Director

DEVELOPING COMMUNITIES

Del Monte FOUNDATION

Community Health and Home Care Education

30,700
MOBILE CLINIC
consultations in 62 communities

1,540
PATIENTS
served during medical and dental services

310
FAMILIES
provided with toilet system in collaboration with Local Government Unit and Rotary Club

290
FAMILIES
accessed the improved water system projects

Technical Skills Training and Livelihood Development

160
GRADUATED
from 6 TESDA community-based skills training

130
FAMILIES
provided with hogs to raise and breed for livelihood

80
IP FAMILIES
participated in Citronella growing initiated by the Foundation

Education and Youth Development

600
SCHOOL CHAIRS
and 12 teacher's tables and chairs donated through Share-a-Chair program

300
SCHOLARS
supported and 20 recently passed the licensure exam

34
SCHOOLS
provided with financial assistance

22
DAY CARE CENTERS
supplied with learning materials and toddler furniture

Environment Conservation

35,000
TREES PLANTED
by the Foundation and partners

25
HECTARES OF BAMBOOS
planted in partnership with IP community

Community Assistance

560
FAMILIES
received vegetable seed packs and fertilizers for home gardening

6
COMMUNITIES
in Sumilao provided with sports equipment

SOME OF OUR PARTNERS IN COMMUNITY BUILDING

Youth Development

Environmental Conservation

Community Health

DEVELOPING COMMUNITIES

Livelihood Programs

Community Assistance

PRESERVING NATURE

Our business depends on responsible stewardship of nature, the source of our produce that will sustain our future.

For more information about this section, please scan QR Code

PRESERVING NATURE

Tomato harvest in the U.S.

As a food company, our produce relies on responsible stewardship of nature to sustain our future. We continuously improve our agricultural practices and oversight of growers, and communicate our Environmental Policy to our stakeholders.

Del Monte's close-to-a-century of growing and manufacturing in the Philippines and more than a hundred years of operations in the US, attest to how the Group has sustained its operations. As climate change shifts environmental patterns, the Group makes its business more resilient through investment in sustainable agriculture which DMPL is committed to.

DEL MONTE PHILIPPINES, INC.

Environmental Policy

Del Monte Philippines, Inc. is committed to conduct business in a manner which protects the environment and all stakeholders through sustainable practices.

As one of the leaders in the food and beverage industry, we take an active role to conserve our natural resources, including land, water and air, and preserve the flora and fauna in our environment.
We commit to do the following:

- Implement best-in-class environmental management system, leveraging technology-driven processes;
- Ensure the health and safety of our environment, workforce, communities, business partners and consumers;
- Comply with environmental laws and regulations;
- Increase environmental awareness through training and communication;
- Implement land and water conservation practices;
- Use energy more efficiently, utilize renewable energy and reduce emissions;
- Improve product packaging and design to reduce, reuse and recycle waste;
- Work with stakeholders to address issues, promote responsible stewardship of nature and preserve the environment; and
- Conduct assessments and report regularly on our environmental performance and impact.

In line with our vision, "Nourishing Families. Enriching Lives. Every Day.", Del Monte Philippines, Inc. is committed to nurture the environment for future generations. Sustainability is one of our strategic pillars while commitment to the environment is one of our corporate values.

PRESERVING NATURE

FOOD SECURITY

Access to adequate food is part of human rights and should be available for everyone to enjoy. Del Monte commits to provide consumers sustainable, safe and nutritious food products across a wide variety of price points and value. The Group recognizes the importance of implementing sustainable agricultural and manufacturing practices to ensure the adequacy of food supply.

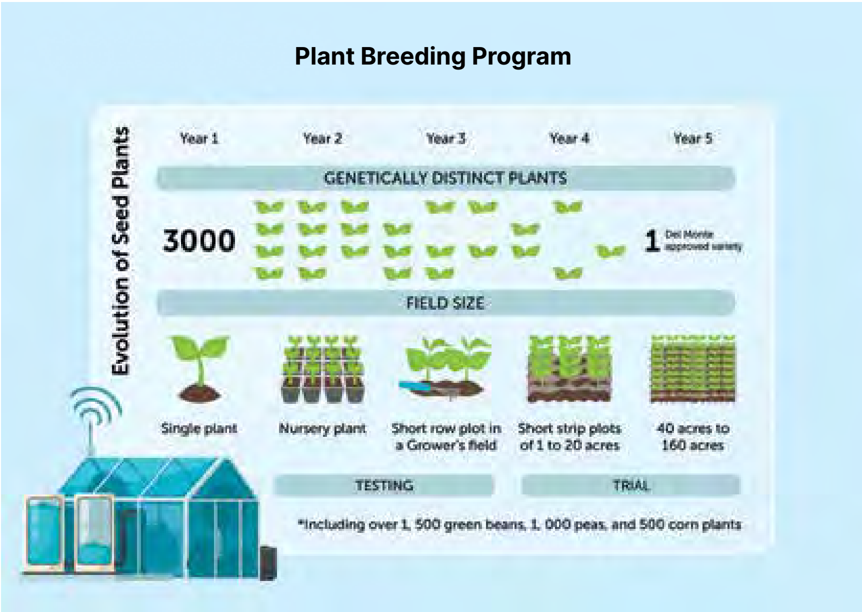
Food security has become a global issue. This has been exacerbated by challenges in farming such as climate change, production inefficiencies, harvest activities, supply chain and distribution, among others. If not mitigated, these challenges will result in decreased farm yields, increased food loss, and higher prices for food products.

The Group implements measures to mitigate risks and challenges and ensures availability and accessibility of nutritious food.

1. Del Monte Foods, Inc.'s (DMFI) Research and Development team develops new seed varieties that improve yields, reduce water usage and reliance on fertilizer and pesticides.

2. 90% of green beans and 30% of corn come from seeds developed by DMFI through its seed breeding program.

DMPL Chief Operating Officer, Luis F. Alejandro, visits a grapefruit orchard



3. New seed breeding lines are tested every year on pilot plots for product quality, yield, nutrient content, machine harvestability, drought, pests and disease resistance. Approved varieties are added to the Del Monte Foods Approved Variety List for use by any of its growers.

4. Del Monte in the U.S. works with growers and the Stewardship Index of Specialty Crops (SISC) to implement sustainable farming practices and ensure stable crop yields.

5. DMFI is also an Executive Board Member of the Canned Food Alliance which promotes many benefits of canned foods, including nutrition, convenience, affordability, year-round availability, and sustainability.

6. Del Monte Philippines' land use practices have been focused on improving plantation yield through ecologically friendly land preparation, use of sustainable planting materials, plant nutrient application, water source and plant disease management.

7. Del Monte in the Philippines obtained the Rainforest Alliance certificate for its fresh pineapple and juicing plant, recognizing that its plantation complies with standards and demonstrates the company's commitment to responsible stewardship of the environment, occupational health, safety and work conditions of employees, and development of communities near the plantation and facilities.

8. DMPI is certified GLOBALG.A.P., PhilGAP-Plantation and PhilGAP – Outgrowership. The certification includes Environment Management System (Site Management, Soil Management, Fertilizer Application Management, Water Management, Integrated Pest Management and Plant Protection Products Management), Food Safety, Quality Management System, and Workers Occupational Health and Safety.

   Certification audits, including environmental audits, are conducted on a periodic basis to ensure the Company complies with certification standards.

9. DMPI complies with environmental regulations and requirements of the Department of Environment and Natural Resources (DENR) with respect to the Clean Air Act, Clean Water Act, and Solid and Hazardous Waste Management.

10. DMPI's Internal Audit covers environmental compliance as part of its annual audit plan.

DMPI Manager Ms. Maria Sheila Guiret and Federico Bañaga, Jr. of Plantation Compliance Department accepted the Rainforest Alliance certificate

Corn harvest in the U.S.

PRESERVING NATURE

LAND RESOURCE MANAGEMENT

Efficient and ecological land use management is foundational to the sustainable agricultural practices of Del Monte Philippines, Inc. (DMPI) which started nearly a century ago in 1926.

DMPI's farming pioneers did not clear forests to establish pineapple fields. Additional land later acquired was cultivated with other crops.

Due diligence is conducted.

Pineapple field in Bukidnon, Philippines

1. In securing additional lands, the Company identifies potential land based on available data, such as distance from Cannery or Packing House, elevation and land suitability – soil pH, slope, land area, among others.

2. DMPI conducts a validation on the potential areas identified and, if suitable, appropriate permits and endorsements are then secured from the concerned government agencies and local government units.

3. Part of the due diligence involves validating ownership by cross checking with the Department of Environment and Natural Resources, Department of Agrarian Reform and Land Registration Authority before contracting.

4. Most of the lands the Company leases are either grasslands or planted agricultural lands. During the development of the area, non-arable lands serve as the habitat for flora and fauna.

   The Company also implements tree planting activities using a variety of trees and shrubs on some areas across the Plantation. Buffer zones are also observed from water bodies, populated areas and adjacent farms.

5. A team from the Company conducts a project presentation to the communities of the target expansion areas and identifies any concerns which Del Monte addresses accordingly.

6. When engaging suitable lands of Indigenous Peoples (IP) or Ancestral Domain lands for pineapple production, Del Monte secures a Free Prior and Informed Consent of the IP community to contract the ancestral land under the regulatory process of the National Commission of Indigenous Peoples (NCIP).

   Through consultations with the IP community and the guidance of the NCIP, Memorandum of Agreements are made, which outlines the roles, responsibilities and accountabilities of the Company, the IP community, and NCIP.

Sunrise in pineapple plantation

Fresh Fruit Operations with Frank T. Molas, Group Head, Mindanao Operations

Tomato field ready for planting in the U.S.

Pineapple planting in Bukidnon, Philippines

SOIL MANAGEMENT

As efficient management of soil directly impacts our long-term productivity, we focus on regenerating topsoil and improving biodiversity on and below the ground.

1. DMFI proactively works closely with growers on sustainability initiatives and encourages farmers to work with qualified agronomists to innovate farm practices and technologies to boost crop yields, control pests and weeds, and protect the environment.

2. DMFI growers regenerate topsoil by rotating crops, using cover crops and applying organic compost. Growing cover crops in the off-season reduces soil erosion and retains soil nutrients.

   More than 50% of our growers use cover crops.

3. In the Philippines, DMPI is working on a soil conservation project to maintain land productivity, mitigate topsoil loss, prevent soil erosion and reduce loss of soil nutrients.

4. The Company plants cover crops as ground covers along main road shoulders before the boundary canal and maintains the grass levels on side slopes of permanent waterways to prevent erosion after heavy rains.

5. The Crop Growing Units use drone images to dredge ditches, install auxiliary canals and silting basins for each field, and plants along river easement near pineapple fields to prevent soil erosion.

   DMPI's Drone Program displays the land topography and monitors the pineapple field in Bukidnon and Misamis Oriental. Drone sensors produce a complete image of a field when planting is completed. Seeds take root and show growth within 2-3 months after planting.

6. The Company has a soil map used by our Agricultural Research Laboratory to regularly analyze soil nutrients except nitrogen and organic matter.

7. DMPI uses Meteoblue high-resolution weather data to measure the five-day and fourteen-day rainfall on location-specific, daily and hourly resolution forecast in each field.

One of DMPI drones used in the plantation for monitoring plant health and mapping

HR Learning and Development team with Eileen Gulle, L&D Manager

Bean field irrigation in the U.S.

WATER MANAGEMENT

Water is one of Del Monte's impact areas with respect to growing and packing operations but and access to it is threatened by climate change.

The Group implements the least water-intensive cultivation methods available and encourages the use of more water-efficient irrigation systems. DMPL follows strict protocols around our well water use and sprays discharge for the water used in our manufacturing process.

1. The Company proactively manages water use through efficiency measures, including selecting drought-resistant seeds, promoting drip irrigation and recycling water used in production in our cooling towers. We discharge used and treated water into spray fields, where it can re-enter and recharge groundwater stores and local streams.
2. All DMFI growers in central Washington State use center pivot irrigation so they are able to control their water use using only as much or as little as needed to grow their crops with no waste.
3. Three manufacturing facilities of DMFI operate in areas where the baseline water stress is 80% which is considered extremely high. These are our Hanford and Modesto facilities in California and Puebla plant in Mexico.
4. Over 98% of the Company's tomato growers in California utilize drip irrigation to manage water resources more efficiently, especially in drought-prone areas in the western United States.
5. At one of our sites in Yakima, Washington, DMFI installed a water recycling system that reuses the water that conveys its pears, resulting in water usage reduction of about 3,800 liters (1,000 gallons) per day.
6. To conserve freshwater usage and avoid water treatment costs, DMPI uses water from steam and pineapple juice of our evaporators, and from mill juice from our Reverse Osmosis (RO) system for Ultrafiltration System Clean-in-place (CIP) and Ion Exchange Plants regeneration.
7. The cannery and bottling plant operations in the Philippines monitor the Water Use Ratio (WUR), i.e. liters of water used per common case. DMPI's facilities WUR is 12% lower compared to the previous year, while the plantation operations WUR increased by 2% in liters per farm hectare due to more growing fields.
8. DMPI toll manufacturers' water conservation programs eliminate waste and reduce water consumption. Wastewater discharges of all toll manufacturing lines are within regulatory standards. WUR in beverage and culinary toll manufacturers are monitored and reduced each year.

Using recycled water in washing pineapples

Water Reduction

Climate change affects the world's water in complex ways. It exacerbates water scarcity and the changing weather patterns disrupt the entire water cycle.

Del Monte Philippines, in its effort to ensure water supply, started using commercial unmanned aerial vehicles (UAV) more commonly known as drones in its operations.

90%

Reduce water usage versus the current Boom Spray practice

Eliminate workers' health exposure from manual spraying

Reach less-accessible areas of the plantation and follow the terrain undulation

PRESERVING NATURE

FERTILIZER AND PESTICIDE USE

We help growers apply the principles of Integrated Pest Management (IPM) to minimize pesticides.

Del Monte Foods, Inc. (DMFI) connects our growers and consumers through partnership with the Stewardship Index of Specialty Crops organization and CropTrak™ for their crop data management system, providing detailed information on how vegetables are grown.

1. In the U.S., CropTrak™ monitors cover crops, which help increase organic matter, reduce wind and soil erosion, sequester carbon, filter water, control weeds, and manage nutrients.
2. DMFI optimizes fertilizer use to ensure crops receive only as much fertilizer as is needed to produce healthy yields.
3. The Company employs the principles of IPM, including crop rotation and insect-resistant seed selection, to greatly reduce pesticide use, which can affect non-harmful insects.

Boom spray operations in Bukidnon. Philippines

4. DMFI bans pesticide application when pollinators, such as bees, are present.
5. The Company has reduced its pesticide use in green beans by 96% since 1980.
6. In the Philippines, Del Monte obtained the Rainforest Alliance certification . The Company implemented an IPM for its pineapple plantation. It has discontinued five pesticides and is depleting the stock of two other pesticides.
7. DMPI installed manure and black light traps as a natural method to prevent white grub infestation. It also installed a Grubs Alert System which targets chemical control against grubs more precisely.

WASTE MANAGEMENT

Del Monte Pacific aims to reduce the overall consumption of raw materials in our operation, encourage the reuse of materials, and promote responsible disposal. The Group actively seeks ways to divert food waste from landfill, including through upcycling. A dedicated task force finds new uses for waste streams.

1. DMFI is the industry's first canned vegetable manufacturer to be Upcycled Certified™. The Company received five upcycle certificates for its Blue Lake® Petite Cut Green Beans, Blue Lake® Farmhouse Cut Green Beans, Del Monte® Classics Cut Green Beans, Del Monte® Gut Love and Boost Me Fruit Infusions.

Del Monte employee checking the fresh tomatoes' quality

2. The company has a dedicated task force that reviews food waste streams monthly to find more ways to divert food from landfills through upcycling and food donations.
3. DMFI continuously works to reduce the footprint of our packaging by investing in new materials and redesigning existing materials.

   The majority of the Company's products come in steel cans, which have the highest recycling rate of any material. DMFI ships and protects products in corrugate, which contains 33% recycled content.
4. The paper-based products used by DMFI are 100% Sustainable Forestry Initiative® or Forest Stewardship Council® certified.
5. As members of the Sustainable Packaging Coalition® and Consumer Brands Association, we support improving recycling infrastructure and exploring new packaging options that are more widely recyclable and use a higher proportion of recycled content.

   DMFI is actively involved in the Food Waste Reduction Alliance, a collaborative effort between the Consumer Brands Association (formerly Grocery Manufacturers Association), Food Marketing Institute, and National Restaurant Association.

Human Resources team with Ruiz G. Salazar, Chief Human Resource Officer

DMPI's Weight Reduction and Optimization Program

Rigid Plastic	Tin Cans	Flexible Laminates	Corrugated Cartons
121 MT	482 MT	13 MT	12 MT
9%	7%	4%	4%

6. Del Monte in the Philippines pursues packaging sustainability goals to reduce its packaging carbon footprint.
7. DMPI implements ongoing plastic packaging reduction initiatives and has set a goal to use biodegradable PET bottles by FY2026.
8. To comply with the Extended Producer Responsibility Law, Del Monte in the Philippines submitted its waste diversion program to the DENR and targets to divert at least 20% of its CY22 plastic footprint in 2023.

River clean-up drive in Laguna, Philippines


UPCYCLED CERTIFICATION

PRESERVING NATURE

CLIMATE CHANGE ADAPTATION AND ENERGY EFFICIENCY

Climate change is a business risk that impacts the Group's operations, from altering the growing season to delaying shipments due to extreme weather and increasing costs for resilience measures. To reduce carbon emissions, we have undertaken initiatives to explore more efficient energy sources, strengthen energy conservation in worksites, and reduce process waste.

1. The Group takes a holistic approach to managing and mitigating risks posed by climate change by working across our value chain to measure climate impacts and implement adaptation initiatives.

2. About 90% of DMFI's vegetables, fruits and tomatoes are grown in the United States. The Company mitigates greenhouse gas (GHG) emissions by locating processing plants near our growers, on average, less than 100 miles apart, resulting in lower fuel use and fresher products.

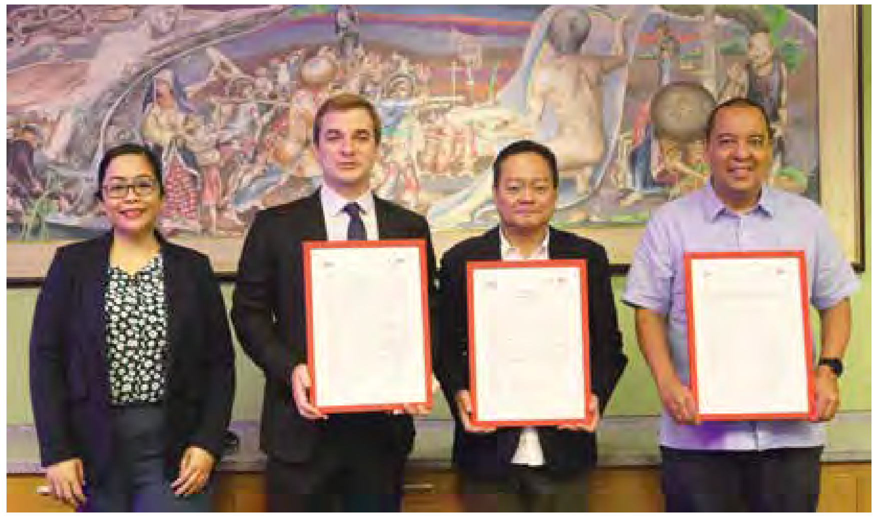
Solar panels in Hanford facility in California

3. The Company installed a new refrigerant system in its Yakima facility that replaced chlorofluorocarbons and hydrochlorofluorocarbons with ammonia, an alternative system that does not use refrigerant gasses which have a global warming potential. The system has resulted in electricity savings and lower operating costs.

4. In the U.S., the Company increased shipments by rail by over 2.3 million miles, an increase of 45%, which eliminated 8,086 $MTCO_2Eq$ or the equivalent of 133,703 seedlings grown for one year.

Climate Risk to Supply Chain

Farm	Processing and Packaging	Logistics and Transport	Distribution	Consumers
• Farm Yields • Temperature and Climate Variability • Water Sources • Soil Degradation • Pests • Operating Cost	• Material Cost • Power and Energy Cost • Water Scarcity • Industrial Waste	• Climate Change • Fuel Cost • Infrastructure Damage • Landfill Waste	• Energy Cost • Electricity Volatility • Weather Disturbances • Landfill Waste	• Food Security • Food Accessibility • Price Increase • Food Waste



Luis F. Alejandro, DMPI President and COO, and Ignacio C.O. Sison, DMPI Chief Sustainability Officer, receive the negative Carbon Footprint verification report from representatives of BSI

5. The Group started monitoring its carbon emissions for scopes 1, 2 and 3 with FY22 as its base year. Del Monte in the U.S. and in the Philippines included its upstream and downstream activities.

6. DMPI's carbon sequestration through its vast 28,000-hectare plantation and around 665,000 trees planted to increase the forest cover around its plantation more than offsets DMPI's carbon emissions.

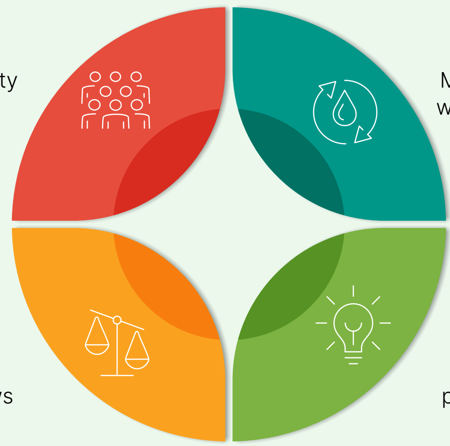
7. Del Monte's waste-to-energy facility converts the cannery's wastewater into renewable energy. The facility generates 2.8 MW of electricity and cleanses water discharged at coastal waters of Macajalar Bay, which has Biochemical Oxygen Demand levels better than government mandated levels of 100 mg/liter.

   The waste-to-energy facility produced about 19% of the cannery's power requirement in FY23.

Cannery Waste-to-Energy Facility

Community
Sustains community livelihood

Environment
Minimizes and cleans wastewater discharge



Governance
Complies with environmental laws

Economy
Reduces cost of power and electricity

The Cawayanon Arboretum in Manolo Fortich, Bukidnon, Philippines

ENVIRONMENT

1. The Del Monte Foundation pursued tree-growing efforts by partnering with schools and organizations in the plantation vicinity to gather tree-planting volunteers.

2. Our tree planting program in Mindanao, Philippines, uses mostly endemic tree species sourced from nurseries sustained by local indigenous people.

   The Company has planted around 665,000 indigenous and commercial trees to date, including about 35,000 planted in FY23 in different areas of Bukidnon by the Del Monte Foundation, Plantation Operations, DEARBC cooperative, Xavier Science Foundation and Local Government Units for reforestation and soil conservation.

3. We are mindful of the diverse flora and fauna around the plantation and ensure they are protected and cared for.

PRESERVING NATURE

Philippine Hawk-Cuckoo (Cuculus pectoralis)

Chlorocyphidae Damselflies (Rhinocypha colorata)

4. Our arboretum in Cawayanon consists of more than 80 different species that are all native to the Philippines, including some that are endemic. It now serves as a gene bank as a source of future reforestation projects of the Company.

5. Some of the tree species in our arboretum are Alagao, Dao Seriales, Molave, Sagimsiman, Tuai and White Lauaan. Certain trees have grown over 17 meters (50 feet) high. The forest cover of DMPI is part of its pineapple operations' negative carbon footprint.

6. The Company has a risk management plan and corporate compliance report that includes potential risks and issues raised by stakeholders concerning people, communities, and the environment.

7. We encourage our stakeholders to inform the Company of any environmental, regulatory and social issues. Issues brought to the attention of management are addressed accordingly.

Mindanao Finance plantation and cannery teams with Parag Sachdeva, CFO

CLIMATE-RELATED REPORT

INTRODUCTION

Del Monte Pacific's (DMPL) climate-related report outlines actual and potential impacts on our business, as well as opportunities and strategies to mitigate risks. DMPL adapts to the evolving climate change and adjusts its mitigation strategies accordingly.

The company's operations have experienced first-hand how climate change has impacted its operations such as water stress in the U.S., drought caused by El Niño, and heavy rainfall due to La Niña in the Philippines. Del Monte in the Philippines also experienced more frequent typhoons in recent years.

DMPL commits to net zero carbon emissions goals by 2050. The goal is to reduce scopes 1, 2 and 3 carbon emissions and support the call to limit the rising of the global temperature. Del Monte Foods, Inc. (DMFI) has registered with the Science Based Targets Initiative (SBTi) to align with its net zero standards and define a measurable path not only to the net zero emissions goal, but also to drive near-term, consistent progress for reducing emissions across the supply chain versus specific 2030 emissions reduction targets as aligned with SBTi criteria. Del Monte Philippines, Inc. (DMPI) expanded its scope 3 GHG emissions report to include emissions of our toll packers, top suppliers, transportation and logistics service providers.

The Group will pursue opportunities to reduce its carbon emissions. DMPL will work with its value chain, suppliers, third party manufacturers and customers, to develop a glide path to net zero emissions and report on progress against these goals.

DMPL developed its metrics and targets with various stakeholders based on an assessment and understanding of its climate-related risks. Under different climate scenarios, the Group will update its strategies, mitigate risks and implement opportunities. DMPL will integrate these assessments into the Group's strategic planning and enterprise risk management frameworks to ensure it adapts to climate change.

GOVERNANCE

Board Oversight
DMPL is committed to high standards of corporate governance and supports the principles of openness, integrity and accountability advocated by the Singapore Exchange Securities Trading Limited (SGX-ST), and similarly upheld by the Philippine Stock Exchange, Inc. (PSE) and the Philippine Securities and Exchange Commission (SEC). The Board of Directors and Management are also committed to uphold the Company's governance framework.

DMPL's governance on climate change is evolving. Management is responsible for overseeing the Group's risks across functions. Risk assessment and mitigation are aligned with the Group's strategy and form an integral part of the annual business planning and budgeting process. Climate-related risks and its impact on DMPL's business have been part of the Company's risk assessment.

CLIMATE-RELATED REPORT

The Board of Directors and Management
Sustainability is part of the Board's agenda at least twice a year. The Board approves the Group's sustainability objectives, goals and projects which include, among others, climate-related projects. The Board also oversees their progress and disclosures In the Annual Report and Sustainability Report.

Management is responsible for overseeing the Group's risks across functions. Risk assessment and mitigation are aligned with the Group's strategy and form an integral part of the annual business planning and budgeting process.

Nominating and Governance Committee
Headed by an independent director tasked with ensuring compliance with and proper observance of corporate governance principles and practices

Audit and Risk Committee
Reviews climate-related risks quarterly as part of the Risk Management report on principal risks. Risk assessment and evaluation is an integral part of the Annual Operating Plan. Identified risks are also included and monitored in the corporate risk register, and mitigating measures are followed up with the relevant stakeholders.

Chief Corporate Officer
Leads the sustainability agenda of the Group and updates the Board and management on sustainability goals and projects

Sustainability Team
Provides direction and supports the sustainability initiatives of different departments, follows up their goals and progress. The sustainability team updates the Board and also reviews the Risk Management report for the Board. The leadership team has been tasked by the Board to include ESG-related goals and KPIs in their annual performance goals.

Next Steps
We have engaged an independent third party firm to conduct a materiality assessment of the company's material topics, including climate change. DMPL will continue to benchmark with the best practices of leading organizations, engage experts on climate change, and include climate-related challenges in decision making on strategy and performance objectives.

STRATEGY AND RISK MANAGEMENT

Scenario Analysis
Part of strategy development is to use scenario analysis of possible outcomes brought about by climate change. Scenario analysis can aid companies as a tool for strategic planning and risk management. The Company engaged an external firm to conduct a climate scenario analysis of our operations in Mindanao, Philippines. The results will form part of the Group's climate-related risks and opportunities which we will report on next fiscal year.

Task Force on Climate-Related Financial Disclosures (TCFD) requires companies to assess their resilience under different external conditions. Companies can use the Intergovernmental Panel on Climate Change (IPCC) and the Representative Concentration Pathway (RCP) on greenhouse gas emissions using climate model simulations to project their consequences. The information published by the IPCC assessment report on the scientific, technological, environmental, economic and social aspects of mitigation of climate change can be used.

Risks are classified as physical or transition risks. Physical risks relate to the physical impact of climate change such as extreme weather conditions, e.g. drought, heat waves, extreme heavy rainfall and water stress, and chronic longer-term climate shifts, e.g. rising sea levels and sustained high temperatures. Transition risks relate to shifts in the policy, technology, social and economic landscape that are likely to occur in the transition to a low carbon economy. Companies need to assess the potential impact of these risks, and the strategies and timeline to mitigate these risks.

Climate-Related Risks in the U.S.
Pear Orchard Bloom in the U.S.
Del Monte Foods, Inc. (DMFI), a subsidiary of DMPL, operates eight manufacturing facilities in North America focused on the canning of vegetables and fruits. Vegetable plants are located in Washington and Wisconsin, while fruit plants are located in California, Washington, and Mexico, and one tomato plant is located in California.

DMFI has a seasonal production cycle that generally runs between the months of June and October. This seasonal production primarily relates to the majority of processed vegetable, fruit and tomato products. The seasonal nature of DMFI's fresh harvest leaves the company vulnerable to extreme weather events that could affect crop development or crop harvest as there is only one main season per year that we are able to source our raw materials.

Climate change poses a risk to the business as weather patterns across the United States and Mexico have changed since the company started its operations in its growing areas. Wind storms, droughts, extreme heat, and extreme rainfall are increasing in these areas, which may affect agricultural output and the operations of production facilities.

Pear Orchard Bloom in the U.S.

DMFI has been adapting its agricultural procurement practices to address potential disruptions caused by changing weather conditions, which may result in higher cost of operations, decreased production output and profitability. The Company has implemented various measures to protect itself from the business impacts of climate change.

While DMFI implements these measures, monitors situations of weather disturbances and executes its mitigating plans accordingly, the Company is not able to eliminate the risks relating to the exposure of the agricultural sector to fluctuations in weather conditions.

DMFI Mitigating Measures against Climate Change
Breed seeds for peas, beans, corn, and spinach to exhibit beneficial characteristics such as high yield, hardiness, and pest-resistance which increases their resilience to chronic climate-related events and changing climatic zones, such as drought and increasing pest pressures.
Issue monthly crop reports monthly during planting and harvesting seasons detailing how weather events affect the quality and recovery of contracted crops, and to manage raw product inventory.
Source raw materials from a number of regions instead of a single region and have back-up procurement on hand.
Embark on an irrigation optimization project with growers, other food processors, and the California Tomato Growers Association to optimize water use while maintaining crop productivity, thus lessening the strain of drought.
Install a combined heat and power system, selective catalytic reduction unit, condensing economizer, and backpressure turbine generator in the boiler system of its Modesto, California facility that cut natural gas use by 20%.
Implement lighting, compressed air, and other electric efficiency upgrades that reduced energy use by 12%.
Purchase a previously leased solar power generation installation in Hanford, California to reduce our energy bills and emissions.
Work with growers to mitigate their GHG emissions and manage their water use.

CLIMATE-RELATED REPORT

Pineapple field in the Philippines

Climate-related Risks in the Philippines
DMPI, a subsidiary of Del Monte Pacific Limited, operates a 28,000-hectare pineapple plantation in Bukidnon and Misamis Oriental, Philippines and a Processing Plant in Bugo, Cagayan de Oro City. Pineapple-related products account for a large component of the Company's total production and revenue, and pineapples comprise the Company's main crop. About 66% of DMPI's total revenue is from the sale of pineapple-related products sourced from its Mindanao plantation.

DMPI's business is susceptible to natural phenomena, such as weather disturbances and other natural disasters. The Philippines, which is located along the Pacific Ring of Fire and a typhoon belt, experienced a number of major natural catastrophes over the past years, including typhoons, volcanic eruptions, earthquakes, tsunamis, mudslides, fires, droughts and floods related to El Niño and La Niña weather events, respectively. DMPI's plantations are located in northern Mindanao, which is outside the typhoon belt and earthquake faults. The plantations are located on a high elevation which minimizes the risk of flooding. However, there is no assurance that natural catastrophes will not materially disrupt the Company's business operations in the future.

Climate change poses a risk to the business as weather patterns in Mindanao have changed since the Company started its operations in the area. The occurrence of droughts, typhoons and flooding is increasing in Bukidnon and Cagayan de Oro, which may affect agricultural output and the operations of the Bugo Processing and Production Facility. DMPI has been adapting its agricultural and production practices to address disruptions caused by changing weather conditions, which may result in decreased production output, higher cost of operations, and lower profitability.

While DMPI implements these measures, monitors weather disturbances and executes its mitigating plans accordingly, the Company is not able to eliminate the risks relating to the exposure of the plantation to fluctuations in climate conditions.

DMPI Mitigating Measures against Climate Change
Enforce land and preparation activities, soil management practices and reinforcing root health, among others.
Implement Seed-to-Mouth program and strictly comply with good agricultural and manufacturing practices.
Manage the potential impact from drought or heavy rainfall and floods by planting crops on various locations over a large area to minimize tonnage loss.
Use backhoes and wheel tractors as towing gnits for continuity of harvest during wet conditions.
Implement the Business Continuity and Disaster Recovery Plans to mitigate the effects of environmental incidents such as El Niño and La Niña.
Use Unmanned Aerial Vehicles (drones) to monitor crop health and enhance field design.
Employ proactive cost management across the plantation operations to reduce higher pineapple cost resulting from climate-related risks.
Insure potential damage and economic loss resulting from climate-related catastrophes through a business interruption insurance.

RISK MANAGEMENT

Impact \ Probability	Low	Medium	High
High	Urgent	Critical	Critical
Medium	Pre-emptive	Urgent	Critical
Low	Pre-emptive	Pre-emptive	Urgent

As a food and beverage company, climate change is a key risk that can impact our business. The Group has a Risk Management framework to assess all types of business risks.

Risk Management is a fundamental part of Del Monte Pacific Limited's processes and planning. Our risk management process is based on industry best practices and provides the principles and guidelines in managing risks.

The Board believes that risk management provides the framework for management to assess climate-related risks and embrace a mindset of resilience. The Group identifies and manages climate-related risks to reduce the uncertainty associated with executing our business strategies and to maximize opportunities that may arise. Climate risks can take various forms and can have material adverse impact on our operations, human resources and financial performance. Mitigating measures are implemented to address these risks.

DMPL's Risk Management framework helps in incorporating climate-related risks and opportunities into our business strategies efficiently. As more data, studies and insights become available, the Group will continue to refine our risk assessment framework.

METRICS AND TARGETS

Del Monte Pacific Limited has set environmental, social and governance goals for the Company. The Group strives toward its ambition to reduce its environmental impact. Our focus is on safeguarding the environment by mitigating the risk of climate change, managing water use and reducing waste. The Group measures and discloses these three focus areas, and other metrics and targets in our operations.

DMPL commits to net zero emissions goals by 2050. The goal is to reduce scopes 1, 2 and 3 carbon emissions and supports the call for countries to limit global temperature rise to 2°C.

The Group will continue to enhance its metrics and targets and develop a roadmap to our net zero emissions target by 2050. DMPL will work closely with key stakeholders to identify and measure emissions, and explore best practices in using analytics and digitalization to enhance accountability, transparency and decision-making.

The targets are included in the Goals and Progress section on page 11, and the metrics are found in the "DMPL's Environmental, Social and Governance (ESG) Metrics" section on page 12 of this report.

DMPL is committed to setting climate goals for a healthier planet, healthier produce and healthier people. The Group's business depends on responsible stewardship of nature, the source of our produce. Part of this responsibility is to ensure we reduce our net carbon emissions. Del Monte continues to invest in the present to sustain our future.

DMPL Sustainability Team with Ignacio C.O. Sison, Chief Corporate Officer, and Molly Laverty, DMFI Director, Environmental, Social and Governance (ESG)

STRENGTHENING GOVERNANCE

We are committed to the highest standards of corporate governance and support the principles of openness, integrity and accountability.

For more information about this section, please scan QR Code

STRENGTHENING GOVERNANCE

DMPL's corporate governance structure ensures that the Board and management are accountable to shareholders while operating in an ethical manner. Its Board of Directors directs the long-term strategy of the Group, evaluates the performance of the Board and Management, reviews material issues, and provides guidance on matters relating to governance.

The Group has implemented a set of environmental, social and governance (ESG) related key performance indicators based on the recommendation of the Singapore Exchange.

For more information regarding our governance principles, please refer to our FY2023 Annual Report at www.delmontepacific.com/corporate-governance.

Lead Independent Director Benedict Kwek Gim Song receiving the Best Managed Board Award

Independent Directors Benedict Kwek Gim Song and Yvonne Goh with the Best Managed Board Award

Our Recognitions

SINGAPORE CORPORATE AWARDS

15 Awards

Best Managed Board
Gold 2010 | 2015
Silver 2022

Best Chief Financial Officer
2010

Best Investor Relations
Gold 2011 | 2017
Bronze 2014

Best Annual Report
Gold 2019
Silver 2013 | 2018
Bronze 2010 | 2012 | 2014 | 2016 | 2017

SINGAPORE GOVERNANCE AND TRANSPARENCY INDEX

Ranked **12**

Highest Ranked Mid-Cap Company
2020 | 2022

Top 2.5% among 489 Singapore-Listed Companies

ASEAN CORPORATE GOVERNANCE

ASEAN Asset Class

High score in ACGS 2021
2022

Ranked 23 among Top 100 Singapore-Listed Companies
2017

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

9 Awards

Corporate Governance Award
2014 | 2019 | 2021 | 2022

Transparency Company
2001 | 2013 | 2017

Shareholders Communications Excellence
2018 | 2019

INVESTOR RELATIONS PROFESSIONALS ASSOCIATION (SINGAPORE)

Best IR Website

Among 700 Singapore-Listed Companies Evaluated
2017

STRENGTHENING GOVERNANCE

BOARD GOVERNANCE

DMPL BOARD OF DIRECTORS

Seated from left:
Joselito D. Campos, Jr., Rolando C. Gapud, Yvonne Goh

Standing from left:
Benedict Kwek Gim Song, Godfrey E. Scotchbrook, Edgardo M. Cruz, Jr. and Emil Q. Javier

SUSTAINABILITY GOVERNANCE STRUCTURE OF DMPL

Board of Directors
4 Independent Directors
3 Executive Directors

- Approves sustainability goals, policies and frameworks
- Monitors the integration of sustainability into management processes
- Oversees sustainability targets and overall sustainability performance
- Administers the implementation of sustainability plans, policies and frameworks
- Develops shareholder engagement
- Approves material disclosures

Audit and Risk Committee (ARC)
4 Independent Directors

Reviews key and emerging risks, mitigation plans and progress, including environmental, social and governance risks that pertain to:

- Climate impact
- Supply chain
- Organization
- Cybersecurity
- Compliance
- Reviews financial performance, reporting governance and assurance

Nominating and Governance Committee (NGC)
4 Independent Directors
2 Executive Directors

- Ensures compliance to regulatory guidelines on Board governance and the code of corporate governance
- Reviews governance recommendations in line with third party corporate assessments and best practice
- Conducts performance evaluations of the Board and Committees
- Oversees Board and senior management succession planning

Remuneration and Share Option Committee (RSOC)
4 Independent Directors

- Approves senior management remuneration matters
- Provides direction and guidance on linking performance goals and incentives of the leadership team to ESG goals
- Reviews HR metrics that track organizational goals

Corporate Sustainability
Chief Corporate Officer

- Works closely alongside board members and senior management team to align corporate sustainability strategies
- Leads the sustainability agenda in the quarterly Board meeting
- Oversees and aligns the Group's risk assessment and mitigation strategies
- Monitors and reinforces all sustainability-focused projects and efforts
- Ensures compliance with the regulatory standards and requirements
- Communicates transparently to internal and external stakeholders

Business Units of Subsidiaries
Leadership and Sustainability Teams

- Informs respective team of the assigned sustainability goals integrated in the Department's KRA
- Disseminates the company's sustainability efforts to internal and external stakeholders, particularly concerning their environmental footprint, health and safety, energy efficiency, and social responsibility
- Complies with the company's specific business objectives, processes, and sustainability strategies to meet its goals

STRENGTHENING GOVERNANCE

Del Monte Pacific Ltd. Board and Board Committee roles in Sustainability Governance

1. DMPL maintains corporate governance principles. Four out of seven members of the Board are independent directors. Three chairpersons and all members of two Board committees (Audit and Risk, and Remuneration and Share Option) are independent directors. The Company's Board is accountable to the shareholders.

2. Four out of six members of the Nominating and Governance Committee (NGC) are independent directors. The NGC has formalized procedures for the selection, appointment and re-appointment of Directors. Letters of appointment are issued to new Directors setting out their duties, obligations, and terms of appointment, as appropriate.

   The Board is of the view that all Directors objectively performed their duties and responsibilities at all times as fiduciaries, in the best interest of the Company.

3. The NGC, on an annual basis, determines whether or not a Director is independent, taking into account the 2018 Code's definition. Independence is taken to mean that Directors are independent in conduct, character and judgement, and have no relationship with the Company, or its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interest of the Company.

   Disclosures of Directors' interests and their interest in transactions are standing agenda items in all Board meetings, and such disclosures would be circulated and tabled for Board members' information, as appropriate.

4. The Board has adopted a Board Diversity Policy which recognizes the importance of diversity. The Board firmly believes that its effectiveness and decision-making will be enhanced as it harnesses the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of its own diverse Board. The NGC is responsible for administering this policy and for evaluating it annually.

5. The Group's Board is headed by the Executive Chairman and performs the following duties –

   a. Steers the leadership and ensures the effectiveness of the Board in all aspects,
   b. Leads its relationships with stakeholders
   c. Sets the course for the Company to reach greater heights
   d. Sets the tone of Board meetings
   e. Pilots acquisitions, joint ventures and strategic alliances of the Company

6. The Board is required to undergo annual training relevant to the effective discharge of their responsibilities.

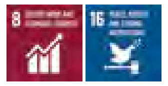
7. Five directors have completed the Sustainability E-Training for Directors in 2022, as required by the SGX.

8. Sustainability, compliance and risk matters are reported regularly to the Board.

9. DMPL prohibits designated people within the Group, including Directors and key management personnel, to deal with the Company's securities during closed window periods or while in possession of unpublished material or price-sensitive information, or to provide such information to others in compliance with the Security Dealings Policy.

10. The Group implements a Whistleblower Policy to deter and uncover any corrupt and unethical act detrimental to its interests that may be committed by officers and employees, as well as third parties or any other persons such as suppliers and contractors.

Del Monte Philippines Leadership team with Luis F. Alejandro, President and Chief Operating Officer



ETHICS AND INTEGRITY

With respect to ethics and integrity, the DMPL Group supports the principles advocated by the Singapore Exchange Securities Trading Limited, the Philippine Stock Exchange, Inc., and the Securities and Exchange Commission of the Philippines.

1. Del Monte Foods, Inc.'s (DMFI) Code of Conduct, prohibits employees, contractors and consultants from engaging in any bribery, payments, and improper influence, directly or indirectly that induces government employees, employees of government-controlled businesses, political parties or candidates.

2. DMFI adopted the International Anti-Corruption Policy to establish the specific standards and procedures to be followed by employees, consultants and business partners to prevent official corruption and improper payments in the conduct of Del Monte's business worldwide.

3. Anti-corruption training is provided to management and certain personnel that may potentially interact with government officials, including personnel from Legal, Accounting, HR, Procurement, Internal Audit, Operations and Accounting in foreign subsidiaries. The training is provided to this group biennially and training is tracked and followed up by HR to ensure its completion.

Directors visiting Modesto Plant in California with Management

STRENGTHENING GOVERNANCE

4. DMFI's goal is to incorporate anti-corruption provisions into third party contracts and purchase order terms and conditions. Its Supplier Code of Conduct was provided to new suppliers and is available at: http://www.delmontefoods.com/sites/default/files/Del-Monte-Foods-Supplier-Code-of-Conduct.pdf

5. Del Monte in the U.S. has a Lighthouse whistleblower hotline in all U.S. locations and subsidiaries, which offers web access, international numbers, and multilingual agents 24/7. This is aligned with the prescribed Anti-Corruption program of the U.S. Department of Justice.

6. Del Monte Philippines, Inc. (DMPI) has a manual on Corporate Governance that embodies the Company's governance framework. The Company's Board has approved DMPI's related party transactions and interested party transactions policies.

7. The Company has a Code of Business Ethics which directors, management, and all employees adhere to. All employees are required to disclose related party transactions and conflicts of interest.

8. DMPI has a stringent policy against fraud and corruption. The Code of Business Ethics is supplemented by the Employee Code of Conduct and Supplier Code of Conduct to guide employees and suppliers in making decisions every day.

9. Training on the Code of Business Ethics, Employee Code of Conduct and Supplier Code of Conduct is part of the onboarding of new employees which includes related party transactions, conflict of interest, anti-corruption and fraud.

10. The Company's whistleblower hotline is accessible to employees, suppliers, customers and other third parties, translated in different dialects.

11. DMPI updates its Business Continuity Plan (BCP) annually to prevent threats and disruptions. The pandemic did not create a substantial disruption to the Company since its BCP was in full gear.

12. Del Monte performs periodic internal audits to assess corporate, facility, and subsidiary processes and ensure compliance with policies to mitigate risk of breaches, fraud, and both financial and reputational damage.

13. DMPI's Internal Audit department implements a risk-based approach in identifying auditable areas. Fraud risks are considered. The auditable areas are periodically assessed to take into consideration changes in business conditions and priorities. The Internal Audit department also coordinates with the External Auditor.

14. DMPL strengthens governance through data protection, privacy, and cybersecurity.

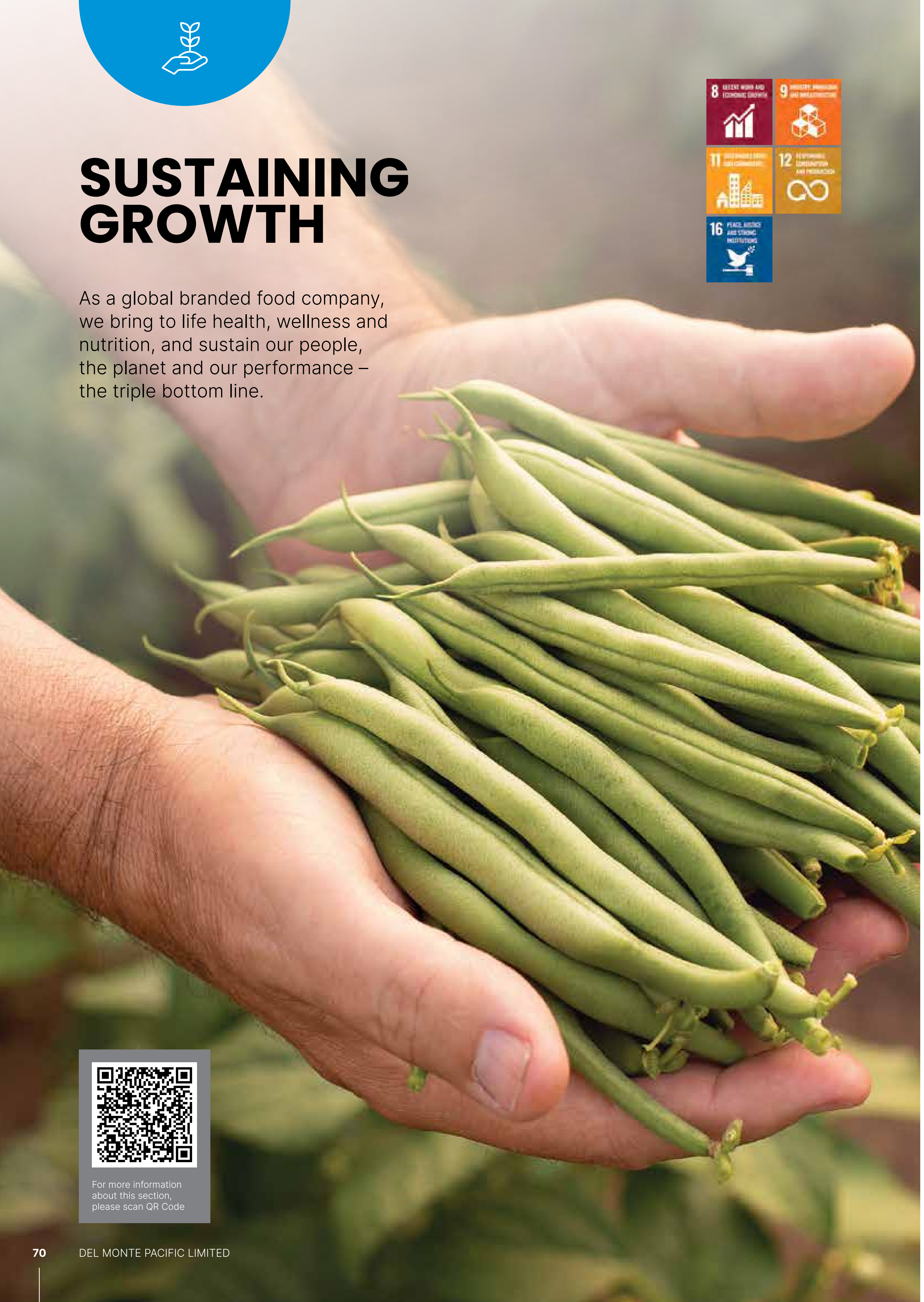
    IT assets are vital to support tactical business functions. In line with this, the Group is revisiting the process of its Information Security Policy at least annually, to set forth high-level controls for protecting information and assessing compliance.

15. The Group is likewise committed to protecting its confidential business data and privacy of individuals. DMPL complies with cybersecurity laws and regulations.

Legal team with Antonio E.S. Ungson, Chief Legal Counsel, and Ramon M. Velez of Stakeholder Relations

Internal Audit team with Gil R.S. Veloso, Internal Audit Head

Information Technology planning with Catherine Rose L. Esguerra, Director, IT Operations



SUSTAINING GROWTH

As a global branded food company, we bring to life health, wellness and nutrition, and sustain our people, the planet and our performance – the triple bottom line.

For more information about this section, please scan QR Code

SUSTAINING GROWTH

Del Monte Philippines Beverage plant in Laguna, Philippines

Del Monte Pacific Ltd. (DMPL) believes that its operations have contributed to regional economic growth, creating a multiplier effect on the local economy by fueling businesses which support the Group, and serving the day-to-day needs of our employees and their families.

ECONOMIC IMPACT

DMPL has 6,300 regular employees in the Group, close to 4,700 seasonal employees in the U.S. and about 17,700 service providers who work in different areas of our operations in the Philippines.

S&W Deluxe Fresh Pineapples

DMFI's relationships with farmers extend to more than three generations. Vegetables, fruits and tomatoes are contractually grown on farms. Some Del Monte fruit growers include farm families that have produced for Del Monte for over 70 years. Our Company's growth has a positive benefit on farms across the U.S.

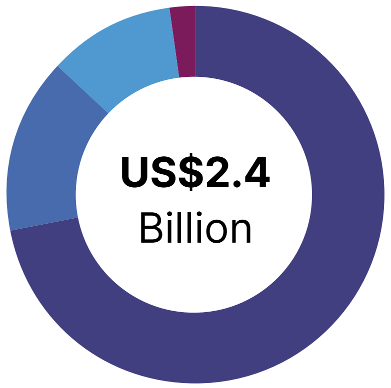
Our pineapple plantations in southern Philippines encompass 3 cities and 25 municipalities in Bukidnon and Misamis Oriental, Mindanao. Around 20,000 families or approximately 100,000 individuals directly or indirectly depend on the Company's operations including fruit growers, harvesters, truckers, and maintenance crews.

SUSTAINING GROWTH

ECONOMIC VALUE ADDED

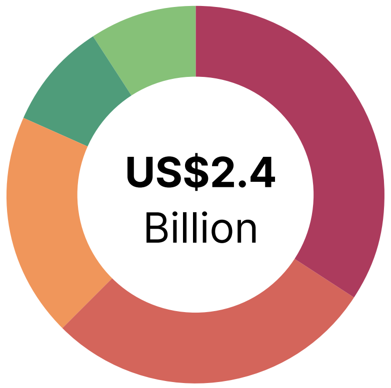
	FY23	FY22	FY21
Direct economic value generated	**2,421,313**	**2,342,086**	**2,162,709**
Revenue	2,421,313	2,342,086	2,162,709
Economic value distributed	**2,143,971**	**2,068,236**	**1,929,210**
Operating costs	2,077,917	1,965,986	1,839,267
COGS	1,814,320	1,719,429	1,606,746
Distribution & Selling	194,648	187,478	169,339
G&A and Others	68,950	59,079	63,182
Employee wages & benefits	97,250	108,013	111,096
Payments to providers of capital	48,887	62,670	62,670
Payments to government	17,283	39,666	27,346
Community investments	432	710	423
Economic value retained	**277,342**	**273,850**	**233,499**

DMPL FY2023 SALES



By Geography

- Americas 72%
- Philippines 15%
- Asia ex-Philippines 11%
- Europe 2%



By Product

- Packaged Fruit 34%
- Packaged Vegetable 28%
- Culinary 19%
- Fresh Fruit and Others 9%
- Beverage 9%

1. Del Monte Pacific grew sales by 3% to US$2.4 billion on higher U.S. and international sales.

2. Gross profit and EBITDA were down by 2.5% and 6.2% to US$607 million and US$329.7 million, respectively, on higher costs.

3. DMFI generated US$1.73 billion of sales or about 72% of Group sales, higher by 5%, driven by sustained growth across almost all categories, attributed to pricing adjustments, distribution gains for vegetable and JOYBA bubble tea, increased sales of fruit cups, as well as incremental sales of US$35.1 million from Kitchen Basics.

4. Philippine market sales were up 7% in peso terms, but down 4% in US dollar terms, on higher culinary, beverage and new product sales, while the international business delivered 11.5% higher sales on increased fresh and packaged product sales.

5. Net income declined to US$16.9 million from US$100 million due to one-off costs of US$55.2 million (post tax and non-controlling interest), of which US$50.2 million was booked in the first quarter as DMFI redeemed its Notes and refinanced it with a long-term credit facility that has lower interest rates.

Without these one-off costs, DMPL EBITDA and net income would have been US$337.2 million and US$72.2 million, lower by 4% and 28%, respectively.

For more information on our performance, please refer to the Operating and Financial Review on pages 37 to 44 of Del Monte Pacific's FY2023 Annual Report.

Del Monte 100% Pineapple Juice Fiber-Enriched

Kitchen Basics broth

Take Root Organics tomato products

DMPI Mindanao Finance Team with Ma. Marieta F. Brugada, Finance Head, Mindanao Operations and Accounting

Wysocki Produce Farms, one of Del Monte's growers

RESPONSIBLE SOURCING PRACTICES

The Group recognizes the importance of building a strong partnership with its suppliers. DMPL conducts business with its customers conforming to integrity, mutual interest, and fairness.

1. The Group performs periodic audits of contract manufacturers and direct suppliers, including independent and unannounced audits to ensure quality assurance and compliance.

2. The Group expects suppliers to comply with its Supplier Code of Conduct. This includes, but is not limited to, the rights of their workers and people working for their suppliers, as well as the communities affected by their operations, and those raising any human rights concerns associated with them.

   For details please refer to the policy at https://www.delmontepacific.com/hubfs/pdf/Supplier%20Code%20of%20Conduct.pdf

3. Del Monte Foods, Inc. (DMFI) is one of the largest producers, distributors, and marketers of premium quality, branded vegetables, fruits and tomatoes for the U.S. retail market. DMFI contracts with about 740 growers across the U.S. and Mexico, which supply about 870,000 tons of produce.

	TONS	GROWERS
Vegetable	262,789	93
Fruits US	192,875	510
Fruits Mexico	58,066	117
Tomato	357,624	21

6. Del Monte in the U.S. has a Supplier Diversity Program that enables small and diverse businesses to be considered fairly as subcontractors and suppliers.

7. Close to 60% of DMPI's suppliers are considered small and medium enterprises. These suppliers undergo the supplier accreditation process of the Company and are evaluated based on performance - quality, delivery, and competitiveness.

8. In selecting suppliers, DMPI applies its Supplier Quality Management Program to assess the quality and delivery performance, feedback, and continuous improvement programs for all material suppliers and toll manufacturers.

Filling machine of Tropical Fruit Asia Corporation, one of DMPI's toll packers

Procurement Team with Angel V. Gatchalian, Jr., Group Head

SUSTAINABILITY FRAMEWORK

Consistent with our vision, strategic pillars and core values: healthier produce, healthier people and a healthier planet.

For more information about this section, please scan QR Code

SUSTAINABILITY FRAMEWORK

Pineapple field in the Philippines

Guided by our vision and values, improving sustainability is one of DMPL's strategic pillars. Our Board of Directors oversees Del Monte's sustainability strategy. Our sustainability goals are developed together with functional leaders and their teams, each addressing priorities and implementing projects to achieve the sustainability goals. Conducting business goes beyond generating profit to ensure the well-being of our people and stewardship of the planet.

We focus on building the long-term resilience of our business. Each business unit has identified its material sustainability issues by location which may differ given the business model employed by the business units. For example, our Philippine company directly cultivates its pineapples, while our U.S. subsidiary uses contract growers to source its produce.

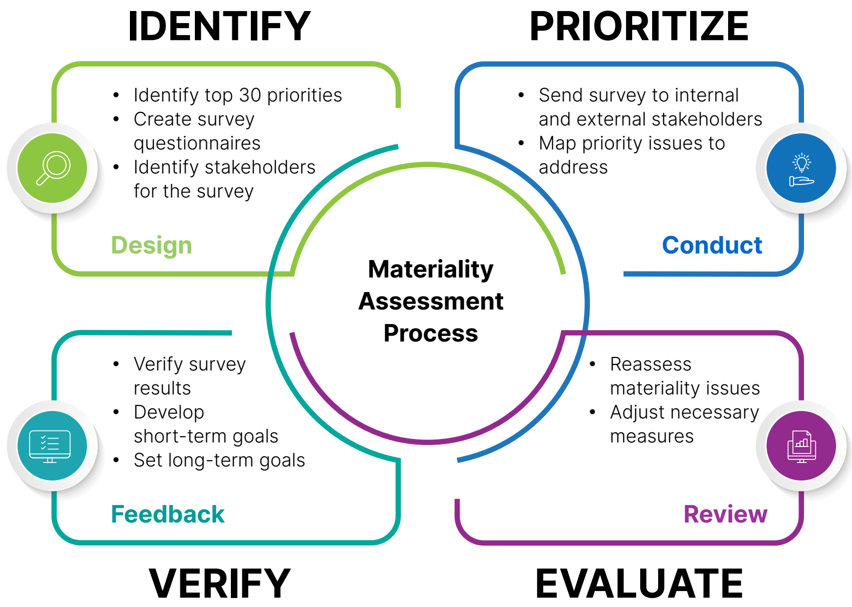
We strive to ensure that Del Monte adheres to the highest governance standards in doing business. For more information on our governance principles, refer to pages 77 to 101 of our FY2023 Annual Report or visit our website at www.delmontepacific.com/corporate-governance.

MATERIALITY AND OUR PRIORITIES

An independent materiality assessment process led by a global sustainability specialist firm examined our priorities among our stakeholders with respect to consumers, employees, communities, the environment, governance and business.

The objective of the materiality assessment is to identify the sustainability priorities, drawing from internal and external stakeholders to compile a list of issues specific to the food industry.

Below is DMPL's materiality assessment process:

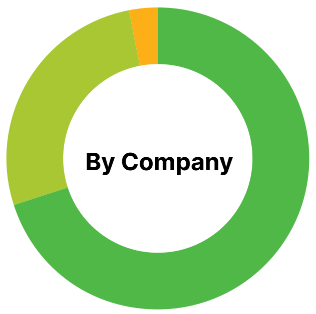


SUSTAINABILITY FRAMEWORK

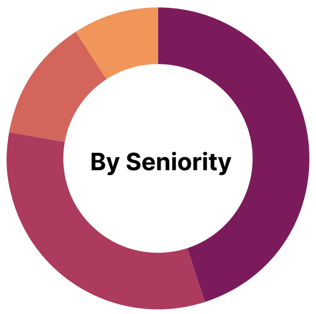
DMPL'S TOP 30 SUSTAINABILITY PRIORITIES

Product Innovation	Traceability	Product Safety & Quality	Health & Nutrition	Product Packaging	Product Labeling
Responsible Marketing	Occupational Health & Safety	Well-being and Work-life Integration	Human Rights & Labor Standards	Talent Management	Employee Engagement
Diversity & Inclusion	Fair Wages & Benefits	CSR & Philanthropy	Community Relations & Stakeholder Management	Fertilizer & Pesticide Use	Soil Management
Waste Management	Water Management	Energy & GHG	Biodiversity	Climate Change Adaptation	Ethics & Integrity
Data Protection, Privacy & Cyber Security	Public Policy	Land & Resource Availability	Technology Driven Operations	Tax	Responsible Sourcing Practices
Consumers	Employees	Communities	Nature	Governance	Growth

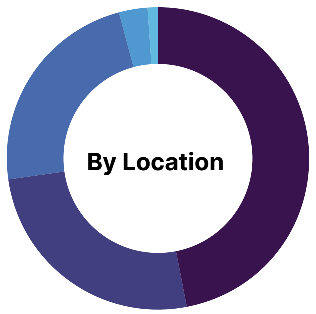
INTERNAL SURVEY DEMOGRAPHIC



DMPI	70%
DMFI	27%
S&W	3%

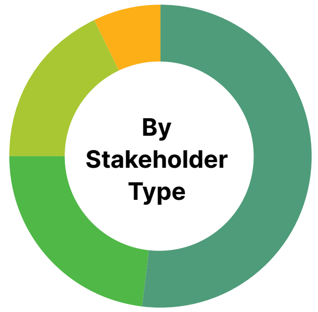


Supervisor/Specialist	45%
Manager	33%
Senior Management	13%
Leadership	9%

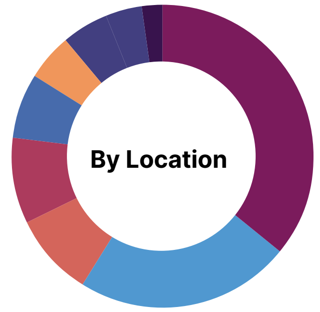


Mindanao	47%
United States	26%
Luzon	23%
Singapore	3%
Others	1%

EXTERNAL SURVEY DEMOGRAPHIC

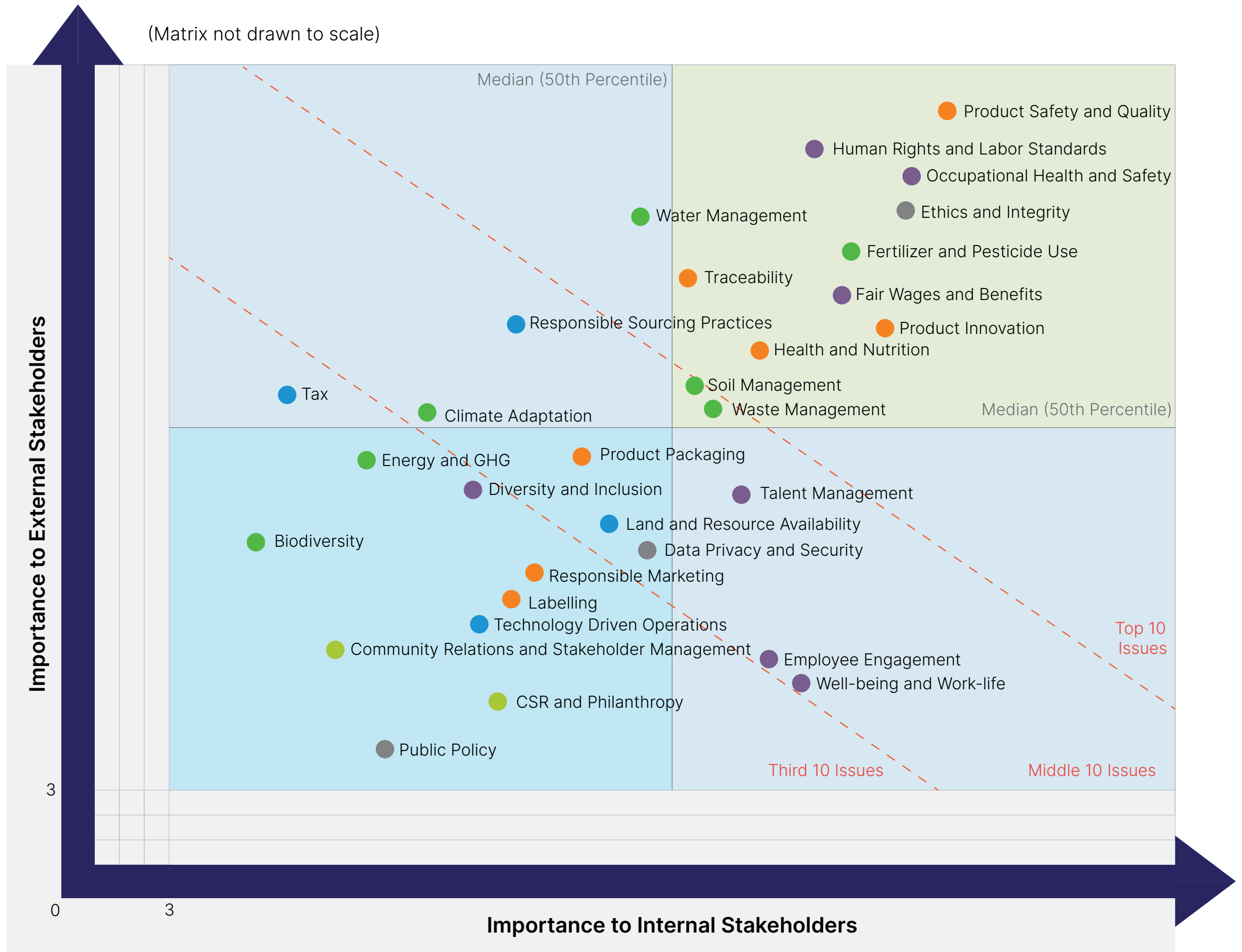


Philippines	52%
Asia	23%
North America	18%
Others	7%



Business Partner	36%
Supplier	23%
NGO/Nonprofit	9%
Investor/Lender Financial Institution	9%
Industry Trade Association	7%
Academia	5%
Certification Body	5%
Government Regulator	4%
Others	2%

DMPL MATERIALITY MATRIX



Consumers · Employees · Communities · Nature · Governance · Growth

SUSTAINABILITY FRAMEWORK

DMPL'S TOP 10 MATERIAL PRIORITIES

Rank	Priority	Importance
1	Product Safety & Quality	Ensure safe & quality products
2	Occupational Health & Safety	Ensure employee health & safety
3	Ethics & Integrity	Comply with rules & regulations
4	Human Rights & Labor Standards	Comply with human rights & labor laws
5	Fertilizer & Pesticide Use	Manage usage of fertilizers & chemicals
6	Product Innovation	Invest in innovation to sustain growth
7	Water Management	Manage usage of water
8	Fair Wages & Benefits	Comply with labor standards on wages & benefits
9	Health & Nutrition	Promote health, wellness & nutrition
10	Traceability	Ensure product safety, security & ascertain origin

Consumers | Employees | Communities | Nature | Governance | Growth

Aside from determining our top 10 priorities, we also identified emerging issues – soil management, talent management, data privacy, and cybersecurity. Moreover, the Group provided a section on climate change adaptation, energy efficiency, and corporate social responsibility. These are included in each pillar of the sustainability section of the DMPL website at https://www.delmontepacific.com/sustainability-1.

DMPL has engaged an independent third-party firm to update and identify our material topics and priorities based on the requirement of GRI 2021 standards. This will be published in the FY2024 sustainability report.

VALUE CHAIN

1 Agricultural Sourcing

Del Monte Pacific has instituted sustainability practices throughout the agricultural supply chain to ensure the quality of its produce. These include DMFI's plant breeding program, DMPI's drones to monitor plant health, and an Integrated Pest Management Program.

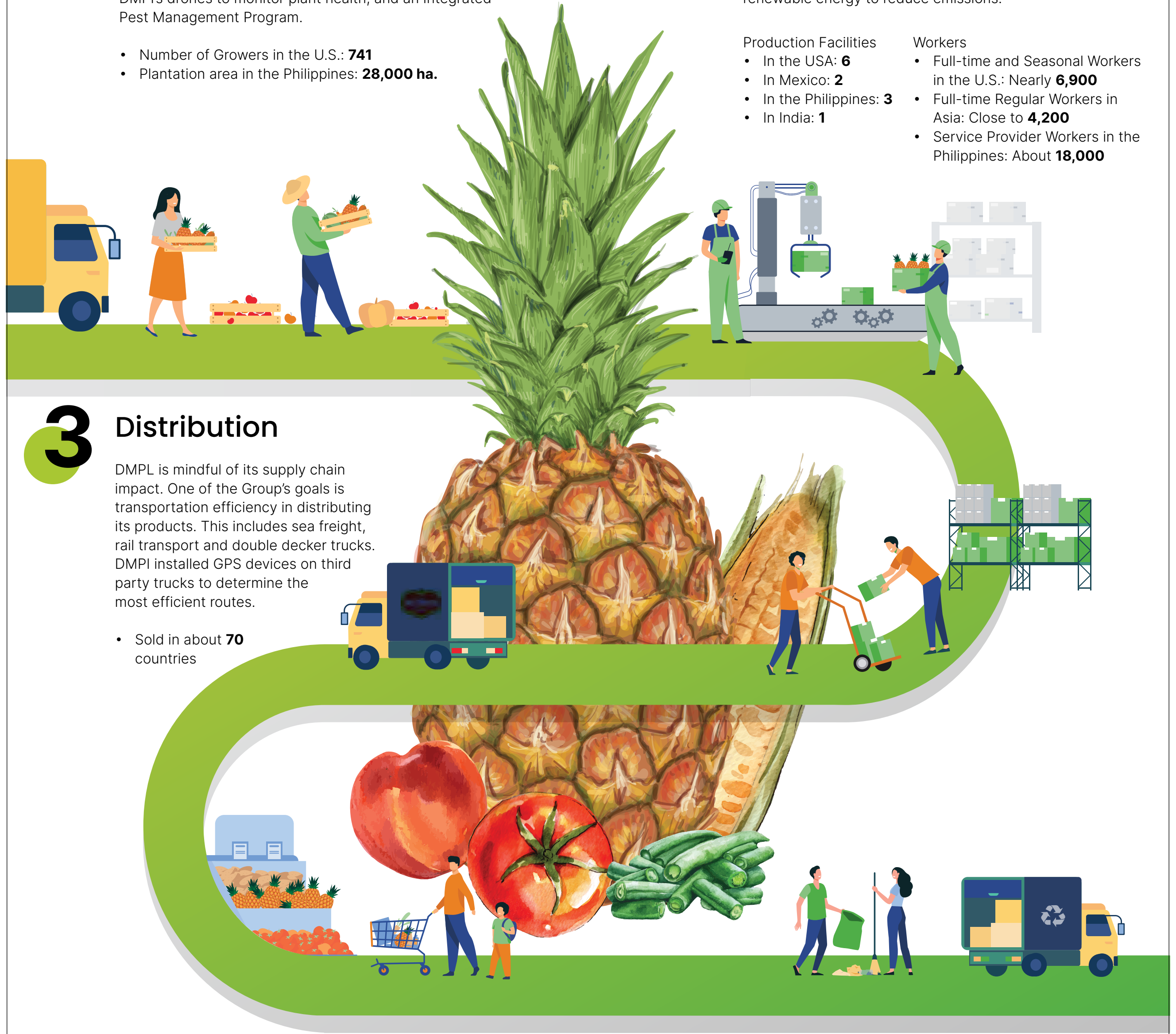
- Number of Growers in the U.S.: **741**
- Plantation area in the Philippines: **28,000 ha.**

2 Manufacturing Facilities

DMPL's manufacturing facilities focus on carbon emission reduction, efficient use of water and waste reduction. The Group plans to expand its use of renewable energy to reduce emissions.

Production Facilities
- In the USA: **6**
- In Mexico: **2**
- In the Philippines: **3**
- In India: **1**

Workers
- Full-time and Seasonal Workers in the U.S.: Nearly **6,900**
- Full-time Regular Workers in Asia: Close to **4,200**
- Service Provider Workers in the Philippines: About **18,000**



3 Distribution

DMPL is mindful of its supply chain impact. One of the Group's goals is transportation efficiency in distributing its products. This includes sea freight, rail transport and double decker trucks. DMPI installed GPS devices on third party trucks to determine the most efficient routes.

- Sold in about **70** countries

4 Consumption

Del Monte Pacific's brands have been trusted by consumers for generations. This trust is the result of maintaining quality products that are nutritious and delicious. Mindful of consumers' evolving preference, the Group expanded its product line in new categories - frozen fruits, organic canned products, dairy, bubble tea drink and biscuits.

- **US$ 2.4 billion** revenue in FY23
- New products contributed about **9%** of DMPL's total sales in FY23

5 Post-Consumer

The Group is developing biodegradable and compostable plastic packaging, and targeting to include 30% post-consumer recycled plastic content in its plastic packaging. In the Philippines, the Company will divert 20% of its post-consumer plastics from landfills in 2023 in compliance with the Extended Producer Responsibility Law. Implementing various material reduction initiatives is part of the Group's initiative to reduce its waste.

Material Reduction Usage in the Philippines in FY23
- **121MT** for rigid plastic bottle and caps
- **12.5MT** for stand-up pouches / flexible laminates

SUSTAINABILITY FRAMEWORK

Some of DMFI's corn growers in the U.S.

Our sustainability journey begins with our stakeholders, whom we nurture meaningful relationships with to strengthen collaboration, improve transparency, address potential risks, resolve concerns and sustain our performance.

Working together through partnerships with businesses, governments, NGOs and civil society can achieve effective outcomes, drive collective action, and build shared opportunities. Collaborating with multi-stakeholders is key in achieving our environmental, social and governance goals.

The Corporate Sustainability team leads efforts to increase sustainability advocacy among stakeholders. Key leaders are kept abreast of sustainability goals and targets. We demonstrate our commitment which requires collective action with others.

We apply the principles of truthfulness, transparency, inclusiveness and accountability to build mutual trust and create a meaningful partnership with our stakeholders.

We engage proactively with our partners in areas where we operate. We value the insights and feedback of stakeholders on our material priorities, as we develop our sustainability strategy across our goals.

The following outlines how we engage with our key stakeholders. These groups were identified according to their level of influence, interest, and impact on the organization.

STAKEHOLDER ENGAGEMENT

Stakeholders	Why we engage	How we engage	What we engage
Consumers	To understand consumer needs to maximize opportunities and explore new categories and sustainable products	• Consumer insight • Corporate websites • Del Monte Kitchenomics • Social Media • Brand engagement • Marketing activities and communication • Corporate communication Newsletter	• Health, wellness and nutrition • Food safety and quality • Packaging information • Sustainability practices • Healthy food preparation • Truthful, accurate and transparent communication
Employees	To harness relationships through health and safety procedures, employee engagement and talent management	• Town hall meetings • Leadership teams • Email communication • Internal publication (Tidbits) • Surveys • 24-hour hotline (anti-corruption practice) • Technical working groups • Employee engagement activities • Webinars • Online store platforms	• Occupational health and safety • Freedom of Association • Diversity and Inclusion • Employee recognition • Talent management • Work-life balance • Sustainability practices • Community engagement • Business and individual performance • Compensation and benefits
Local Communities	To sustain social license to operate through community development and environmental stewardship	• Corporate donations • Del Monte Foundation activities • Stakeholder relations • Partnerships (TESDA, Brigada Eskwela) • Surveys (Materiality) • Employee involvement	• Health, wellness and nutrition • Community development • Education, scholarship and employment • Livelihood projects • Disaster relief • Environmental initiatives • Various partnership programs
Growers and Suppliers	To collaborate through sustainable agricultural practices and procurement of quality materials and services	• Supplier Code of Conduct • Supplier Quality Management Program • Face-to-face meetings • Supplier Surveys • Supplier assessment and audits • Supplier partnership • Supplier Diversity (DMFI)	• Product quality and safety • Human rights • Responsible sourcing • Sustainable agriculture • Risk management and mitigation • Business continuity plans • Cost savings initiatives • Sustainability initiatives • Traceability
Shareholders and Investors	To ensure investors and shareholders are updated on the company's business goals, strategies and business performance, and sustainability initiatives	• Investor meetings and discussions • Ratings, rankings and other indices • Quarterly business performance • Annual and Sustainability reports-update websites • Investor briefing and calls • Annual general meetings • MD&A presentations • Forums, webinars and conferences • Email alerts to investors • Roadshows	• Goals, strategies, vision and values • Business performance • Governance • ESG indices • Sustainability initiatives • Ethical business practices • Human rights • Health, wellness and nutrition
Government and Regulators	To establish strategic partnerships and compliance with legislation	• LGU and regulatory engagement • In-person meetings • Plantation tours • Trade associations/memberships • Partnerships	• New rules and regulations • Compliance • Food safety and quality • Product labelling • Responsible marketing • Sustainability initiatives • Health, wellness and nutrition

SUSTAINABILITY FRAMEWORK

> Del Monte has been nourishing consumers, communities and the environment for generations, nurturing healthier produce, healthier people and a healthier planet.

Strategic Planning and Sustainability Team led by Ignacio C. O. Sison, Chief Corporate Officer

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure		Location	Omissions: Requirement(s) Omitted	Omissions: Reason	Omissions: Explanation
GRI 2: General Disclosures 2021	**Organization and its reporting practices**					
	2-1	Organizational details	Corporate Profile Inside front cover About this Report pages 2-3			
	2-2	Entities included in the organization's sustainability reporting	About this Report page 3			
	2-3	Reporting period, frequency and contact point	About this Report page 2			
	2-4	Restatements of information	No restatement			
	2-5	External Assurance	Internal Audit Verification Statement page 3			
	Activities and workers					
	2-6	Activities, value chain and other relationships	Value Chain page 81			
	2-7	Employees	Organization Profile Pages 29-30			
	2-8	Workers who are not employees	Sustaining Growth page 71			
	Governance					
	2-9	Governance structure and composition	Board Governance page 65			
	2-10	Nomination and selection of the highest governance body	Board Governance pages 65-66			
	2-11	Chair of the highest governance body	Board Governance page 66			
	2-12	Role of the highest governance body in overseeing the management of impacts	Board Governance page 65			
	2-13	Delegation of responsibility for managing impacts	Board Governance page 65			

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure		Location	Omissions: Requirement(s) Omitted	Omissions: Reason	Omissions: Explanation
	2-14	Role of the highest governance body in sustainability reporting	Board Governance page 65			
	2-15	Conflicts of Interest	Ethics and Integrity pages 67-68			
	2-16	Communication of critical concerns	Board Governance pages 66			
	2-17	Collective knowledge of the highest governance body	Board Governance page 66			
	2-18	Evaluation of the performance of the highest governance body	Board Governance page 66			
	2-19	Remuneration policies	Board Governance page 65			
	2-20	Process to determine remuneration	Board Governance page 65			
	2-21	Annual total compensation ratio		Compensation data	Confidentiality constraint	Intense competition for talent in the food and beverage industry
	Strategy, policies and practices					
	2-22	Statement on sustainable development strategies	Letter to our Stakeholders pages 6-7			
	2-23	Policy commitments	Letter to our Stakeholders pages 6-7			
	2-24	Embedding policy commitments	Letter to our Stakeholders pages 6-7			
	2-25	Process to remediate negative impacts	Ethics and Integrity pages 67-68			
	2-26	Mechanism for seeking advice and raising concerns	Ethics and Integrity pages 67-68			
	2-27	Compliance with laws and regulations	Letter to our Stakeholders pages 6-7			
	2-28	Membership associations	DMPL's Contribution to the UN Sustainable Development Goals pages 14-19			

GRI Standard/ Other Source	Disclosure		Location	Omissions: Requirement(s) Omitted	Omissions: Reason	Omissions: Explanation
	Stakeholder engagement					
	2-29	Approach to stakeholder engagement	Stakeholder Engagement page 83			
	2-30	Collective bargaining agreements	Human Rights and Labor Standards page 34			
GRI 3: Material Topics	3-1	Process to determine material topics	Materiality and our Priorities page 77			
	3-2	List of material topics	Materiality and our Priorities page 78			
	3-3	Management of material topics		Material Topics	Information incomplete	Material topics for completion in FY24
GRI 13.1: Emissions	13.1.2	Direct (Scope 1) GHG emissions	ESG Metrics page 12			
	13.1.3	Direct (Scope 2) GHG emissions	ESG Metrics page 12			
	13.1.4	Other indirect (Scope 3) GHG emissions	ESG Metrics page 12			
	13.1.6	Reduction of GHG emissions	Climate Change Adaptation and Energy Efficiency pages 54-55			
	13.1.7	Emissions of ozone-depleting substances (ODS)	Climate Change Adaptation and Energy Efficiency pages 54-55			
GRI 13.2: Climate Adaptation and Resilience	13.2.2	Financial implications and other risk and opportunities due to climate change	Climate-Related Report pages 59-61			
GRI 13.3: Biodiversity	13.3.4	Habitats protected or restored	Environment page 55			
GRI 13.4: Natural Ecosystem Conversion	13.4.4	Size in hectares, location and type of natural ecosystem converted on land managed by the organization	Environment page 55			
GRI 13.5: Soil Health	13.5.1	Soil management plan, soil management practices used and approach to input optimization	Soil Management page 49			

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure		Location	Omissions: Requirement(s) Omitted	Omissions: Reason	Omissions: Explanation
GRI 13.6: Pesticide Use	13.6.1	Pest management plan, actions, initiatives to switch to less hazardous pesticides and actions taken to optimize pest control practices	Fertilizer and Pesticide Use page 52			
GRI 13.7: Water and Effluents	13.7.2	Interactions with water as a shared resource	Management pages 50-51			
	13.7.3	Management of water discharge-related impacts	Climate Change Adaptation and Energy Efficiency page 55			
	13.7.6	Water consumption	ESG Metrics page 12			
GRI 13.8: Waste	13.8.2	Waste generation and significant waste-related impacts	Waste Management pages 52-53			
	13.8.3	Management of significant waste-related impacts	Waste Management pages 52-53			
	13.8.5	Waste diverted from disposal	Waste Management pages 52-53			
	13.8.6	Waste directed to disposal	ESG Metrics page 12			
GRI 13.9: Food Security	13.9.1	Effectiveness of actions and programs on food security at local,regional, national, or global levels Partnerships which the organization is part of that address food security, including engagement with governments	Food Security pages 46-47			
GRI 13.10: Food Safety	13.10.2	Assessment of health and safety impacts of product and service categories	Product Safety and Quality page 22 Health and Nutrition pages 23-25			

GRI Standard/ Other Source	Disclosure		Location	Omissions: Requirement(s) Omitted	Omissions: Reason	Omissions: Explanation
GRI 13.12: Local Communities	13.12.2	Operations with local community engagement, impact assessments, and development programs	Developing Communities pages 37-43			
GRI 13.13: Land and Resource Rights	13.13.2	Locations of operations, where land and natural resource rights may be affected by the organization's operations	Land Resource Management page 48			
GRI 13.14 Rights of Indigenous Peoples	13.14.4	Report if the organization has been involved in a process of seeking free, prior, and informed consent (FPIC) from indigenous peoples for any of the organization's activities	Land Resource Management page 48			
GRI 13.15: Non-discrimination and Equal Opportunity	13.15.2	Diversity of governance bodies and employees	Board Governance page 66			
	13.15.3	Ratio of basic salary and remuneration of women to men		Compensation data	Confidentiality constraint	Intense competition for talent in the food and beverage industry
GRI 13.16: Forced or Compulsory Labor	13.16.2	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights and Labor Standards pages 34-35			
GRI 13.17: Child labor	13.17.2	Operations and suppliers at significant risk for incidents of child labor	Human Rights and Labor Standards pages 34-35			

GRI CONTENT INDEX

GRI Standard/ Other Source	Disclosure		Location	Omissions		
				Requirement(s) Omitted	Reason	Explanation
GRI 13.18: Freedom of Association and Collective Bargaining	13.18.2	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights and Labor Standards pages 34-35			
GRI 13.19: Occupational Health and Safety	13.19.2	Occupational health and safety management system	Occupational Health and Safety page 33			
	13.19.6	Worker training on occupational health and safety	Occupational Health and Safety page 33			
	13.19.7	Promotion of worker health	Occupational Health and Safety page 33			
	13.19.8	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety page 33			
	13.19.9	Workers covered by an occupational health and safety management system	Occupational Health and Safety page 33			
	13.19.10	Work-related injuries	ESG Metrics page 13 Organization Profile page 30			
	13.19.11	Work–related ill health	ESG Metrics page 13 Organization Profile page 30			
GRI 13.20: Employment Practices	13.20.1	Describe policies or commitments regarding recruitment of workers, whether the organization has an ethical recruitment policy	Human Rights and Labor Standards page 35			
GRI 13.21: Living Income and Living Wage	13.21.1	Describe commitments related to providing a living income or paying a living wage	Fair Wages and Benefits page 32			

GRI Standard/ Other Source	Disclosure		Location	Omissions		
				Requirement(s) Omitted	Reason	Explanation
GRI 13.22: Economic Inclusion	13.22.2	Direct economic value generated and distributed	Economic Impact page 72			
GRI 13.23: Supply Chain Traceability	13.23.2	Describe the level of traceability in place for each product sourced, for example, whether the product can be traced to the national, regional, or local level, or a specific point of origin	Traceability page 27			
GRI 13.25: Anti-competitive Behavior	13.25.2	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	No legal actions			
GRI 13.26: Anti-corruption	13.26.3	Communication and training about anti-corruption policies and procedures	Ethics and Integrity page 67-68			
		Confirmed incidents of corruption and actions taken	No incidence of corruption			

NOTE ABOUT PRINTING:
In line with Del Monte Pacific's commitment to environmental sustainability, this report is a Forest Stewardship Council® (FSC®) certified print job. Should you wish additional copies to share this report, we encourage you to download the soft copy of this report to reduce consumption of resources from printing and distribution of hard copies. The portable document format (PDF) soft copy is available for download in the sustainability section of the Del Monte Pacific website at https://www.delmontepacific.com/sustainability/sustainability-report.

ABOUT THE FOREST STEWARDSHIP COUNCIL:
The Forest Stewardship Council® (FSC®) is an independent, not for profit, non-government organisation established to support environmentally appropriate, socially beneficial, and economically viable management of the world's forests. FSC's vision is that the world's forests meet the social, ecological, and economic rights and needs of the present generation without compromising those of future generations. FSC's certification guarantees consumers and businesses that the FSC-labelled product they purchase come from a forest and supply chain that is managed responsibly.

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Corporate Information

DEL MONTE PACIFIC LIMITED

BOARD OF DIRECTORS

Mr. Rolando C. Gapud
Executive Chairman

Mr. Joselito D. Campos, Jr.
Managing Director and Chief Executive Officer

Mr. Edgardo M. Cruz, Jr.
Executive Director

Mr. Benedict Kwek Gim Song
Lead Independent Director

Mr. Godfrey E. Scotchbrook
Independent Director

Dr. Emil Q. Javier
Independent Director

Mrs. Yvonne Goh
Independent Director

EXECUTIVE OFFICERS

Mr. Joselito D. Campos, Jr.
Managing Director and Chief Executive Officer

Mr. Luis F. Alejandro
Chief Operating Officer

Mr. Ignacio C. O. Sison
Chief Corporate Officer

Mr. Parag Sachdeva
Chief Financial Officer

Mr. Antonio E. S. Ungson
Chief Legal Counsel, Chief Compliance Officer and Company Secretary

Mr. Ruiz G. Salazar
Chief Human Resource Officer

DEL MONTE FOODS, INC.

Mr. Gregory Longstreet
President and Chief Executive Officer

Mr. Parag Sachdeva
Chief Operations Officer

Mr. William Sawyers
General Counsel,
Chief Compliance Officer, Secretary

Ms. Bibie Wu
Chief Marketing Officer

Mr. James Caltabiano
Chief Financial Officer

Mr. Paul Matthew Beliveau
Chief Human Resource Officer

Mr. Ashish Mallick
Chief Supply Chain Officer

Mr. David Stis
Chief Customer Officer

Ms. Jeanette C. Naughton
Vice President, Strategic Planning

Mr. Todd Stillwell
Vice President, Logistics, Planning and Customer Supply Chain

DEL MONTE PHILIPPINES, INC.

Mr. Joselito D. Campos, Jr.
Chief Executive Officer

Mr. Luis F. Alejandro
President and Chief Operating Officer

Mr. Parag Sachdeva
Chief Financial Officer

Mr. Ignacio C.O. Sison
Chief Sustainability Officer

Mr. Antonio E. S. Ungson
Chief Legal Counsel, Chief Compliance Officer and Company Secretary

Mr. Ruiz G. Salazar
Chief Human Resource Officer

Mr. Philip G. Macahilig
Group Head, Philippine Market Commercial Operations

Ms. Tan Chooi Khim
Group Head, International Commercial Operations

Ms. Sharon G. Tanganco
Chief Marketing Officer

Ms. Eileen M. Asuncion
Group Head, Commercial Joint Venture Operations

Mr. Francisco T. Molas
Group Head, Mindanao Operations

Mr. Arnold C. Alvarez
Chief Supply Chain Officer

Mr. Angel V. Gatchalian, Jr.
Group Head, Corporate Procurement

Ms. Iris P. Uy
Group Head, Research and Development

S&W FINE FOODS INTERNATIONAL LTD.

Ms. Tan Chooi Khim
General Manager

Mr. Marco Deo B. Verdeflor
Director, Fresh Commercial Operations

Mr. Richard Lin
Commercial Manager, China (Fresh and Packaged)

Ms. Sharin A. Rebollido
Commercial Senior Manager, China, Korea, Hong Kong, and Taiwan (Packaged) and Beyond Fresh

Mr. Fritz Matti
Commercial Manager, Japan (Fresh and Packaged)

Mr. Sumarleki Amjah
Head, ASEAN, MENA, and Indian subcontinent (Packaged)

Ms. Warunee Karnasuta
Commercial Manager, Europe, Middle East, and Africa (Packaged)

Ms. Yap Siew Ling
Commercial Manager, Europe, Middle East, and Africa (Packaged)

Ms. Maria Odette Lagunilla
Fresh Senior Commercial Manager and Deluxe Lead

Ms. Rhodora Gumapac-Negrido
Senior Manager, Product Sourcing and Supply Chain, Customer Service for Non-Affiliates, Consolidator Total International Processed

Ms. Ma. Marieta F. Brugada
Finance Head, Mindanao Operations and International Market

Mr. Kristofer Vincent San Miguel
Senior Manager, International Markets Finance

SUSTAINABILITY REPORT TEAM

Mr. Ignacio C. O. Sison
Chief Corporate Officer

Mr. Raulito R. Rodil
Corporate Sustainability

Ms. Molly Laverty
Director, Environmental, Social and Governance (ESG)

Mr. Hector Garcia
Director, Environmental Engineering and Sustainability

Ms. Jennifer Y. Luy
Senior Manager, Investor Relations

Ms. Ma. Irma E. Rivera
Executive Assistant

COMPANY SECRETARY

Mr. Antonio E. S. Ungson
10/F JY Campos Centre
9th Avenue corner 30th Street
Bonifacio Global City
Taguig City 1634
Philippines
Tel : +632 8856 2888
Fax: +632 8856 2628

LISTING

Listed on 2 August 1999 on the Singapore Exchange (SGX)

Listed on 10 June 2013 on the Philippine Stock Exchange (PSE)

FOR FURTHER INQUIRIES PLEASE CONTACT:

Mr. Raulito R. Rodil
DMPL Management Services Pte. Ltd.
17 Bukit Pasoh Road
Singapore 089831
Tel : +65 6324 6822
+632 8856 2888
rrodil@delmontepacific.com

For more information, please scan QR Code to access DMPL's website

LEAVE
NO ONE
BEHIND

DEL MONTE PACIFIC LIMITED
c/o 17 Bukit Pasoh Road, Singapore 089831
Tel +65 6324 6822 | Email: rrodil@delmontepacific.com

www.delmontepacific.com

Del Monte Pacific Limited

3 August 2023

CORPORATE GOVERNANCE AND FINANCE DEPARTMENT
Securities & Exchange Commission
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City

Attention: **Rachel Esther J. Gumtang-Remalante**
Director

Re: **Request for Extension of Compliance with Notarization**

Gentlemen:

Del Monte Pacific Limited (the "Company"), through the undersigned, respectfully requests for an extension of the submission of the notarized signature of the Chairman of its Board of Directors, **Mr. Rolando C. Gapud**, for the Company's submission of the Statement of Management Responsibility (SMR), which forms part of the Company's Audited Financial Statements (AFS). We note that notarization of the SMR is a requirement for the submission of the AFS.

We have learned that there have been some difficulties in procuring the consularization of the signature of Mr. Gapud, who is already a senior citizen, not very mobile and currently resides in Bangkok, Thailand, where notarization and consularization of documents are not a straightforward process. For instance, this would entail interim steps such as applying for authentication with Thailand's Ministry of Foreign Affairs. Hence, we anticipate some delays in the consularization of Mr. Gapud's signature.

In view of the foregoing, we respectfully request for an extension of time for Mr. Gapud to submit his notarized signature for the SMR. While the Company will submit the AFS and SMR with his signature (without notarization yet) and the other signatories' notarized signatures, on or before the AFS's deadline, we shall submit the AFS with the Chairman's notarized signature by 6 September 2023.

We hope for your favorable consideration on this matter.

Very truly yours,

DEL MONTE PACIFIC LIMITED
By:

ANTONIO EUGENIO S. UNGSON
Company Secretary

c/o 17 Bukit Pasoh Singapore 089831 ● Tel. (65) 6324 6822 ● Fax (65) 6221 9477

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of **Del Monte Pacific Limited and its Subsidiaries** (collectively referred to as the "**Company**") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at April 30, 2023, and 2022 and for each of the three years in the period ended April 30, 2023, 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 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 Company'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 Company or cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing and, in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature ______________________
Rolando C. Gapud, Executive Chairman

Signature ______________________
Joselito D. Campos, Jr., Managing Director & Chief Executive Officer

Signature ______________________
Parag Sachdeva, Chief Financial Officer

Signed on the 7th day of July 2023.

REPUBLIC OF THE PHILIPPINES)
Las Piñas) S.S.

SUBCRIBED AND SWORN to before me this 7/26/23, in ______________, by the affiants who exhibited to me the following -

Name	Competent Evidence of Identity	Date/Place Issued
Joselito D. Campos, Jr.	Passport No. P7796935B	07 October 2021 / DFA-Manila
Parag Sachdeva	Passport No. Z4816522	16 May 2018 / Manila

known to me and to me known to be the same persons who executed the foregoing instrument, and acknowledged that the same is their true and voluntary act and deed.

WITNESS MY HAND AND SEAL on the date and at the place first above-written.

Doc. No: 387
Page No: 76
Book No: 2
Series of 2023.

JUANITO H. VINCULADO
Notary Public Until Dec 31 2023
22 Avocado Drive Agro Homes 1 Talon 5 LPC
CP No 0916-420-3253 Landline 8806-2957
PTR 12266038 J Las Pinas City 1 4 22
IBP 184860 2 18 22 PPLM Roll No 41092
MCLE VII-0021842 Valid until 4 14 25
RTC LPC Notarial Appt. dated 7/28/22 No LP-22-016

UNDERTAKING

I, **ANTONIO EUGENIO S. UNGSON**, of legal age, Filipino, and with office address at JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City, Philippines, after having been duly sworn in accordance with law, hereby depose and state that:

1. I am the duly elected and qualified Company Secretary of **DEL MONTE PACIFIC LIMITED** (the "Company"), a company duly organized and existing under the laws of the British Virgin Islands with principal address at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands and listed on The Philippine Stock Exchange, Inc. ("PSE") since 10 June 2013;

2. The Company is submitting its Information Statement (IS) for its fiscal year ended 30 April 2023, which report should be made available to shareholders by 7 August 2023, or twenty-one (21) calendar days before the Company's Annual General Meeting on 29 August 2023, and must be submitted to the Securities and Exchange Commission and the Philippine Stock Exchange on or before 7 August 2023;

3. With respect to the Statement of Management's Responsibility (SMR) which has to be submitted with the IS, we have learned that there have been some difficulties in procuring the consularization of the signature of the Company's Chairman, **Mr. Rolando C. Gapud**, who is already a senior citizen, not very mobile and currently resides in Bangkok, Thailand, where notarization and consularization of documents are not a straightforward process. For instance, this would entail interim steps such as applying for authentication with Thailand's Ministry of Foreign Affairs. Hence, we anticipate some delays in the consularization of Mr. Gapud's signature;

4. We are thus constrained to submit the SMR with Mr. Gapud's signature not yet consularized, on or before the IS' deadline;

5. In view of the foregoing, we hereby undertake to submit Mr. Gapud's notarized/consularized signature by 6 September 2023, or about thirty (30) days from the submission deadline

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of July 2023.

ANTONIO EUGENIO S. UNGSON
Company Secretary

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI, METRO MANILA) S.S.
MAKATI CITY

Before me, a notary public in and for the city named above, personally appeared Antonio Eugenio S. Ungson, who exhibited to me his Passport with number P2425790B and issued on 3 July 2019 at DFA-NCR East, who is personally known to me to be the same person who presented the foregoing.

Witness my hand and seal this JUL 27 2023.

Doc. No. 219;
Page No. 45;
Book No. 65;
Series of 2023.

ATTY. ROMEO M. MONFORT
Notary Public City of Makati
Until December 31, 2023
Appointment No. - 172 (2022-2023)
PTR NO. 9563521 Jan. 3, 2023 Makati City
IBP No. 1062634 - Jan. 3, 2018
MCLE NO. VI-0023417 Roll No. 27932
26 Amorsolo Street Legaspi Village
Makati City

DEL MONTE PACIFIC LIMITED

(INCORPORATED IN THE BRITISH VIRGIN ISLANDS WITH LIMITED LIABILITY)

This is the Information Memorandum in relation to the renewal of the shareholders' mandate for Interested Person Transactions referred to in Explanatory Note (vi) in the Notice of Annual General Meeting dated 3 August 2023.

INFORMATION MEMORANDUM

in relation to

RENEWAL OF SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. BACKGROUND

Pursuant to Chapter 9 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited, Del Monte Pacific Limited ("**DMPL**" or the "**Company**") was granted a shareholders' mandate on 26 July 2006 ("**IPT Mandate**") to enable the Company, its subsidiaries and associated companies (as defined in the Appendix***** to this Information Memorandum ["**Appendix**"]), or any of them, to enter into any of the transactions falling within the classes of Interested Persons described in the Appendix***** ("**Interested Persons**"), provided that such transactions are made on normal commercial terms and in accordance with the review procedures for Interested Person Transactions ("**IPTs**") as set out in the Appendix. This Appendix is a revised and updated version of Appendix 1 of the Company's Circular to shareholders dated 4 July 2006 which provides information on the rationale of the IPT Mandate, the scope of the IPT Mandate, the benefit to shareholders, the classes of Interested Persons, the particulars of the IPTs and the review procedures for IPTs in respect of which shareholders' approval is sought for the IPT Mandate to be renewed.

2. AUDIT AND RISK COMMITTEE'S STATEMENT

Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit and Risk Committee ("**ARC**"), comprising Mr. Benedict Kwek Gim Song, Mr. Godfrey E. Scotchbrook, Dr. Emil Q. Javier and Mrs. Yvonne Goh, confirms that:

(i) the review procedures for IPTs set out in the Appendix ("**Review Procedures**") have not changed since shareholders approved the IPT Mandate at the Company's General Meeting of 26 July 2006; and

(ii) the Review Procedures are sufficient to ensure that the IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

All transactions carried out with Interested Persons are subject to the periodic review of the ARC to ensure that the prevailing rules and regulations of the Listing Manual (in particular Chapter 9 of the Listing Manual) are complied with.

The ARC will also consider from time to time whether the Review Procedures have become inappropriate or are insufficient to ensure that the transactions are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

3. DISCLOSURES

Disclosure will be made in the Company's Annual Report on the aggregate value of all IPTs conducted pursuant to the IPT Mandate during the financial year from 1 May 2022 to 30 April 2023, and in the Annual Reports for the subsequent financial years that the IPT Mandate is renewed and continues in force, in accordance with the form set out in Rule 907 of the Listing Manual. Further, the aggregate value of the transactions conducted pursuant to the IPT Mandate for each quarterly period will also be disclosed in the quarterly financial statements that will be reported in accordance with Rule 705 of the Listing Manual.

The Company will comply with the provisions of Chapter 9 of the Listing Manual in respect of all future IPTs and, if required under the Listing Manual, the Company will seek a fresh mandate from shareholders should the existing guidelines and procedures for transactions with Interested Persons become inappropriate. If a member of the ARC has an interest in a transaction, he will abstain from participating in the review and approval process in relation to that transaction.

The classes of Interested Persons for which the renewal of the IPT Mandate is sought are:

(i) NutriAsia, Inc. and its associates (as such term is defined in paragraph 1.5(c) of the Appendix); and

(ii) NutriAsia Holdings Ltd. and its subsidiaries.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial shareholders of the Company in the issued share capital of the Company can be found in the Company's FY2023 Annual Report.

NutriAsia Pacific Limited and its respective associates, being Interested Persons in relation to the proposed renewal of the IPT Mandate, will abstain from voting their respective shareholdings (if any) in the Company on Resolution 10 relating to the renewal of the IPT Mandate at the forthcoming Annual General Meeting to be held on 29 August 2023.

APPENDIX

This Appendix is a revised and updated extract of Appendix 1 of the Company's Circular to Shareholders dated 4 July 2006 on the rationale and scope of the IPT Mandate, the benefit to shareholders, the classes of Interested Persons, the particulars of the IPTs, and the review procedures for IPTs in respect of which the IPT Mandate is sought to be renewed.

1. CHAPTER 9 OF THE LISTING MANUAL

*1.1 Chapter 9 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's Interested Persons. When this Chapter applies to a transaction and the value of that transaction alone or in aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for that transaction.*

*1.2 Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement and shareholders' approval would be required in respect of transactions with Interested Persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated net tangible assets ("**NTA**") are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:*

(a) 5 per cent of the listed company's latest audited consolidated NTA; or

(b) 5 per cent of the listed company's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

*1.3 Based on the latest audited consolidated accounts of the Company and its subsidiaries (the "**DMPL Group**" or "**Group**") for the financial year ended 30 April 2023, the consolidated NTA of the DMPL Group was (US$368,084,272) and 5 per cent of this was (US$18,404,214).*

1.4 Chapter 9 of the Listing Manual permits a listed company, however, to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's Interested Persons.

1.5 Under the Listing Manual:

*(a) an "**entity at risk**" (EAR) means:*

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

*(iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has control over the associated company;*

*(b) an "**associated company**" means a company in which at least 20% but not more than 50% of its shares are held by the listed company or listed group;*

(c) *an "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted-child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family has an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;*

(d) *an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;*

(e) *an "**interested person**"[1] means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder; and*

(f) *an "**interested person transaction**" means a transaction between an entity at risk and an interested person.*

2. RATIONALE FOR THE NEW IPT MANDATE[1] FOR THE INTERESTED PERSON TRANSACTIONS

It is envisaged that, in the ordinary course of their businesses, transactions between companies in the EAR Group (as defined below) and the Company's Interested Persons are likely to occur from time to time. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the EAR Group to the Company's Interested Persons or the obtaining of goods and services from them.

*In view of the time-sensitive nature of commercial transactions, the obtaining of a mandate (the "**New IPT Mandate**") pursuant to Chapter 9 of the Listing Manual will enable:*

(a) *DMPL;*

(b) *subsidiaries of DMPL (other than subsidiaries listed on the SGX-ST or an approved exchange); and*

(c) *associated companies of DMPL (other than associated companies listed on the SGX-ST or an approved exchange) over which the DMPL Group, or the DMPL Group and interested person(s) of DMPL has or have control, (together, the "**EAR Group**"), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions ("**Interested Person Transactions**") set out in paragraph 6 below with the specified classes of DMPL's Interested Persons (the "**Interested Persons**") set out in paragraph 5 below, provided such Interested Person Transactions are made on normal commercial terms.*

1 The IPT Mandate which was approved by shareholders in a general meeting held on 26 July 2006 was subsequently renewed annually from 2007 until the most recent general meeting of 26 August 2022.

3. SCOPE OF THE NEW IPT MANDATE[1]

3.1 The New IPT Mandate will cover Interested Person Transactions as set out in paragraph 6 below.

3.2 The New IPT Mandate will not cover any transaction by a company in the EAR Group with an Interested Person that is below S$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions.

3.3 Transactions with Interested Persons (including the Interested Persons) that do not fall within the ambit of the New IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

4. BENEFIT TO SHAREHOLDERS

The New IPT Mandate (and its subsequent renewal thereafter on an annual basis) will enhance the ability of companies in the EAR Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for DMPL to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant company in the EAR Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channeled towards attaining other corporate objectives.

5. CLASSES OF INTERESTED PERSONS

The New IPT Mandate will apply to the Interested Person Transactions which are carried out with the following classes of Interested Persons:

*(a) NutriAsia, Inc. and its associates (as such term is defined in paragraph 1.5(c) of this Appendix 1) (the "**NutriAsia Inc. Group**");*

*(b) NutriAsia Holdings Limited and its subsidiaries (the "**NutriAsia Holdings Group**"); and*

(c) Mr. Edgardo M. Cruz, Jr., Mr. Rolando C. Gapud, and their respective associates (as such term is defined in paragraph 1.5(c) of this Appendix 1).

6. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

The Interested Person Transactions with the Interested Persons (as described in paragraph 5 above) which will be covered by the New IPT Mandate are set out below:

*(a) **General Transactions***

*This category relates to general transactions ("**General Transactions**") in connection with the provision to, or the obtaining from, Interested Persons of products and services in the normal course of business of the EAR Group or which are necessary for the day-to-day operations of the EAR Group comprising the following:*

(i) the sale and/or purchase, or joint sale and/or purchase, of packaging materials, food or food-related supplies, items and livestock;

(ii) the provision and obtaining of expansion of food service distribution;

1 The IPT Mandate which was approved by shareholders in a general meeting held on 26 July 2006 was subsequently renewed annually from 2007 until the most recent general meeting of 26 August 2022.

(iii) *the provision and obtaining of food preparation, manufacturing, processing, toll packing and related services;*

(iv) *the provision and obtaining of, and sale/purchase of, technical, IT, insurance and other related services (such as procurement/warehouse/inventory management, software support etc.);*

(v) *the provision and obtaining of call center and customer hotline services;*

(vi) *the provision of security agency services;*

(vii) *the rental of office facilities and share in utility cost, and*

(viii) *the provision or the obtaining of such other products and/or services which are incidental to, or in connection with, the provision or obtaining of products and/or services in sub-paragraphs (i) to (vii) above and which are recurring transactions of a revenue or trading nature or necessary for its business.*

(b) ***Treasury Transactions***

*Treasury transactions comprise the entry into with any Interested Person of forex, swap and option transactions for hedging purposes or in connection with the operations of the DMPL Group ("**Treasury Transactions**").*

The EAR Group may be able to benefit from competitive rates and quotes in an expedient manner on the entry into any forex, swap and option transactions with any Interested Persons.

7. REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

7.1 *The EAR Group has established the following procedures to ensure that Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms.*

(a) ***General Transactions***

Review Procedures

In general, there are procedures established by the EAR Group to ensure that Interested Person Transactions with Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the EAR Group's usual business practices and policies, which are generally no more favorable to the Interested Persons than those extended to unrelated third parties.

In particular, the following review procedures have been put in place.

(aa) ***Provision of Services or the Sale of Products***

The review procedures are:

(i) *all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market rates or prices of the service or product providers, on terms which are no more favorable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms; and*

(ii) *where the prevailing market rates or prices are not available due to the nature of the service to be provided or the product to be sold, the EAR Group's pricing for such services to be provided or products to be sold to Interested Persons is determined in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties. Such comparisons are based on the EAR Group's business experience in relation to those services or products previously provided or sold, which are as comparable as possible to the service or product to be provided or sold. In determining the transaction price payable by Interested Persons for such services or products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.*

(bb) ***Obtaining of Services or the Purchasing of Products***

The review procedures are:

(i) *all purchases made by the EAR Group, including purchases from Interested Persons, are governed by the same internal control procedures which detail matters such as the constitution of internal approving authorities, their monetary jurisdictions, the number of vendors from whom bids are to be obtained and the review procedures. The guiding principle is to objectively obtain the best products and/or services on the best terms. In determining whether the price and terms offered by vendors, including Interested Persons, are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account; and*

(ii) *in the event that quotations from unrelated third party vendors cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), both the Chief Financial Officer ("**CFO**") and Chief Executive Officer ("**CEO**") of the Company (as long as they have no interest, direct or indirect in that transaction) will determine whether the price and terms offered by the Interested Persons are fair and reasonable by using their business experience in relation to those services or products previously obtained or purchased, which are as comparable as possible to the service or product to be obtained or purchased and will ensure that the terms of supply will (where applicable) be in accordance with, or not higher than, industry norms. If any one of the two has an interest in the transaction, whether direct or indirect, the reasonableness of the price shall be determined by the Audit and Risk Committee of the Company ("**ARC**").*

(b) ***Treasury Transactions***

Review Procedures

In general, there are procedures established by the EAR Group to ensure that Treasury Transactions with Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the EAR Group's usual business practices and policies, which are generally no more favorable to the Interested Persons than those extended to unrelated third parties.

In relation to forex, swap and option transactions with any Interested Person by the EAR Group, the Company will require that rate quotations shall be obtained from such Interested Person and at least two commercial banks. The EAR Group will only enter into such forex, swap or option transactions with such Interested Person provided that such terms quoted are no less favorable than the terms quoted by such banks.

7.2 In addition to the review procedures, the EAR Group will supplement its internal systems to ensure that Interested Person Transactions are undertaken with Interested Persons on an arm's length basis and on normal commercial terms as follows:

(a) each Interested Person Transaction equal to or exceeding S$100,000 (or such equivalent in US$) but less than S$1,000,000 (or such equivalent in US$) in value will be endorsed by the CFO of the Company and approved by the CEO of the Company, and the ARC shall be advised; and

(b) each Interested Person Transaction equal to or exceeds S$1,000,000 (or such equivalent in US$) in value will be endorsed by the CFO and CEO of the Company, respectively, and approved by the ARC.

Where the CFO of the Company has any interest, direct or indirect, in the Interested Person Transaction, such Interested Person Transaction shall be approved by the CEO of the Company. Where such CEO is not available, the ARC shall approve such Interested Person Transaction.

Where the CEO of the Company has any interest, direct or indirect, in the Interested Person Transaction, such Interested Person Transaction shall be approved by the ARC. Where any member of the ARC is interested in any of the Interested Person Transactions, he will abstain from voting in relation to such transactions.

7.3 The Company will maintain a register of transactions carried out with Interested Persons pursuant to the New IPT Mandate (recording the transaction values, basis, including the quotations obtained to support such basis, on which they were entered into), and the Company's internal audit plan will incorporate an annual review of all transactions entered into in the relevant financial year pursuant to the New IPT Mandate.

7.4 The ARC shall review the internal audit report on Interested Person Transactions to ascertain that the established review procedures to monitor Interested Person Transactions have been complied with. The ARC shall review the Interested Person Transactions on a quarterly basis.

7.5 If, during these periodic reviews by the ARC, the ARC is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the EAR Group are conducted, the Company will revert to Shareholders for a fresh mandate based on new guidelines and review procedures to ensure that Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

8. EXPIRY AND SUBSEQUENT RENEWAL OF THE NEW IPT MANDATE

If approved by Shareholders at the Annual General Meeting of the Company which is scheduled to be held on 29 August 2023, the New IPT Mandate will take effect from the date of passing of the ordinary resolution relating thereto and will continue in force until the conclusion of the next Annual General Meeting of the Company, unless revoked or varied by the Company in a general meeting.

The Company will seek the approval of Shareholders for the subsequent renewal of the New IPT Mandate at every Annual General Meeting, subject to the satisfactory review by the ARC of the continued requirements of the New IPT Mandate and the procedures for the Interested Person Transactions.

9. DISCLOSURE OF INTERESTED PERSON TRANSACTIONS PURSUANT TO THE NEW IPT MANDATE

The Company will announce the aggregate value of transactions conducted with Interested Persons pursuant to the New IPT Mandate for the quarterly financial periods which the Company is required to report on pursuant to the Listing Manual and within the time required for the announcement of such report.

Disclosure will be made in the Annual Report of the Company for the financial year ended 30 April 2023 of the aggregate value of transactions conducted with Interested Persons pursuant to the New IPT Mandate during the financial year, and will be made in the Company's Annual Reports for subsequent financial years that the New IPT Mandate continues to be in force, in accordance with the requirements of Chapter 9 of the Listing Manual.