

Del Monte Pacific Limited and its Subsidiaries

Financial Statements
30 April 2024 and 2023

and

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Del Monte Pacific Limited and its Subsidiaries

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 2024 and 2023, 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 2024, and notes to the financial statements, including material accounting policy information.

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 2024 and 2023, and their financial performance, their changes in equity, and their cash flows for each of the three years in the period ended 30 April 2024 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 consolidated 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 agricultural produce

Why significant	How our audit addressed the matter
<p>As at 30 April 2024, the Group has agricultural produce amounting to US\$48.6 million that is carried as part of biological assets account in the statement of financial position, which is contributed by Del Monte Philippines, Inc, a subsidiary in the Philippines.</p> <p>The valuation of agricultural produce 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 unharvested produce include its expected selling prices, gross margin, estimated tonnage of harvests and future growing costs.</p> <p>The Group’s disclosures relating to biological assets, in particular agricultural produce, and sources of estimation uncertainty are included in Notes 11 and 34 to the financial statements.</p>	<p>We obtained an understanding of management’s fair value measurement methodology and its process in valuing the agricultural produce. We assessed the appropriateness of the methodology used in estimating the fair value. We tested the key assumptions used in the valuation of harvested produce which include expected selling prices and gross margin, and unharvested produce its expected selling prices, gross margin, estimated tonnage of harvests and future growing costs, against management plans, historical data, and external data such as selling prices in the principal market.</p> <p>We also reviewed Group’s disclosures in Notes 11 and 34 to the financial statements, relating to biological assets and sources of estimation uncertainty.</p>



Impairment assessment of goodwill and indefinite life trademarks

Why significant

How our audit addressed the matter

As at 30 April 2024, the Group carries goodwill of US\$203.4 million and indefinite life trademarks of US\$472.4 million, of which US\$203.4 million and US\$458.3 million, respectively, are attributable to a subsidiary in the United States of America, Del Monte Foods, Inc. and its subsidiaries (collectively, DMFI).

(a) Goodwill

DMFI's goodwill is allocated to three Cash Generating Units ("CGUs") namely: Healthy Snacking, Flavor and Meal Enhancer, and Beyond Retail with carrying value of US\$43.8 million, US\$117.1 million, and US\$42.5 million, respectively. The Group used the value in use calculation to estimate the recoverable amount of the CGUs 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 judgment and is dependent on certain key estimates such as the discount rate based on weighted average cost of capital ("WACC"), long-term earnings before interest, taxation, depreciation and amortization ("EBITDA") margin and terminal growth rate of the CGUs.

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 the WACC, long-term EBITDA margin, and terminal growth rate against management plans, historical data and available market information in light of current market and economic conditions. We also performed 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 were 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) Americas trademarks

As at 30 April 2024, the indefinite life trademarks coming from Americas, comprise “Del Monte”, “College Inn”, and “Kitchen Basics” amounting to US\$458.3 million.

The Group used the Relief from Royalty methodology in valuing its trademarks. 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 such as the discount rate based on WACC, revenue growth rate, terminal growth rate, and royalty rates observed in the market that can be affected by future market and economic conditions.

The Group’s disclosures relating to its Americas indefinite life trademarks, sources of estimation uncertainty and sensitivity of the recoverable amounts are included in Note 8 to the financial statements.

We tested the reasonableness of the key assumptions, which include the WACC, revenue growth rate, terminal growth rate, and royalty rates, against management plans, historical data and available market information in light of current market and economic conditions. We also performed 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 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
<p>As at 30 April 2024, the Group has recognized deferred tax assets of US\$146.7 million, of which US\$146.5 million was attributable to DMFI.</p> <p>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 rate, EBITDA margin and long-term growth rate.</p> <p>The Group’s disclosures relating to deferred tax and sources of estimation uncertainty are included in Note 9 to the financial statements.</p>	<p>We assessed the reasonableness of deferred tax assets recognized by comparing it to the taxable income forecast that were approved by the Board of Directors. We assessed the reasonableness of the key assumptions in estimating the taxable income forecast such as revenue growth rate, EBITDA margin and long-term grow rate against historical data, management’s support for the current estimates and projections, available market information, industry and market outlook in light of current market and economic conditions, and performed sensitivity analyses over the key assumptions. 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.</p> <p>We reviewed management’s forecasting process by comparing the actual results of DMFI against its prior year forecast.</p> <p>We involved our internal tax specialist in reviewing the deductibility of the temporary differences.</p> <p>We also reviewed Group’s disclosures in Note 9 to the financial statements, relating to deferred tax and sources of estimation uncertainty.</p>

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 2024 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 2024 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.

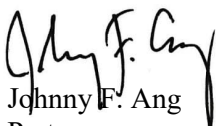
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-101-2021, October 1, 2021, valid until September 30, 2024

PTR No. 10079896, January 5, 2024, Makati City

7 August 2024



Del Monte Pacific Limited and its Subsidiaries

Statements of financial position As at 30 April 2024 and 2023

	Note	<----- Group ----->		<----- Company ----->	
		30 April 2024 (US\$'000)	30 April 2023 (US\$'000) Restated	30 April 2024 (US\$'000)	30 April 2023 (US\$'000)
Noncurrent assets					
Property, plant and equipment - net	5	670,344	658,991	–	–
Right-of-use assets	23	91,268	100,566	–	77
Investments in subsidiaries	6	–	–	818,675	967,159
Investments in joint ventures	7	19,669	20,161	2,255	2,623
Intangible assets and goodwill	8	746,807	753,841	–	–
Deferred tax assets - net	9	146,705	118,060	110	–
Biological assets	11	3,413	3,007	–	–
Pension assets - net	20	7,800	10,630	–	60
Other noncurrent assets	10	41,911	42,863	10,561	5,023
		1,727,917	1,708,119	831,601	974,942
Current assets					
Biological assets	11	48,577	44,852	–	–
Inventories	12	1,043,843	1,076,772	–	–
Trade and other receivables	13	218,154	231,036	27,421	26,406
Prepaid expenses and other current assets	14	61,274	59,054	39	94
Cash and cash equivalents	15	13,123	19,836	470	554
		1,384,971	1,431,550	27,930	27,054
Total assets		3,112,888	3,139,669	859,531	1,001,996
Equity					
Share capital	16	19,449	19,449	19,449	19,449
Share premium	17	208,339	208,339	208,478	208,478
Retained earnings	17	(73,233)	119,540	(73,233)	119,540
Reserves	17	(24,707)	(28,511)	(24,707)	(28,511)
Equity attributable to owners of the Company	38	129,848	318,817	129,987	318,956
Non-controlling interests	38	123,303	66,941	–	–
Total equity		253,151	385,758	129,987	318,956
Noncurrent liabilities					
Loans and borrowings	18	1,377,315	1,453,300	43,726	241,959
Employee benefits	20	15,778	21,294	112	–
Environmental remediation liabilities	21	–	–	–	–
Lease liabilities	23	70,949	72,204	–	–
Deferred tax liabilities - net	9	11,473	11,630	–	49
Other noncurrent liabilities	19	38,877	16,826	–	–
		1,514,392	1,575,254	43,838	242,008
Current liabilities					
Loans and borrowings	18	918,728	820,053	491,012	324,898
Employee benefits	20	23,899	24,280	–	–
Trade payables and other current liabilities	22	380,918	304,940	194,661	116,134
Lease liabilities	23	20,470	27,892	–	–
Current tax liabilities		1,330	1,492	33	–
		1,345,345	1,178,657	685,706	441,032
Total liabilities		2,859,737	2,753,911	729,544	683,040
Total equity and liabilities		3,112,888	3,139,669	859,531	1,001,996

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 2024, 2023 and 2022

	Note	<----- Group ----->			<----- Company ----->		
		Year ended 30 April 2024 (US\$'000)	Year ended 30 April 2023 (US\$'000)	Year ended 30 April 2022 (US\$'000)	Year ended 30 April 2024 (US\$'000)	Year ended 30 April 2023 (US\$'000)	Year ended 30 April 2022 (US\$'000)
Revenue	24, 29	2,427,730	2,421,313	2,342,086	–	–	–
Cost of sales		(2,008,171)	(1,814,320)	(1,719,429)	–	–	–
Gross profit		419,559	606,993	622,657	–	–	–
Distribution and selling expenses		(225,348)	(229,272)	(221,798)	–	–	–
General and administrative		(141,021)	(120,334)	(129,311)	(11,502)	(13,980)	(12,983)
Other (expenses) income expenses - net		(8,188)	(11,789)	(4,258)	2,527	1,836	1,674
Results from operating activities		45,002	245,598	267,290	(8,975)	(12,144)	(11,309)
Finance income	26	13,173	14,293	5,201	72	177	145
Finance expense	26	(207,570)	(215,861)	(112,707)	(47,527)	(32,337)	(13,238)
Net finance expense		(194,397)	(201,568)	(107,506)	(47,455)	(32,160)	(13,093)
Share in net (loss) income of joint ventures and subsidiaries	6, 7	(1,062)	(1,486)	(4,954)	(72,671)	61,304	124,437
(Loss) profit before taxation	25	(150,457)	42,544	154,830	(129,101)	17,000	100,035
Tax expense - net	27	18,508	(17,167)	(39,300)	(56)	(51)	(4)
(Loss) profit for the year		(131,949)	25,377	115,530	(129,157)	16,949	100,031
(Loss) profit attributable to:							
Owners of the Company	28	(129,157)	16,949	100,031	(129,157)	16,949	100,031
Non-controlling interests		(2,792)	8,428	15,499	–	–	–
		(131,949)	25,377	115,530	(129,157)	16,949	100,031
Earnings per share							
Basic earnings per share (US cents)	28	(6.64)	0.66	4.17	–	–	–
Diluted earnings per share (US cents)	28	(6.64)	0.66	4.17	–	–	–

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 2024, 2023 and 2022

	Note	Year ended 30 April 2024 (US\$'000)	Year ended 30 April 2023 (US\$'000)	Year ended 30 April 2022 (US\$'000)
Group				
(Loss) profit for the year		(131,949)	25,377	115,530
Other comprehensive (loss) income				
Items that will or may be reclassified subsequently to profit or loss:				
Currency translation difference		(7,400)	(11,146)	(15,302)
Effective portion of changes in fair value of cash flow hedges		6,718	9,095	(8,805)
Tax impact on share in cash flow hedges		(1,680)	(2,274)	2,193
		(2,362)	(4,325)	(21,914)
Items that will not be reclassified to profit or loss:				
Remeasurement of retirement plans		8,780	3,416	12,760
Tax impact on remeasurement of retirement plans	9	(2,175)	(821)	(3,255)
Gain on property revaluation	5	–	22,121	–
Tax impact on revaluation reserve	9	–	(5,828)	–
		6,605	18,888	9,505
Other comprehensive income (loss) for the year, net of tax		4,243	14,563	(12,409)
Total comprehensive (loss) income for the year		(127,706)	39,940	103,121
Total comprehensive (loss) income attributable to:				
Owners of the Company		(125,353)	30,979	89,196
Non-controlling interests		(2,353)	8,961	13,925
		(127,706)	39,940	103,121

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 2024, 2023 and 2022

	Year ended 30 April 2024 (US\$'000)	Year ended 30 April 2023 (US\$'000)	Year ended 30 April 2022 (US\$'000)
Company			
(Loss) profit for the year	(129,157)	16,949	100,031
Other comprehensive (loss) income			
Items that will or may be reclassified subsequently to profit or loss:			
Currency translation difference	(6,948)	(9,698)	(13,351)
Effective portion of changes in fair value of cash flow hedges	6,001	8,471	(8,239)
Tax impact on share in cash flow hedges	(1,500)	(2,118)	2,052
	(2,447)	(3,345)	(19,538)
Items that will not be reclassified to profit or loss:			
Remeasurement of retirement plans	8,307	3,027	11,685
Tax impact on remeasurement of retirement plans	(2,056)	(728)	(2,982)
Gain on property revaluation	–	20,493	–
Tax impact on revaluation reserve	–	(5,417)	–
	6,251	17,375	8,703
Other comprehensive income (loss) for the year, net of tax	3,804	14,030	(10,835)
Total comprehensive (loss) income for the year	(125,353)	30,979	89,196

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 2024, 2023 and 2022

←----- Attributable to owners of the Company ----->												
	Note	Share capital (US\$'000)	Share premium (US\$'000)	Translation reserve (US\$'000)	Revaluation reserve (US\$'000)	Remeasure- ment retirement plans (US\$'000)	Hedging reserve (US\$'000)	Reserve for own shares (US\$'000)	Retained earnings (US\$'000)	Total (US\$'000)	Non- controlling interests (US\$'000)	Total equity (US\$'000)
Group												
2024												
At 30 April 2023		19,449	208,339	(105,020)	29,354	46,051	1,390	(286)	119,540	318,817	66,941	385,758
Total comprehensive loss for the year												
Loss for the year		-	-	-	-	-	-	-	(129,157)	(129,157)	(2,792)	(131,949)
Other comprehensive (loss) income												
Currency translation differences		-	-	(6,948)	-	-	-	-	-	(6,948)	(452)	(7,400)
Remeasurement of retirement plans, net of tax	20	-	-	-	-	6,251	-	-	-	6,251	354	6,605
Effective portion of changes in fair value of cash flow hedges, net of tax		-	-	-	-	-	4,501	-	-	4,501	537	5,038
Total other comprehensive (loss) income		-	-	(6,948)	-	6,251	4,501	-	-	3,804	439	4,243
Total comprehensive (loss) income for the year		-	-	(6,948)	-	6,251	4,501	-	(129,157)	(125,353)	(2,353)	(127,706)
Transactions with owners of the Company recognized directly in equity												
Contributions by and distributions to owners of the Company												
Redemption of shares by subsidiary	6	-	-	-	-	-	-	-	(61,074)	(61,074)	(6,638)	(67,712)
Issuance of senior perpetual securities		-	-	-	-	-	-	-	-	-	67,637	67,637
Dividends	17	-	-	-	-	-	-	-	(2,542)	(2,542)	(2,284)	(4,826)
Total contributions by and distributions to Owners		-	-	-	-	-	-	-	(63,616)	(63,616)	58,715	(4,901)
At 30 April 2024	16, 17	19,449	208,339	(111,968)	29,354	52,302	5,891	(286)	(73,233)	129,848	123,303	253,151



Del Monte Pacific Limited and its Subsidiaries

Statement of changes in equity
For financial years ended 30 April 2024, 2023 and 2022

<----- Attributable to owners of the Company ----->												
	Note	Share capital (US\$'000)	Share premium (US\$'000)	Translation reserve (US\$'000)	Revaluation reserve (US\$'000)	Remeasure- ment retirement plans (US\$'000)	Hedging reserve (US\$'000)	Reserve for own shares (US\$'000)	Retained earnings (US\$'000)	Total (US\$'000)	Non- controlling interests (US\$'000)	Total equity (US\$'000)
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 2024, 2023 and 2022

-----> Attributable to owners of the Company <-----													
	Note	Share capital (US\$'000)	Share premium (US\$'000)	Translation reserve (US\$'000)	Revaluation reserve (US\$'000)	Remeasurement retirement plans (US\$'000)	Hedging reserve (US\$'000)	Share option reserve (US\$'000)	Reserve for own shares (US\$'000)	Retained earnings (US\$'000)	Total (US\$'000)	Non-controlling interests (US\$'000)	Total equity (US\$'000)
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 2024, 2023 and 2022**

	Note	Share capital (US\$'000)	Share premium (US\$'000)	Share in translation reserve of subsidiaries (US\$'000)	Share in revaluation reserve of subsidiaries (US\$'000)	Share in remeasurement of retirement plans of subsidiaries (US\$'000)	Share in hedging reserve of a subsidiary (US\$'000)	Reserve for own shares (US\$'000)	Retained earnings (US\$'000)	Total (US\$'000)
Company										
2024										
At 30 April 2023		19,449	208,478	(105,020)	29,354	46,051	1,390	(286)	119,540	318,956
Total comprehensive loss for the year										
Loss for the year									(129,157)	(129,157)
Other comprehensive (loss) income										
Currency translation differences		-	-	(6,948)	-	-	-	-	-	(6,948)
Remeasurement of retirement plans, net of tax	20	-	-	-	-	6,251	-	-	-	6,251
Effective portion of changes in fair value of cash flow hedges, net of tax		-	-	-	-	-	4,501	-	-	4,501
Total other comprehensive (loss) income										
		-	-	(6,948)	-	6,251	4,501	-	-	3,804
Total comprehensive (loss) income for the year										
		-	-	(6,948)	-	6,251	4,501	-	(129,157)	(125,353)
Transactions with owners of the Company recognized directly in equity										
Contributions by and distributions to owners of the Company										
Redemption of shares by subsidiary	16	-	-	-	-	-	-	-	(61,074)	(61,074)
Dividends	17	-	-	-	-	-	-	-	(2,542)	(2,542)
Total contributions by and distributions to owners										
		-	-	-	-	-	-	-	(63,616)	(63,616)
At 30 April 2024	16, 17	19,449	208,478	(111,968)	29,354	52,302	5,891	(286)	(73,233)	129,987



Del Monte Pacific Limited and its Subsidiaries

**Statement of changes in equity
For financial years ended 30 April 2024, 2023 and 2022**

	Note	Share capital (US\$'000)	Share premium (US\$'000)	Share in translation reserve of subsidiaries (US\$'000)	Share in revaluation reserve of subsidiaries (US\$'000)	Share in remeasurement of retirement plans of subsidiaries (US\$'000)	Share in hedging reserve of a subsidiary (US\$'000)	Reserve for own shares (US\$'000)	Retained earnings (US\$'000)	Total (US\$'000)
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 2024, 2023 and 2022**

	Note	Share capital (US\$'000)	Share premium (US\$'000)	Share in translation reserve of subsidiaries (US\$'000)	Share in revaluation reserve of subsidiaries (US\$'000)	Share in remeasurement of retirement plans of subsidiaries (US\$'000)	Share in hedging reserve of a subsidiary (US\$'000)	Share option reserve (US\$'000)	Reserve for own shares (US\$'000)	Retained earnings (US\$'000)	Total (US\$'000)
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.



Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows For financial years ended 30 April 2024, 2023 and 2022

	Note	<----- Group ----->			<----- Company ----->		
		Year ended 30 April 2024 (US\$'000)	Year ended 30 April 2023 (US\$'000)	Year ended 30 April 2022 (US\$'000)	Year ended 30 April 2024 (US\$'000)	Year ended 30 April 2023 (US\$'000)	Year ended 30 April 2022 (US\$'000)
Cash flows from operating Activities							
(Loss) profit for the year		(131,949)	25,377	115,530	(129,157)	16,949	100,031
Adjustments to reconcile profit for the year to net cash flows:							
Finance expense	26	201,730	211,353	111,986	47,525	32,229	12,977
Depreciation of property, plant and equipment	25	161,297	154,439	146,480	-	-	-
Amortization of right-of-use assets	23	32,582	32,972	39,292	31	93	93
Tax credit – deferred	9, 27	(32,511)	(9,592)	18,695	(107)	(19)	(18)
Allowance for inventory obsolescence	12	18,700	9,542	4,135	-	-	-
Tax expense – current	27	14,003	26,759	20,605	163	71	22
Amortization of intangible assets	8	7,034	6,967	6,650	-	-	-
Finance income	26	(4,828)	(13,751)	(2,629)	-	(177)	(11)
Unrealized foreign exchange loss (gain)		(2,505)	3,966	(1,851)	(70)	108	127
(Gain) loss on disposal of property, plant and equipment	25	(1,754)	759	789	-	-	-
Net gain on derivatives financial instrument		(1,322)	-	-	-	-	-
Share in losses (earnings) of joint ventures and subsidiaries	7	1,062	1,486	4,954	72,671	(61,304)	(124,437)
Impairment (reversal) of trade and nontrade receivables	13	272	(181)	1,060	-	-	-
Impairment loss in joint ventures	7	-	-	2,000	-	-	-
Equity-settled share-based payment transactions		-	-	(1,960)	-	-	-
		261,811	450,096	465,736	(8,944)	(12,050)	(11,216)
Changes in:							
Biological assets		(5,864)	(632)	(6,311)	-	-	-
Inventories		14,558	(396,413)	(137,944)	-	-	-
Trade and other receivables		15,954	(18,002)	(40,020)	7,058	(5,023)	1
Prepaid expenses and other current assets		(1,998)	(13,456)	(9,334)	(54)	920	(110)
Other assets		9,335	(7,813)	(9,039)	45	-	(49)
Trade payables and other current liabilities		75,069	20,695	31,757	138	(725)	(494)
Employee benefits		4,952	(15,902)	1,809	126	107	192
Operating cash flows		373,817	18,573	296,654	(1,631)	(16,771)	(11,676)
Taxes paid		(4,519)	(21,336)	(15,916)	-	-	(6)
Net cash flows generated from (used in) operating activities		369,298	(2,763)	280,738	(1,631)	(16,771)	(11,682)



Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows

For financial years ended 30 April 2024, 2023 and 2022

	Note	<----- Group ----->			<----- Company ----->		
		Year ended	Year ended	Year ended	Year ended	Year ended	Year ended
		30 April 2024 (US\$'000)	30 April 2023 (US\$'000)	30 April 2022 (US\$'000)	30 April 2024 (US\$'000)	30 April 2023 (US\$'000)	30 April 2022 (US\$'000)
Cash flows from investing							
Activities							
Acquisitions of property, plant and equipment		(187,606)	(237,922)	(202,659)	–	–	–
Proceeds from disposal of property, plant and equipment		6,445	210	231	–	–	–
Additions to investments in joint ventures	7	(1,028)	(4,090)	(1,001)	–	–	–
Interest received		703	4,434	1,169	–	8	11
Additional advances to joint ventures		–	(185)	(595)	–	(185)	(595)
Acquisition of intangible assets, net of transaction costs	8	–	(71,761)	–	–	–	–
Advances to related company		–	–	–	(10,401)	(110,384)	(67,874)
Dividend received		–	–	–	18,994	88,503	33,519
Net cash flows (used in) generated from investing activities		(181,486)	(309,314)	(202,855)	8,593	(22,058)	(34,939)
Cash flows from financing activities							
Proceeds from borrowings	39	4,761,967	4,746,953	2,848,113	266,600	128,500	333,000
Repayment of borrowings	39	(4,720,243)	(4,032,573)	(2,547,034)	(299,538)	(168,071)	(89,810)
Redemption of preference share capital	16	–	(100,000)	(200,000)	–	(100,000)	(200,000)
Interest paid		(190,705)	(144,006)	(89,359)	(40,850)	(29,165)	(11,004)
Issuance of senior perpetual shares		67,637	–	–	–	–	–
Payments of lease liability	23	(38,242)	(42,685)	(38,870)	–	–	(52)
Redemption of shares of subsidiary	6	(37,857)	–	–	–	–	–
Derivative settlement		(29,856)	–	–	–	–	–
Payment of debt related costs	18	(4,764)	(20,295)	(2,383)	(389)	(218)	(2,383)
Dividends paid to equity holders of the parent	17	(2,542)	(37,729)	(43,060)	(2,542)	(37,729)	(43,060)
Dividends paid to non-controlling interests		(2,284)	(11,158)	(5,892)	–	–	–
Redemption cost on senior secured notes	26	–	(44,530)	–	–	–	–
Net (repayments) collections of advances from related companies		–	–	–	(239,291)	38,412	20,941
Advances from related companies		–	–	–	308,968	205,697	39,034
Net cash flows (used in) generated from financing activities		(196,889)	313,977	(78,485)	(7,042)	37,426	46,666



Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows

For financial years ended 30 April 2024, 2023 and 2022

	Note	<----- Group ----->			<----- Company ----->		
		Year ended 30 April 2024 (US\$'000)	Year ended 30 April 2023 (US\$'000)	Year ended 30 April 2022 (US\$'000)	Year ended 30 April 2024 (US\$'000)	Year ended 30 April 2023 (US\$'000)	Year ended 30 April 2022 (US\$'000)
Net (decrease) increase in cash and cash equivalents		(9,077)	1,900	(602)	(80)	(1,403)	45
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		2,364	(3,917)	(6,980)	(4)	(172)	(20)
Cash and cash equivalents at beginning of year		19,836	21,853	29,435	554	2,129	2,104
Cash and cash equivalents at end of year	15	13,123	19,836	21,853	470	554	2,129

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 August 2024.

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 2024, 2023 and 2022, 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 (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 2024 and 2023 and for the three financial years ended 30 April 2024, 2023 and 2022 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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

2. Going concern

As of 30 April 2024, the Company's current liabilities exceeded its current assets by US\$657.8 million (2023: US\$414.0 million). This is mainly driven by maturing term loans and revolving credit facility of the Company that will be due within the next 12 months and subject to on-going refinancing discussion with creditor banks.

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 considering the following:

- The Group continues to find new sources of funding to improve cash management:
 1. The Group has new proposals from reputed financial institutions for new long-term loans.
 2. The Group continues to get incremental short-term lines from partner banks for meeting its short-term obligations that will provide sufficient working capital financing for it to meet its objectives and future financial obligations.
 3. Despite incurring a loss in FY2024, the Group generated positive cash flow from operations for the year amounting to US\$369.3 million, which was a turnaround from the cash outflow last year of US\$2.8 million mainly driven by better management of working capital particularly inventory. The Group expects to see further improvement in the US subsidiary following its decision to reduce pack for most of the product categories.
 4. Management remains vigilant in managing its costs and is focused to restore gross margins both in the US and rest of DMPL. The Group will focus on the following priorities in FY2025, among others:
 - Continuation of plans in the US to reduce inventory level
 - Reduction of waste and inventory write offs across the Group
 - Reduction of warehousing and distribution costs in the US
 - Consolidation of manufacturing footprint in the US
 - Improve planning through digitization and clear organization accountability across the Group
 - Restoration of productivity for processed pineapple variety (C74) in the next 12 to 24 months
 - Right size workforce and reduce fixed costs.
 5. The Group further plans to lower leverage by approximately US\$300.0 million via selective sale of assets and injecting equity subject to market conditions.
 6. The Company had continued to receive dividend payments from its subsidiaries and expects the same in the next 12 months.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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\$" or "US Dollars") which is the Company's functional and presentation 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 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 – Equity classification
- Note 6 – Determination of control over subsidiaries
- Note 7 – Determination of joint control and the type of joint arrangement
- Note 8 – Assessment of the appropriateness of the indefinite useful lives of certain intangible assets
- Note 23 – Determination of lease term of contracts with renewal options



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

3. Basis of preparation (cont'd)

3.4 Use of estimates and judgments (cont'd)

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 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 20 – Actuarial estimates and assumptions used
- 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

The Group measures or discloses the fair value of certain assets and liabilities at each reporting date. 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.

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 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 2023. Adoption of these new standards did not have any significant impact on the Group's consolidated financial statements.

- Amendments to International Accounting Standard ("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.

As a result of the adoption of these amendments, the Group has only disclosed the material accounting policy information.

- 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.

- 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).



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

3. Basis of preparation (cont'd)

3.6 Adoption of New or Revised Standards, Amendments to Standards and Interpretations (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 specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The Group has early adopted the amendments to IAS 1, *Classification of Liabilities as Current or Non-current* which is effective for annual reporting periods beginning on or after 1 January 2024. The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or noncurrent.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- 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 Group has retroactively adopted the amendment beginning 1 May 2022. As a result, the Group has reclassified its loan under the asset-based lending ("ABL") Credit Agreement where the Group has the right to defer settlement beyond 12 months from current to noncurrent liabilities amounting to \$465.3 million and \$458.8 million as of 30 April 2024 and 2023, respectively. The adoption did not have impact to the Group's statement of comprehensive income and statements of cash flows.

4. Material accounting policy information

The material accounting policy information 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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

4. Material accounting policy information (cont'd)

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. Goodwill is measured 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.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally 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.

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 is not a business, the Group shall account for the transaction or other event as an asset acquisition. The cost to 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) 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 (collectively "DMPRL") contributed to the Company have been reflected at predecessor cost in these financial statements.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

4. Material accounting policy information (cont'd)

4.1 Basis of consolidation (cont'd)

(iii) 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 4.9.

(iv) Investments in joint ventures

Investments in joint ventures are accounted for using the equity method. They are recognized initially at cost, which includes capitalizable transaction costs.

Impairment of investments in joint ventures is discussed in Note 4.9.

(v) Investments in subsidiaries and joint ventures in the separate financial statements

Interest in subsidiaries and joint ventures are accounted for using the equity method.

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

The consolidated financial statements are presented in US Dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currencies of the Group's foreign operations are Philippine Peso (PHP) for Del Monte Philippines, Inc. ("DMPI"), Singaporean Dollar (SGD) for DMPL Management Services ("DMS") and Japanese Yen (JPY) for S&W Japan Limited.

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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

4. Material accounting policy information (cont'd)

4.2 Foreign currency (cont'd)

(i) Foreign currency transactions (cont'd)

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 Other Comprehensive Income ("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 Intangible assets

(i) Indefinite useful life intangible assets

Intangible assets are measured at cost less accumulated impairment losses.

The Group assesses 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.



4. Material accounting policy information (cont'd)

4.3 Intangible assets (cont'd)

(i) Indefinite useful life intangible assets (cont'd)

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.

(iii) 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.

(iv) 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.

4.4 Financial instruments

- Classification and subsequent measurement

Financial assets

The Group has the following financial assets:

Financial Assets at Amortized Cost. This category is the most relevant to the Group. 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 (Note 10).

Financial Assets designated at Fair Value through Other Comprehensive Income ("FVOCI") (equity instruments). The Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32, Financial Instruments: Presentation, and are not held for trading. The Group has investments in unquoted equity instruments and club shares that are classified and measured at FVOCI.

Financial Assets at Fair Value through Profit or Loss ("FVTPL"). This category includes derivative instruments which the Group had not irrevocably elected to classify at FVOCI.



4. Material accounting policy information (cont'd)

4.4 Financial instruments (cont'd)

- Classification and subsequent measurement (cont'd)

Financial liabilities

The Group has financial liabilities at amortized cost comprising of bank loans, trade and other payables. The Group has derivative instruments which are carried at FVTPL.

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.

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.

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. Material accounting policy information (cont'd)

4.4 Financial instruments (cont'd)

- Classification and subsequent measurement (cont'd)

Derivative financial instruments, including hedge accounting (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.

4.5 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.

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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

4. Material accounting policy information (cont'd)

4.5 Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

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.

(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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

4. Material accounting policy information (cont'd)

4.5 Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

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 within 32 to 34 months after planting. Depreciation is determined on a per field basis.

4.6 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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

4. Material accounting policy information (cont'd)

4.6 *Biological assets (cont'd)*

The Group's agricultural produce are accounted for as follows:

Agricultural Produce

The Group's growing or unharvested agricultural 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.

4.7 *Leases*

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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

4. Material accounting policy information (cont'd)

4.7 Leases (cont'd)

Right-of-use Assets (cont'd)

The estimated useful lives are as follows:

Buildings, land improvements and leasehold improvements	- 2 to 6 years
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 *Leases*. The Group first applies the requirements for determining when a performance obligation is satisfied in IFRS 15 *Revenue from Contracts with Customers* to determine whether the sale or transfer of an asset is accounted for as a sale of that asset.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

4. Material accounting policy information (cont'd)

4.7 Leases (cont'd)

Sale and Leaseback (cont'd)

For sale or transfer of an asset that satisfies the requirements of IFRS 15 *Revenue from Contracts with Customers* 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 *Revenue from Contracts with Customers* 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 *Financial Instruments*.

Sublease arrangements

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.

4.8 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 First-in, First-out ("FIFO") 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. Material accounting policy information (cont'd)

4.9 Impairment

(i) Non-derivative financial assets

The Group recognizes loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortized cost.

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. Material accounting policy information (cont'd)

4.9 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.

Investments in subsidiaries and joint ventures

An impairment loss in respect of investment in subsidiaries and 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. Material accounting policy information (cont'd)

4.9 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.

4.10 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.



4. Material accounting policy information (cont'd)

4.10 Employee benefits

(ii) Defined benefit pension plan (cont'd)

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.

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.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

4. Material accounting policy information (cont'd)

4.10 Employee benefits (cont'd)

(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 (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.

(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. Material accounting policy information (cont'd)

4.11 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.

4.12 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.



4. Material accounting policy information (cont'd)

4.12 Revenue recognition (cont'd)

(i) Sales of goods (cont'd)

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.

(iii) 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. Material accounting policy information (cont'd)

4.12 Revenue recognition (cont'd)

(iii) 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.

4.13 Tax

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 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.

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.

4.14 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. 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 2024

- 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.

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. The amendments are not expected to have a material impact on the Group.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

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 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 and 1 May 2023	240,665	623,245	92,749	371,560	82,999	1,411,218
Additions	2,903	4,068	57,604	129,301	–	193,876
Disposals	(1,736)	(14,144)	(62)	–	–	(15,942)
Write off - closed fields	–	–	–	(68,818)	–	(68,818)
Reclassifications from CIP	6,896	109,352	(116,248)	–	–	–
Currency realignment	(2,448)	(8,301)	(1,328)	(17,364)	(723)	(30,164)
At 30 April 2024	246,280	714,220	32,715	414,679	82,276	1,490,170
Accumulated depreciation and impairment losses						
At 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 and 1 May 2023	125,580	446,159	–	171,952	8,536	752,227
Charge for the year	10,739	38,306	–	118,677	–	167,722
Disposals	(1,319)	(9,360)	–	–	–	(10,679)
Write off - closed fields	–	–	–	(68,818)	–	(68,818)
Currency realignment	(2,039)	(7,528)	–	(11,059)	–	(20,626)
At 30 April 2024	132,961	467,577	–	210,752	8,536	819,826
Carrying amounts						
At 30 April 2023	115,085	177,086	92,749	199,608	74,463	658,991
At 30 April 2024	113,319	246,643	32,715	203,927	73,740	670,344



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 of US\$6.4 million (2023: US\$3.4 million).

The Group has property, plant and equipment (“PPE”) acquisitions of US\$2.3 million as of 30 April 2024 (2023: US\$3.9 million) that are unpaid as at year-end and included under “Accrued operating expenses” in “Trade and other current liabilities” (Note 22).

Down payments made by the Group for the acquisition of PPE amounted to US\$0.2 million for the year ended 30 April 2024 (2023: US\$3.5 million) recorded under “Advances to suppliers” in “Other noncurrent assets” (Note 10). In addition, the Group has reclassified certain prepaid and other current assets to PPE which amounted to nil in 2024 (2023: US\$2.4 million).

In fiscal year 2024, the Group capitalized interest expense arising from general borrowings and lease liabilities to bearer plants amounting to US\$2.4 million and US\$1.5 million (2023: US\$2.0 million and US\$1.2 million), respectively.

Arising from the disposal of certain PPE are US\$0.6 million that remains due as of 30 April 2024 and is recorded under “Nontrade receivable” in “Trade and other receivables” (Note 13).

Bearer Plants

	Group	
	30 April 2024	30 April 2023
Hectares planted with growing crops:		
- Pineapples	16,397	16,562
- Papaya	136	185
Fruits harvested from the growing crops: (in metric tons)		
- Pineapples	700,711	858,908
- Papaya	1,420	1,497

Bearer plants are measured at cost less accumulated amortization based on actual volume of harvest over total estimated volume of harvest. Costs related to bearer plants are capitalized up to the point of maturity of the bearer plants, including costs during the ratoon crop cycle. 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.

The accumulated costs are deferred and are amortized as raw product costs under “Inventories” upon harvest. Amortization is based on the actual volume of harvest over total estimated volume harvest in a given period.

The cost of fields closed and written off in 2024 amounted to US\$68.8 million, which have been fully depreciated during the year (2023: US\$136.5 million).



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

5. Property, plant and equipment - net (cont'd)

Leasehold Improvements

As at 30 April 2024 and 2023, 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.

Freehold Land

The table below summarises the valuation of freehold land held by the Group as at 30 April 2024 and 2023 in various locations:

Located in	30 April 2024 US\$'000	30 April 2023 US\$'000	Date of Latest Valuation
The Philippines	18,022	18,698	2023 (Various)
United States of America	41,064	41,009	1 April 2023
Singapore	14,654	14,756	30 April 2023
	<hr/>	<hr/>	
	73,740	74,463	

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 2024 would be US\$34.4 million (2023: US\$34.4 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 2024 include projects in the Americas pertain to pear coring slicing and LAN material handling mechanical overhaul for Modesto, WMS rollout, SAP Ariba, SAP supply network planning, ABAP Development for IT, Del Monte 4pk capability, rebuilding of 61H seamers of Hanford, Puebla transformation, Fire Protection System Phase 2 for Mexico, construction of additional Line 4 in JMC Packing House, additional 307 Cook Room Line, acquisition of 307 Line 6 Auto Caser, construction of Fruit Truck Ingress and Egress in JMC PH and construction of 21 Duplex Houses, which are among the significant projects implemented in fiscal year 2024. These projects are expected to be completed by fiscal year 2025.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

5. Property, plant and equipment - net (cont'd)

Construction-in-Progress (CIP) (cont'd)

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 Fresh Del Monte 202 line at the cannery in Bugo, additional 307 Cook Room Line, acquisition of tetra filler in Bugo, 307 Line 6 Auto Caser and JMC Fresh Fruit Packing House Line 4 are among the significant projects implemented in 2023. These projects were completed in fiscal year 2024.

Capitalized borrowing costs for the year ended 30 April 2024 amounting to US\$0.03 million is related to carry-over projects Complete 307 Cook Room Line and 307 Line 6 Auto Caser. 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 Fresh Del Monte 202 Line and 307 Line 6 Auto Caser.

Plant closures

Toppenish and Markesan Plant

The Group announced on 27 February 2024 its intention to close its Toppenish, Washington and Markesan, Wisconsin plants to discontinue summer pack season at both sites. A small group of employees will be retained to continue to perform labelling and warehousing functions through the fall of 2024. In connection with the plant closures, the Group recognized no impairment losses on related property, plant and equipment for the year ended 30 April 2024.

Under these plant closures, approximately 46 employees were terminated by the end of fiscal year 2024. The Group recognized provisions for employee severance benefits amounting to US\$4.1 million, with approximately US\$2.0 million outstanding as of 30 April 2024. The employee severance benefits are presented under employee benefits (Note 20).

Additionally, related inventory write-downs amounting to US\$1.6 million were recognized for the year ended 30 April 2024. No environmental liabilities were recognized related to plant closures.

In connection with these announcements, the Group has recorded net expense of US\$1.4 million in other (expenses) income – net, which includes the gain on sale of Markesan fixed assets to a third-party, Seneca, amounting to US\$1.8 million for the year ended 30 April 2024.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

6. Investments in subsidiaries

Company	30 April 2024 US\$'000	30 April 2023 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	(290,572)	(277,723)
Dividends declared by subsidiaries	(18,994)	(88,503)
Share in net (loss) profit of subsidiaries	(72,303)	61,702
Share in other comprehensive income of subsidiaries, net of tax	3,887	13,952
Loss on derivative settlement of a subsidiary recognized under equity reserve	(29,856)	–
Loss on repurchase of shares by a subsidiary recognized under equity reserve	(31,218)	–
	(439,056)	(290,572)
Interests in subsidiaries at the end of the year	818,675	967,159

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.

Issuance of Senior Perpetual Capital Securities of the newly incorporated subsidiary, Jubilant Year Investments Limited ("Jubilant")

On 18 March 2024, Jubilant issued US\$70.0 million Senior Perpetual Capital Securities ("Securities"), which are guaranteed by DMPI and Philippine Packaging Management Service Corporation. The net proceeds were used by the Group to settle transactions with SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner") in the order enumerated in the "Derivative Settlement, Share Redemption and Share Sale Agreement" or "DSSRSSA" mentioned in the succeeding paragraphs.

The Securities confer a right to receive distributions, the initial rate of which is 9.000% per annum, subject to increase upon the happening of certain events and on 18 March 2027 and every three years thereafter. Distributions are payable semi-annually in equal installments in arrears on 18 March and 18 September of each year, commencing on 18 September 2024. Jubilant or DMPI may opt to defer payment of any or all distributions under certain conditions. Distributions will accrue on each arrear of distribution for so long as the same remains outstanding.

There is no fixed redemption date for the Securities but Jubilant may, subject to applicable law, redeem them upon the happening of certain events as stated in the terms and conditions of the securities, and on 18 March 2027 and every distribution payment date thereafter.

There are two covenants under the Terms and Conditions of the Securities: (a) Related Party Transaction Covenant and an (b) Undertaking in respect of other obligations.



6. Investments in subsidiaries (cont'd)

Issuance of Senior Perpetual Capital Securities of the newly incorporated subsidiary, Jubilant Year Investments Limited (cont'd)

The Related Party Transaction Covenant provides that DMPI shall procure that the aggregate amount of all outstanding balances due from related parties (such amount to be determined with reference to the semi-annual or annual consolidated financial statements of DMPI and its Subsidiaries prepared in accordance with the Philippine Financial Reporting Standard for such Test Period) as of the last day of each Test Period does not exceed US\$175.2 million. "Test Period" means each period of six months ending on the last day of each of the second financial quarter and the fourth financial quarter of the fiscal year of DMPI. The amount of US\$75.0 million (or such amount that remains) for the purchase of inventory by DMPI from DMFI and such amounts as are incurred in connection with the transactions related to the DSSSRSA are to be excluded in determining the aggregate amount of all outstanding balances due from related parties specified above for the relevant Test Period.

DMPI has further covenanted that so long as any of the Securities remain outstanding, it will not, and will procure that none of its Subsidiaries will, enter into any agreement, undertaking, instrument or arrangement pursuant to which DMPI or any of its Subsidiaries incurs or is permitted to incur indebtedness, the terms of which include a cross-default, cross-acceleration or other similar provision whereby any default, potential default or event of default (howsoever defined in such other Indebtedness) is triggered by or is otherwise based on the default, potential default or event of default (howsoever defined in such Indebtedness) of any person other than DMPI and its Subsidiaries (including, for the avoidance of doubt, the Company).

In case of breach of any of these covenants, Jubilant will make an offer to purchase all outstanding securities at a price equal to 101% of their principal amount plus any accrued but unpaid distributions and any arrears of distribution.

Derivative Settlement, Share Redemption and Share Sale Agreement (DSSRSSA)

The Company, DMPI, Central American Resources, Inc ("CARI") and SEA Diner entered into a DSSRSSA dated 19 February 2024 to agree to the terms of a series of transactions to be undertaken between the parties (collectively, the "Derivative Settlement, Share Redemption and Share Sale"), as described and subject to the order of priority as follows:

- (i) Firstly, payment by CARI of a settlement amount to terminate certain derivative rights (particularly in relation to a call option agreement and right to earn accretion shares) that SEA Diner has in relation to the share capital of DMPI (the "Derivative Settlement"). The total agreed amount for the Derivative Settlement was US\$29.9 million;
- (ii) Secondly, repurchase by DMPI of 68,244,984 DMPI shares from SEA Diner for US\$36.0 million; and
- (iii) Lastly, the repurchase by DMPI of additional 2,815,640 of DMPI shares owned by SEA Diner from the residual proceeds of the Perpetual Issuance amounting to US\$1.5 million which was executed on 5 June 2024.



6. Investments in subsidiaries (cont'd)

Derivative Settlement, Share Redemption and Share Sale Agreement (DSSRSSA) (cont'd)

Following completion of the Derivative Settlement and the partial Mutual Redemption (including the additional redemption described in the paragraph above), the Company (through CARI, an indirect wholly-owned subsidiary) would own 89.27% of DMPI's total issued and outstanding shares. The number of shares that the Company (through CARI) owns in DMPI remains unchanged at 2,433,668,395 shares. SEA Diner's residual shares in DMPI were converted into redeemable, convertible preferred shares ("New RCPS") the terms of which shall be governed by a new agreement that replaces the Shareholders' Agreement.

The key terms of the New RCPS include, among others:

- (1) 8.0% dividend yield per year paid quarterly, subject to DMPI's option to elect to defer;
- (2) In the event of deferral, the applicable dividend yield per year shall step up to 12.0% and be cumulative (and compound on a quarterly basis) until such time that all the deferred dividends are paid in full;
- (3) No advances (or similar transactions) or ordinary equity dividends are allowed by DMPI if there are any deferred preferred dividends that have not been paid in cash ((2) and (3) together the "Preferred Dividend Deferral Condition");
- (4) DMPI's gross debt shall not exceed US\$550.0 million (the "Debt Cap") without the written approval of the New RCPS holder (applicability of this Debt Cap shall be only after 31 January 2025);
- (5) The holder of the New RCPS will have the right to request a redemption which shall be subject to DMPI's approval (a) any time after 18 months from the issuance of the New RCPS, and (b) from 31 January 2025 onwards, if gross indebtedness to the last twelve months EBIT of DMPI exceeds 6.0x, such redemption of the New RCPS will be at the original issue price of the New RCPS plus any deferred but unpaid and accrued preferred dividends;

In the event the holder of the New RCPS has requested redemption but such redemption has not been satisfied in full, the applicable dividend yield shall in respect of the redemption, at each 12-month anniversary of the redemption due date, increase by 1.0% relative to the original issue price of the New RCPS (i.e. the 8.0% yield above shall increase to 9.0% and the 12.0% yield above shall increase to 13% if redemption is not satisfied in full within 12 months from the request), up to an increase of the applicable dividend yield by 4.0% of the original issue price of the New RCPS;

In the event of a breach of the terms of the New RCPS, including (a) the incurrence of debt above the Debt Cap without consent of the New RCPS holder, and/or (b) the Preferred Dividend Deferral Condition, or a change in control, the holder of the New RCPS may, at its sole election, require DMPI to redeem the New RCPS at such amount that would result in a 12% internal rate of return on the original issue price of the New RCPS for the holder of the New RCPS;

- (6) The holder of the New RCPS has the option to elect to convert its New RCPS into ordinary shares of DMPI at a ratio of one New RCPS into one ordinary share of DMPI;



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

6. Investments in subsidiaries (cont'd)

Derivative Settlement, Share Redemption and Share Sale Agreement (DSSRSSA) (cont'd)

- (7) A list of reserved matters that require the approval of the new RCPS holder, including any amendment to DMPI's charter or articles, any amendment to rights or terms of any shares of DMPI or its subsidiaries, dissolution, liquidation or winding up of DMPI, the issuance of any shares of DMPI or its subsidiaries in certain circumstances, any incurrence of indebtedness where such incurrence results in breach of financial covenants by DMPI or any of its subsidiaries, any material changes in the business or DMPI, and certain related party transactions; and
- (8) Customary anti-dilution protections and information rights.

Impact to the Group

In relation to the above transactions, as at 30 April 2024, the Group recognized the net consideration of US\$67.6 million (US\$70.0 million gross proceeds from issuance of senior perpetual capital securities less total transaction costs of US\$2.4 million, of which US\$0.9 million is still unpaid as of 30 April 2024 and classified under trade and other payables in Note 22), under non-controlling interests as the owners of the senior perpetual capital securities are external parties.

The Group also recognized losses in equity reserve under retained earnings of US\$61.1 million arising from the completion of DSSRSSA:

- US\$29.9 million on the amount paid for the derivative settlement, and
- US\$31.2 million loss arising from the repurchase of 71,060,624 shares owned by SEA Diner (Consideration of US\$37.9 million less the book value of the shares of US\$6.6 million).

Impact on the Company

In relation to the above transactions, as at 30 April 2024, the Company recognized its share on the loss of US\$61.0 million in equity reserve under retained earnings.

Significant judgments

Equity Classification

Senior Perpetual Capital Securities

The Group has no contractual obligation to deliver cash or another financial asset to the holders of securities. The securities have no fixed redemption date, and the redemption is at the option of the Group. The distributions to holders of securities, while cumulative, is also at the discretion of the Group.

New RCPS

The Group has no contractual obligation to deliver cash or another financial asset to the holders of New RCPS as the default event in case of breach among the other terms in the New RCPS Agreement, are assessed to be within the control of the Group and the redemption of the RCPS is subject to the mutual consent of both parties.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

6. Investments in subsidiaries (cont'd)

Source of estimation uncertainty

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 initial public offering ("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 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. The obligation is no longer existing as of 30 April 2024.

Fair Value of Derivative Liability on the Call Option

The fair value of the derivative liability related to the call option was measured using Black-Scholes model. The inputs to this model were 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 as the estimated pre-money market capitalization is higher than the threshold in the Call Option Agreement. In the current fiscal year, the call options were redeemed in full for US\$29.9 million.

Shareholders' Agreement with SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner")

The Shareholders' Agreement entered into in January 2020 between the Company, CARI, DMPI and SEA Diner which resulted in the latter acquiring 13% ownership interest in DMPI for a total consideration of US\$130.0 million. This agreement was superseded by the new RCPS Agreement as discussed in the foregoing.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 2024 %	30 April 2023 %
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][8]}	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	89.27	87.00
South Bukidnon Fresh Trading Inc ("SBFTI") ^[1]	Inactive	Philippines	100.00	100.00



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

6. Investments in subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group	
			30 April 2024 %	30 April 2023 %
Held by DMPI				
Philippine Packing Management Services Corporation ("PPMSC") ^[1]	Intellectual property holding and licensing, management, logistics and support services	Philippines	89.27	87.00
Jubilant Year Investments Limited ^{[7] [9]}	Investment holding	British Virgin Islands	89.27	–
Del Monte Txanton Distribution Inc ("DMTDI") ^{[a] [1] [2]}	Inactive	Philippines	35.71	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	95.52
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] [8]}	Investment holding	British Virgin Islands	93.57	93.57
Held by DMFHL				
Del Monte Foods Holdings II, Inc. ("DMFHII") ^{[5] [8]}	Investment holding	State of Delaware, U.S.A.	93.57	93.57
Held by DMFHII				
Del Monte Foods Holdings Inc. ("DMFHI") ^{[5] [8]}	Investment holding	State of Delaware, U.S.A.	93.57	93.57
Held by DMFHI				
Del Monte Foods, Inc. ("DMFI") ^{[5] [8]}	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] [8]}	Real estate holding	State of Delaware, U.S.A.	93.57	93.57
Del Monte Andina C.A. ("Del Monte Andina") ^[8]	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	100.00	100.00



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

6. Investments in subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group	
			30 April 2024 %	30 April 2023 %
Held by DMFI (cont'd)				
Del Monte Colombiana S.A. ^[4] ^[8]	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] ^[8]	Manufacturing, processing and distributing food, beverages and other related products	Mexico	93.57	93.57
Del Monte Peru S.A.C. ^[7] ^[8]	Distribution of food, beverages and other related products	Peru	93.57	93.57
Del Monte Ecuador DME C.A. ^[7] ^[8]	Distribution of food, beverages and other related products	Ecuador	93.57	93.57
Hi-Continental Corp. ^[7] ^[8]	Distributor of non-Del Monte products	State of California, U.S.A.	93.57	93.57
College Inn Foods ^[7] ^[8]	Distributor of College Inn brand products	State of California, U.S.A.	93.57	93.57
Contadina Foods, Inc. ^[7] ^[8]	Distributor of Contadina brand products	State of Delaware, U.S.A.	93.57	93.57
S&W Fine Foods, Inc. ^[7] ^[8]	Distributor of S&W Fine Foods, Inc,	State of Delaware, U.S.A.	93.57	93.57
Del Monte Ventures, LLC ("DM Ventures") ^[b] ^[8]	Holding company	State of Delaware, U.S.A.	93.57	93.57
Joyba, Inc. ^[5]	Distributor of Joyba brand products	State of California, U.S.A.	93.57	93.57
Kitchen Basics, Inc. ^[5]	Distributor of Kitchen Basics brand products	State of California, U.S.A.	93.57	93.57
Green Thumb Foods, Inc. ^[5]	Distributor of Green Thumb Foods brand products	State of California, U.S.A.	93.57	93.57
Held by DM Ventures				
Del Monte Chilled Fruit Snacks, LLC ^[b] ^[8]	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.	Inactive	Argentina	–	–



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 2024 the application for the dissolution and liquidation is yet to be submitted with the Philippine 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 2024 and 2023.
- [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\$10.0 million, which increased the ownership of SEA Diner in DMPI to 13%.
- On 4 April 2024, DMPI redeemed 71,060,624 shares from SEA Diner for US\$37.9 million, and held it as treasury shares. This increased CARI's interest in DMPI to 89.27% (shares owned by CARI of 2,433,668,395 over the new outstanding shares of DMPI amounting to 2,726,259,280 shares).
- [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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

6. Investments in subsidiaries (cont'd)

- [8] 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 US\$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.
- [9] Jubilant Year Investments Limited (JYIL), a direct wholly-owned subsidiary of DMPI, was incorporated as a company with limited liability under the laws of the British Virgin Islands on 2 January 2024. Its registered office is located at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. JYIL, a special purpose vehicle incorporated for the purpose of issuing the perpetual securities, will remain a wholly-owned subsidiary of DMPI as long as the perpetual securities are outstanding and intends to use the net proceeds it receives from offering of the perpetual securities to fund the share acquisition and for the Group's general corporate purposes, including but not limited to the refinancing of certain existing indebtedness of DMPI.

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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

7. Investments in joint ventures

Name of joint venture	Principal activities	Place of incorporation and business	Effective equity held by the Group	
			30 April 2024 %	30 April 2023 %
Del Monte Foods Private Limited (formerly known as FieldFresh Foods Private Limited) ("DMFPL")	Production and sale of fresh and processed fruits and vegetable food products	India	47.76	47.76
Nice Fruit Hong Kong Limited ("NFHKL")	Production and sale of frozen fruits and vegetable food products	Hong Kong	35.00	35.00
Del Monte – Vinamilk Dairy Philippines, Inc. (DVPDI)	Distribution of dairy and milk products	Philippines	43.50	43.50

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 2024 US\$'000	Year ended 30 April 2023 US\$'000
Revenue	66,036	66,084
(Loss) income from continuing operations ^a	(248)	203
Other comprehensive income	–	–
Total comprehensive (loss) income	(248)	203
^a Includes:		
- depreciation	(120)	(75)
- interest expense	(1,520)	(1,568)
Noncurrent assets	14,564	10,701
Current assets	23,624	21,851
Noncurrent liabilities	(17,706)	(20,193)
Current liabilities	(16,462)	(11,881)
Net assets	4,020	478
Proportion of the Group's ownership including non- controlling interest	50%	50%
Goodwill	2,010	239
Impairment loss	(4,096)	(4,096)
Translation adjustment	(500)	1,395
Carrying amount of investment	17,414	17,538



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

7. Investments in joint ventures (cont'd)

	Year ended 30 April 2024	Year ended 30 April 2023
	US\$'000	US\$'000
Carrying amount of interest in DMFPL at beginning of the year	17,538	14,336
Capital injection during the year	–	3,100
Group's share (loss) income from continuing operations, representing total comprehensive (loss) income	(124)	102
Carrying amount of interest at end of the year	17,414	17,538

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. The impairment loss was included in other (expenses) income – net in the income statement. No impairment was required in fiscal years 2024 and 2023.

The interest in the net assets of an immaterial joint venture, NFHKL, is as follows:

	Year ended 30 April 2024	Year ended 30 April 2023
	US\$'000	US\$'000
Carrying amount of interest in NFHKL at beginning of the year	2,623	2,836
Additional advances during the year	–	185
Group's share in loss from continuing operations, representing total comprehensive loss	(368)	(398)
Carrying amount of interest at end of the year	2,255	2,623

DVDPI is a joint venture entered into by Del Monte Philippines, Inc. and Vietnam Dairy Products Joint Stock Company, company incorporated in Vietnam, 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 2024	Year ended 30 April 2023
	US\$'000	US\$'000
Carrying amount of interest in DVDPI at beginning of the year	–	–
Capital injection	1,028	990
Reclassification from receivables (to payables)	(458)	200
Group's share in loss from continuing operations, representing total comprehensive loss	(570)	(1,190)
Carrying amount of interest at end of the year	–	–



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

7. Investments in joint ventures (cont'd)

The summarised interest in joint ventures of the Group and the Company, is as follows:

	Group		Company	
	Year ended 30 April 2024 US\$'000	Year ended 30 April 2023 US\$'000	Year ended 30 April 2024 US\$'000	Year ended 30 April 2023 US\$'000
Group's interest in joint ventures				
DMFPL	17,414	17,538	–	–
NFHKL	2,255	2,623	2,255	2,623
DVDPI	–	–	–	–
Carrying amount of investments in joint ventures	19,669	20,161	2,255	2,623

Significant judgments

Determination of Joint Control and the Type of Joint Arrangement

Joint control is presumed to exist when the investors have 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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

7. Investments in joint ventures (cont'd)

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, EBITDA margin and terminal growth rate. The values assigned to the key assumptions represented management's assessment of future trends in the industry and were based on both external and internal sources.

	30 April 2024 %	30 April 2023 %
Pretax discount rate	19.3	18.9
Revenue growth rate	5.0 – 20.2	5.0 – 20.2
EBITDA margin	5.3 – 9.6	5.9 – 13.4
Long-term EBITDA margin	9.6	10.1
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 10.10% in 2024 (2023: 20.60%), at a market interest rate of 9.37% in 2024 (2023: 10.1%).

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 20% (2023: 18%) 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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

7. Investments in joint ventures (cont'd)

Sensitivity to changes in assumptions

In fiscal year 2024 and 2023, the estimated recoverable amount exceeded 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, an 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 2024 (2023: 0.5%) in the long-term growth rate would still not result to impairment in 2024 (2023: impairment of US\$1.0 million).

Discount rates – An increase of 1.0% in 2024 (2023: 1.0%) in the discount rate would result in an impairment of approximately US\$0.8 million in 2024 (2023: impairment of US\$3.3 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 2022		203,432	408,043	24,180	107,000	742,655
Additions		–	64,320	–	8,441	72,761
At 30 April 2023 and 1 May 2023		203,432	472,363	24,180	115,441	815,416
30 April 2024		203,432	472,363	24,180	115,441	815,416
Accumulated amortization						
At 1 May 2022		–	–	10,819	43,789	54,608
Amortization	25	–	–	1,300	5,667	6,967
At 30 April 2023 and 1 May 2023		–	–	12,119	49,456	61,575
Amortization	25	–	–	1,262	5,772	7,034
At 30 April 2024		–	–	13,381	55,228	68,609
Carrying amounts						
At 30 April 2023		203,432	472,363	12,061	65,985	753,841
At 30 April 2024		203,432	472,363	10,799	60,213	746,807



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

8. Intangible assets and goodwill (cont'd)

Goodwill

From the acquisition date until fiscal year 2023, goodwill is attributable to DMFI as a single CGU. In fiscal year 2024, the management of DMFI revisited the operating segment identification in terms of how DMFI manages the US business and has identified three reportable operating segments and hence the CGUs were aligned with new operating segments in accordance with IAS 36, *Impairment of Assets*. Goodwill attributable between three CGUs as at 30 April 2024 are as follows:

	Healthy snacking	Flavor and meal enhancers	Beyond retail	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Goodwill	43,810	117,145	42,477	203,432

DMFI and its subsidiaries operates in three reportable segments which reflect the internal organizational and management structure according to the nature of the products and services provided, namely:

- **Healthy snacking:** Products that offer health-conscious choices such as canned fruit, plastic fruit cup, Joyba beverage, chilled fruit cup. These products are sold in the retail environment.
- **Flavor and meal enhancer ("FLAME"):** Products that are added to other ingredients to prepare a meal such as canned vegetables, broth, stock, and canned tomatoes. These products are sold in the retail environment.
- **Beyond retail:** Products are same as in Healthy snacking and FLAME segments, however, they are packaged and sold to non-retail markets, e.g., institutions such as schools, hospitals, government bodies, and food service establishments. The Group also provides co-manufacturing services under this segment.

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 2024, American trademarks amount to US\$458.3 million (2023: US\$458.3 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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

8. Intangible assets and goodwill (cont'd)

Indefinite life trademarks (cont'd)

Americas trademarks (cont'd)

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 US\$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 DMFI expands its retail presence in the category. The assets acquired comprise intangible assets amounting to US\$72.8 million and inventories of US\$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 2024 and 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 as at 30 April 2024 and 2023.

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 as at 30 April 2024 and 2023.

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 as at 30 April 2024 and 2023.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

8. Intangible assets and goodwill (cont'd)

Indefinite life trademarks (cont'd)

Impairment test

Management has performed impairment testing for all indefinite life trademarks and concluded that no impairment exists at the reporting date.

In fiscal years 2024 and 2023, the recoverable amounts of the Americas, Philippines, and S&W Asia 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 key assumptions used in the estimation of the recoverable amounts represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

The discount rate used was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital.

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.

In fiscal years 2024 and 2023, the estimated recoverable amount exceed the carrying amount of the trademark, and accordingly, no impairment was required. The key assumptions used in the estimation of the recoverable amounts are set out below.

	30 April 2024 %	30 April 2023 %
Americas trademarks		
Pretax discount rate	9.7	9.7
Revenue growth rate	4.0	4.5
Terminal growth rate	2.0	2.0
Royalty rate	8.0	5.5
Philippines trademarks		
Pretax discount rate	7.8	7.8
Revenue growth rate	6.7	5.6
Terminal growth rate	4.7	5.4
Royalty rate	1.0	1.0
S&W Asia trademark		
Pretax discount rate	16.9	13.0
Revenue growth rate	8.3	7.6
Royalty rate	3.0	3.0



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

8. Intangible assets and goodwill (cont'd)

Indefinite life trademarks (cont'd)

Indian sub-continent trademark

The Indian sub-continent trademark and the investment in DMFPL were allocated to Indian sub-continent CGU (Note 7).

Americas trademarks and Goodwill

In fiscal years 2024 and 2023, the recoverable amount of the CGU is based on the value in use ("VIU") being greater than the fair value less costs of disposal ("FVLCD") and the VIU. FVLCD and VIU are considered equivalent because the CGUs are operated in a manner consistent with the way in which a market participant would operate the CGU. As such, the VIU was greater than FVLCD because disposal costs could not be reliably estimated as of the measurement date.

Fiscal year 2024

	Healthy Snacking 30 April 2024 US\$'000	FLAME 30 April 2024 US\$'000	Beyond Retail 30 April 2024 US\$'000
Recoverable amount	354,051	629,176	389,850

Fiscal year 2023

The recoverable amount for the fiscal year 2023 amounted to US\$ 4.03 million

Included within the carrying value of the CGU are the trademarks, goodwill, net assets and deferred taxes attributable to the segment.

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.

Fiscal year 2024

	Healthy Snacking 30 April 2024 %	FLAME 30 April 2024 %	Beyond Retail 30 April 2024 %
Pretax discount rate	14.0	12.7	14.0
Long-term EBITDA margin	13.0	14.1	14.9
Terminal growth	2.0	2.0	2.0



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

8. Intangible assets and goodwill (cont'd)

Indefinite life trademarks (cont'd)

America trademarks and Goodwill (cont'd)

Fiscal year 2023

	30 April 2023
	%
Pretax discount rate	9.8
Long-term EBITDA margin	12.8
Terminal growth rate	2.0

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. 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.

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.

2024	Healthy Snacking	FLAME	Beyond Retail
	%	%	%
Pretax discount rate	14.7	12.3	11.9
Long-term EBITDA margin	8.3	9.8	12.6

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 require 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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

8. Intangible assets and goodwill (cont'd)

Amortizable trademarks and customer relationship

	Net carrying amount		Remaining amortization period (years)	
	30 April 2024	30 April 2023	30 April 2024	30 April 2023
	US\$'000	US\$'000		
America S&W trademark	–	163	–	0.8
America Contadina trademark	10,797	11,898	9.8	10.8
	<u>10,797</u>	<u>12,061</u>		

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 2024	30 April 2023	30 April 2024	30 April 2023
	US\$'000	US\$'000		
Customer relationships – CP	52,512	57,862	9.8	10.8
Customer relationships – Kitchen Basics	7,701	8,123	18.5	19.5
	<u>60,213</u>	<u>65,985</u>		

Management has included the customer relationships, except Kitchen Basics, 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.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

9. Deferred tax assets – net

Deferred tax assets and liabilities 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 2024		30 April 2023	
	Assets US\$'000	Liabilities US\$'000	Assets US\$'000	Liabilities US\$'000
Group				
Provisions	9,208	–	9,153	–
Employee benefits	11,251	–	13,016	–
Property, plant and equipment – net	–	(19,626)	–	(19,751)
Intangible assets and goodwill	–	(115,620)	–	(103,711)
Effective portion of changes in fair value of cash flow hedges	–	(55)	–	(415)
Tax loss carry-forwards	151,682	–	142,007	–
Inventories	5,552	–	2,361	–
Biological assets	–	(1,597)	–	(1,629)
Interest	81,935	–	52,865	–
Undistributed profits from a subsidiary	–	–	–	(377)
Charitable contributions	2,606	–	2,139	–
Others	9,896	–	10,772	–
Deferred tax assets (liabilities)	272,130	(136,898)	232,313	(125,883)
Set off of tax	(125,425)	125,425	(114,253)	114,253
Deferred taxes – net	146,705	(11,473)	118,060	(11,630)



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 2023	Recognized in profit or loss	Recognized in other comprehen- sive income	Currency realignment	At 30 April 2024
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2024					
Provisions	9,153	180	–	(125)	9,208
Employee benefits	13,016	325	(2,175)	85	11,251
Property, plant and equipment - net	(19,751)	(44)	–	169	(19,626)
Intangible assets and goodwill	(103,711)	(11,909)	–	–	(115,620)
Effective portion of changes in fair value of cash flow hedges	(415)	2,657	(1,680)	(617)	(55)
Tax loss carry-forwards	142,007	9,675	–	–	151,682
Inventories	2,361	3,191	–	–	5,552
Biological assets	(1,629)	(26)	–	58	(1,597)
Interest	52,865	29,070	–	–	81,935
Undistributed profits from a subsidiary	(377)	377	–	–	–
Charitable contributions	2,139	467	–	–	2,606
Others	10,772	(1,452)	–	576	9,896
	106,430	32,511	(3,855)	146	135,232

	At 1 May 2022	Recognized in profit or loss	Recognized in other comprehen- sive income	Currency realignment	At 30 April 2023
	US\$'000	US\$'000	US\$'000	US\$'000	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



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

9. Deferred tax assets – net (cont'd)

As at 30 April 2024, the Group has recognized deferred tax assets of US\$146.7 million (2023: US\$118.1 million), of which US\$146.5 million (2023: US\$118.0 million) was attributable to DMFI.

As at 30 April 2024, the Group recognized deferred tax liability relating to undistributed profit of a subsidiary amounting to nil (2023: US\$0.4 million).

Unrecognized deferred tax assets

The following are the temporary differences for which deferred tax assets have not been recognized as of 30 April 2024 and 2023:

	30 April 2024 US\$'000	30 April 2023 US\$'000
Deductible temporary differences	5,469	–
Tax losses and tax credits	2,044	4,538
	<hr/> 7,513	<hr/> 4,538

The tax losses will expire in 2025 and 2029. 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 2024, deferred tax assets amounting to US\$151.0 million (2023: US\$142.0 million) have been recognized in respect of the tax loss carry forwards from DMFI 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 US\$269.1 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.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

10. Other noncurrent assets

	Group		Company	
	30 April 2024 US\$'000	30 April 2023 US\$'000 Restated	30 April 2024 US\$'000	30 April 2023 US\$'000
Advance rentals and deposits	17,828	19,557	–	–
Derivative assets	–	6,189	–	–
Financial assets carried at FVOCI	11,665	6,080	10,516	5,023
Excess insurance	5,917	4,201	–	–
Advances to suppliers	3,793	2,898	–	–
Receivable from sale and leaseback	2,389	2,571	–	–
Others	319	1,367	45	–
	41,911	42,863	10,561	5,023

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.

Included in the financial assets carried at FVOCI is an investment in unquoted equity shares held by the Company of an entity incorporated in Switzerland which was acquired through an assignment of a US\$5.0 million receivable due to a subsidiary. In the current year, the Company invested an additional US\$5.5 million in the investee.

Excess insurance relates mainly to reimbursements from insurers to cover certain workers' compensation claims liabilities (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 (Note 23). The current portion of US\$0.1 million is presented under trade and other receivables (Note 13).

Other noncurrent assets include deferred input VAT on capital goods (property and equipment) incurred prior to 1 January 2022 that are to be amortized over its useful life or five years, whichever is shorter, and other deferred expenses expected to be amortized beyond one year from the next reporting period.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 30 April 2024

11. Biological assets

	Note	Group 30 April 2024 US\$'000	Group 30 April 2023 US\$'000 Restated
Presented as biological assets under:			
Current assets		48,577	44,852
Noncurrent assets		3,413	3,007
Total biological assets*		51,990	47,859
Livestock			
At beginning of the year		3,007	2,735
Purchases of livestock		1,218	1,247
Sales of livestock		(691)	(810)
Currency realignment		(121)	(165)
At end of the year		3,413	3,007
Agricultural produce			
At beginning of the year		16,146	14,043
Additions		14,574	18,632
Harvested		(13,727)	(15,729)
Currency realignment		(584)	(800)
At end of the year		16,409	16,146
Fair value gain on unharvested agricultural produce		32,168	28,706
At end of the year		48,577	44,852
Fair value gain (loss) recognized under:			
Harvested pine for cannery -			
Inventories		1,821	4,496
Cost of sales	25	15,904	39,456
		17,725	43,952
Inventories - cattle for slaughter		2	8
Cost of sales - fresh pines	25	24,099	17,851
Unharvested agricultural produce		4,636	(2,706)
Fair value gain recognized under revenues		46,462	59,105

*Change in total biological assets recognized in the consolidated statements of cash flows is net of the foreign currency translation impact amounting to US\$1.7 million (2023: US\$2.8 million).



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 average selling prices 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 are 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 two to three 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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 estimating selling price at point of harvest and gross margin of finished goods less future growing costs to be incurred until harvest. Such future growing costs decrease 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 2024 US\$'000	30 April 2023 US\$'000
Finished goods		
- at cost	635,275	698,664
- at net realizable value	24,659	37,482
Semi-finished goods		
- at cost	257,258	173,557
- at net realizable value	10,468	12,372
Raw materials and packaging supplies		
- at cost	62,750	78,683
- at net realizable value	53,433	76,014
	1,043,843	1,076,772

Total cost of inventories carried at net realizable value amounted to US\$114.2 million as at 30 April 2024 (2023: US\$138.6 million). Inventories recognized as an expense in cost of sales amounted to US\$1,528.8 million for the year ended 30 April 2024 (2023: US\$1,385.2 million) (Note 25).



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 2024	30 April 2023
		US\$'000	US\$'000
At beginning of the year		12,737	6,464
Allowance for the year	25	18,700	9,542
Write-off against allowance		(5,755)	(2,585)
Currency realignment		(53)	(684)
At end of the year		25,629	12,737

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.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

13. Trade and other receivables

	Group		Company	
	30 April 2024	30 April 2023	30 April 2024	30 April 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Trade receivables	192,569	195,335	–	–
Nontrade receivables	35,445	45,346	5	6
Amounts due from subsidiaries (nontrade)	–	–	27,416	26,400
Allowance for expected credit loss – nontrade	(4,319)	(4,317)	–	–
Allowance for expected credit loss – trade	(5,541)	(5,328)	–	–
Trade and other receivables	218,154	231,036	27,421	26,406

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 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:

At 30 April 2024	Gross		ECL allowance	
	Trade	Nontrade	Trade	Nontrade
	US\$'000	US\$'000	US\$'000	US\$'000
Within credit terms	139,109	8,530	–	–
Past due 0 - 60 days	30,116	4,778	–	–
Past due 61 - 90 days	3,019	893	–	–
Past due 91 - 120 days	4,560	711	–	–
More than 120 days	15,765	20,533	(5,541)	(4,319)
	192,569	35,445	(5,541)	(4,319)



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

13. Trade and other receivables (cont'd)

	Gross		ECL allowance	
	Trade US\$'000	Nontrade US\$'000	Trade US\$'000	Nontrade US\$'000
At 30 April 2023				
Within credit terms	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)

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 2024 and 2023, the receivables of the Company were neither past due nor impaired.

Nontrade receivables include current portion of lease receivable amounting to nil as at 30 April 2024 (2023: US\$0.1 million) (Note 23), and current portion of receivable from sale and leaseback amounting to US\$0.1 million as at 30 April 2024 (2023: US\$0.1 million). The noncurrent portion of lease receivable and receivable from sale and leaseback are presented under other noncurrent assets as "Others" (Note 10).

Movements in allowance for ECLs during the year are as follows:

	Note	Trade US\$'000	Group Nontrade US\$'000	Total US\$'000
At 1 May 2023		5,328	4,317	9,645
Allowance for the year	25	273	7	280
Reversal for the year	25	(8)	–	(8)
Currency realignment		(52)	(5)	(57)
At 30 April 2024		5,541	4,319	9,860



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 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

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 2024 and 2023.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

14. Prepaid expenses and other current assets

	Note	Group		Company	
		30 April 2024 US\$'000	30 April 2023 US\$'000 Restated	30 April 2024 US\$'000	30 April 2023 US\$'000
Prepaid expenses		56,437	48,986	39	77
Down payment to suppliers		3,658	7,372	–	–
Derivative assets	19	1,179	2,678	–	–
Short-term placements		–	18	–	–
Others		–	–	–	17
		61,274	59,054	39	94

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.

As at 30 April 2023, short-term placements have maturities of 4-6 months and earn interest of 0.75%-0.875% per annum.

15. Cash and cash equivalents

	Group		Company	
	30 April 2024 US\$'000	30 April 2023 US\$'000	30 April 2024 US\$'000	30 April 2023 US\$'000
Cash on hand	92	84	–	–
Cash in banks	12,976	19,392	470	554
Cash equivalents	55	360	–	–
Cash and cash equivalents	13,123	19,836	470	554

Certain cash in bank accounts earn interest at floating rates based on daily bank deposit rates. 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 the respective short-term placement rates.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

16. Share capital

	Group and Company			
	30 April 2024		30 April 2023	
	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	–	–	–	–
	1,944,936	19,449	1,944,936	19,449

Reconciliation of number of outstanding ordinary shares in issue:

	Year ended 30 April 2024	Year ended 30 April 2023
	No. of shares	
	(‘000)	(‘000)
At beginning and end of the year	1,943,960	1,943,960



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

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 2024 and 2023 representing the cost of shares held in treasury.

Reconciliation of number of outstanding preference shares in issue:

	Year ended 30 April 2024 ('000)	Year ended 30 April 2023 ('000)
At beginning of the year	–	10,000
Redeemed	–	(10,000)
At end of the year	–	–

The following summarizes the information on the Company's registration of securities under the Securities Regulation Commission's 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 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 2024 and 2023 was 7,286 and 7,396, 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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 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* /		10,000,000 Series A-	
27 November 2017**	600,000,000	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.

On 7 April 2022, the Company redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares for US\$200.0 million, and on 15 December 2022, all of the outstanding 10,000,000 Series A-2 Preference Shares for US\$100.0 million.

The redeemed preferred shares were cancelled but remained part of the Company's authorized capital and shall be available to be reissued by resolution of the board.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

16. Share capital (cont'd)

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 2024 US\$'000	30 April 2023 US\$'000	30 April 2022 US\$'000
Declared and paid during the financial year:			
<i>Dividends on ordinary shares</i>			
2024: US\$0.0013 (2023: US\$0.0170; 2022: US\$0.0120)	2,542	33,251	23,310
<i>Dividends on preference shares</i>			
A-1 preference shares for 2024: nil (2023: nil; 2022: US\$0.6625) per share	–	–	13,250
A-2 preference shares for 2024: nil (2023: US\$0.4478; 2022: US\$0.6500) per share	–	4,478	6,500
	–	4,478	19,750
	2,542	37,729	43,060
Proposed but not recognized as a liability as at reporting date:			
<i>Dividends on ordinary shares</i>			
2024: nil (2023: US\$0.0013; 2022: US\$0.0170)	–	2,527	33,047



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

17. Retained Earnings and Reserves (cont'd)

Retained earnings (cont'd)

Dividends (cont'd)

The retained earnings were restricted for the payment of dividends representing the accumulated equity in net earnings of the subsidiaries amounting to US\$247.3 million as at 30 April 2024 (2023: US\$243.5 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 2024 and 2023, the Group's investment in joint ventures have no undistributed net earnings.

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 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.

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.

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.

The cumulative undeclared dividends on the preference shares amounted to US\$0.4 million as of 30 April 2022, and were settled in full in fiscal year ended 2023.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

17. Retained Earnings and Reserves (cont'd)

Retained earnings (cont'd)

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.

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-2 Preference Shares on 15 December 2022 and Series A-1 Preference Shares on 7 April 2022 (Note 16).

Reserves

	Group		Company	
	30 April 2024	30 April 2023	30 April 2024	30 April 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Translation reserve	(111,968)	(105,020)	(111,968)	(105,020)
Revaluation reserve	29,354	29,354	29,354	29,354
Remeasurement of retirement plan	52,302	46,051	52,302	46,051
Hedging reserve	5,891	1,390	5,891	1,390
Reserve for own shares	(286)	(286)	(286)	(286)
	<u>(24,707)</u>	<u>(28,511)</u>	<u>(24,707)</u>	<u>(28,511)</u>

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 (Note 19).

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. As at 30 April 2024 and 2023, the Company held 975,802 treasury shares.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

18. Loans and borrowings

	Group		Company	
	30 April 2024 US\$'000	30 April 2023 US\$'000 Restated	30 April 2024 US\$'000	30 April 2023 US\$'000
Current liabilities				
Bonds	89,541	104,799	89,541	–
Secured bridging loan	44,938	59,998	44,938	59,998
Short-term secured loans	26,577	–	26,577	–
Short-term unsecured loans	477,968	469,902	70,531	101,000
Current portion of long-term secured loans	171,675	126,181	164,421	108,106
Current portion of long-term unsecured loans	108,029	59,173	95,004	55,794
	918,728	820,053	491,012	324,898
Noncurrent liabilities				
Bonds	11,158	100,301	–	88,760
Asset-based lending credit (“ABL”)	465,275	458,823	–	–
Noncurrent portion of long-term secured loans	695,678	781,825	–	64,428
Noncurrent portion of long-term unsecured loans	205,204	112,351	43,726	88,771
	1,377,315	1,453,300	43,726	241,959
	2,296,043	2,273,353	534,738	566,857



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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.	Calendar year maturity	30 April 2024		30 April 2023	
				Face value US\$'000	Carrying amount US\$'000	Face value US\$'000	Carrying amount US\$'000
Group							
<i>Short-term borrowings</i>							
Unsecured bank loans ^[1]	PHP	(2024) 6.40% - 8.45% (2023) 5.95% - 7.50%	2024	102,982	102,982	143,701	143,701
Unsecured bank loans ^[1]	US\$	(2024) 5.70% - 8.41% (2023) 3.20% - 6.87%	2024	374,986	374,986	326,200	326,200
Secured bank loans	US\$	(2024) 7.8191%	2024	26,577	26,577	–	–
<i>Long-term borrowings</i>							
Secured bank loan under Asset-Based Lending (ABL) Credit Agreement ^[2]	US\$	(2024) ABL Base B - 11% SOFR 5.32% + Spread of 3.6% or total of 8.92% (2023) ABL Base B - 9% SOFR 4.96% + Spread of 2.1% or total of 7.06%	2027	472,223	465,275	465,000	458,823
Unsecured 3Y bonds	PHP	3.4840%	–	–	–	105,097	104,799
Unsecured bank loans ^[1]	PHP	(2024) 7.25% - 7.42% (2023) 5.5268%	2025	175,616	174,504	27,028	26,959
Unsecured bank loans ^[1]	US\$	(2024) 7.08% - 8.58% (2023) 6.80% - 8.19%	2024-2026	138,773	138,730	144,569	144,566
Unsecured bonds	US\$	3.75%	2024	90,000	89,541	90,000	88,760
Unsecured 5Y bonds	PHP	3.7563%	2025	11,216	11,158	11,638	11,541
Secured bridging loan	US\$	(2024) 8.1726% (2023) 3.0585%	2025	45,000	44,938	60,000	59,998
Secured bank loans	PHP	4.125%	2024	–	–	27,028	26,942
Secured bank loans	US\$	(2024) 8.23% - 8.81% (2023) 8.02% - 8.18%	2025	164,500	164,421	172,750	172,533
Term Loan B	US\$	(2024) 9.6802% (2023) 9.3143%	2029	716,247	702,931	723,500	708,531
				2,318,120	2,296,043	2,296,511	2,273,353



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

18. Loans and borrowings (cont'd)

Terms and debt repayment schedule (cont'd)

	Currency	Nominal interest rate % p. a.	Calendar year maturity	30 April 2024		30 April 2023	
				Face value	Carrying amount	Face value	Carrying amount
				US\$'000	US\$'000	US\$'000	US\$'000
Company							
<i>Short-term borrowings</i>							
Unsecured bank loans ⁽¹⁾	US\$	(2024) 6.91% - 7.68% (2023) 3.20% - 6.88%	2024	70,531	70,531	101,000	101,000
Secured bank loans	US\$	(2024) 7.8191%	2024	26,577	26,577	–	–
<i>Long-term borrowings</i>							
Unsecured bank loans ⁽¹⁾	US\$	(2024) 6.57% - 8.55% (2023) 6.80% - 8.19%	2024-2026	138,773	138,730	144,569	144,566
Unsecured bonds	US\$	3.75%	2024	90,000	89,541	90,000	88,760
Secured bridging loan	US\$	3.0585%	2025	45,000	44,938	60,000	59,998
Secured bank loans	US\$	(2024) 8.23% - 8.81% (2023) 8.02% - 8.18%	2025	164,500	164,421	172,750	172,533
				535,381	534,738	568,319	566,857

(1) Unsecured bank loans and borrowings

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.

	Borrower	Principal In '000	Debt-to- equity Ratio	Debt Service Coverage Ratio	Interest Coverage Ratio	Fixed Charge Ratio
Unsecured loans	DMPI	PHP 5,800,000	3.0x	1.2x	–	–
Unsecured loans	DMPI	PHP 3,000,000	3.0x	1.2x	–	–
Unsecured loans	DMPI	PHP 1,500,000	2.5x	1.2x	–	–
Unsecured bonds	DMPI	PHP 645,900	2.5x	1.2x	–	–
Unsecured loans	DMPL	US\$50,000	3.0x	–	–	–
Unsecured loans	DMPL	US\$75,000	3.0x	–	–	–
Unsecured loans	DMPL	US\$25,000	3.0x	–	2.0x	–
Unsecured loans	DMPL	US\$30,000	3.0x	–	2.0x	–
Unsecured bonds	DMPL	US\$90,000	–	–	–	2.25x



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

18. Loans and borrowings (cont'd)

(1) Unsecured bank loans and borrowings (cont'd)

There have been no breaches of the financial covenants of any interest-bearing loans for the years ended 30 April 2024 and 2023.

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\$30.0 million to US\$50.0 million. On 18 January 2023, Rabobank reduced the facility limit back to US\$30.0 million. As of 30 April 2024, US\$30.0 million remained available for drawdown by the Company.

On 13 December 2022, the Company entered into a Seventh Amendment Agreement with BDO Unibank, Inc. ("BDO") that gives the Company the right to borrow an additional aggregate amount of US\$30.0 million, subject to the terms of such amendment agreement. As of 30 April 2024 and 2023, the US\$30.0 million had been fully drawn. On 3 August 2023, the Company entered into an Eighth Amendment Agreement with BDO that gives the Company the right to borrow an additional aggregate amount of US\$50.0 million, subject to the terms of such amendment agreement. As of 30 April 2024, the US\$50.0 million had been fully drawn.

The Company has an uncommitted facility with Rizal Commercial Banking Corporation ("RCBC") amounting to US\$40.0 million, of which US\$37.5 million was drawn in the fiscal year 2024 (2023: US\$38.0 million). Additionally, the Company also has uncommitted facilities with DBS Bank Ltd ("DBS") totaling US\$30.0 million comprising of short-term loan of US\$25.0 million and export financing facility of US\$5.0 million. US\$25.0 million had been drawn as of 30 April 2024 and 2023.

(2) ABL Credit Agreement

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 agent 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. 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. On 21 September 2022, the ABL agreement was then extended to 21 September 2027 and the total commitments as of this amendment is US\$625.0 million. On 21 August 2023, the ABL agreement was amended for the commitment upside of US\$125.0 million.



18. Loans and borrowings (cont'd)

(2) ABL Credit Agreement (cont'd)

Interest Rates. 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.

As at 30 April 2024, there were US\$472.2 million (30 April 2023: US\$465.0 million) of loans outstanding and US\$23.5 million of letters of credit issued (30 April 2023: US\$24.3 million). The net availability to DMFI Group under the ABL Credit Agreement was US\$254.2 million as at 30 April 2024 (30 April 2023: US\$135.7 million). The weighted average interest rate was approximately 9.02% per annum in 2024 (2023: 7.32%). The ABL Credit Agreement includes a sub limit for letters of credit and for borrowings on same day notice, referred to as "swingline loans."

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 on 15 May 2020.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

18. Loans and borrowings (cont'd)

(2) ABL Credit Agreement (cont'd)

On 19 April 2023, the Group amended and restated the ABL agreement to include DMPL arrangements, revisions on the Consolidated Fixed Charge Coverage Ratio and Excess Availability and; delivery of Defined Inventory and Return of Inventory Purchaser deposit.

- a. The Group to maintain and keep DMPL arrangements in place at all times until the end of the Relief Period
- b. (A) During the Relief Period, permit Excess Availability to be less than or equal to (a) US\$25.0 million at any time during the first period, (b) US\$30.0 million at any time during the Second Period and (B) following the Relief Period, permit Excess Availability to be less than or equal to (a) US\$15.0 million at any time during the Fourth period and (b) US\$25.0 million at any time thereafter.
- c. The Group under the ABL credit agreement to deliver any Defined Inventory to the Inventory Purchaser pursuant to the Inventory Purchase Agreement or otherwise other than deliveries in an aggregate amount not to exceed \$5.0 million in compliance with the terms of this Agreement (including, without limitation, (i) the provisions set forth in the defined term "Eligible Inventory" and (ii) the requirement to deliver a Defined Inventory Notice with respect to the delivery of any Defined Inventory; and/or (b) return any portion of the Inventory Purchaser Deposit to the Inventory Purchaser.

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.

An amendment was executed to the ABL agreement in July 2024 (Note 41).



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 30 April 2024

18. Loans and borrowings (cont'd)

Classification	Original Principal (In '000)	Outstanding Balance (In '000)	Interest Rate % p.a.	Calendar year maturity	Payment Terms (e.g., annually, quarterly, etc.)	Interest paid 1 May 2023 to 30 Apr 2024 (In '000)
<i>Held by the Company:</i>						
Secured loan ^[1]	USD 30,000	USD 24,000	8.2252%	2024	Quarterly interest payments and principal 20% in fiscal year 2024, and balance on maturity.	USD 2,372
Secured bridging loan ^[2]	USD 50,000	USD 45,000	8.1726%	2025	Monthly interest payment and principal 10% on February 2024, 10% on August 2024 and 80% on maturity date.	USD 2,139
Secured loan ^[3]	USD 45,000	USD 40,500	8.8063%	2025	Quarterly interest payment and principal 5% on April 2023, 5% on April 2024 and 90% on maturity date.	USD 3,786
Unsecured loan ^[3]	USD 30,000	USD 24,000	8.55%	2025	Quarterly interest payment and principal 20% on four equal semi-annual instalments starting October 2022 and 80% on maturity date.	USD 2,265
Unsecured loan ^[4]	USD 75,000	USD 64,773	7.0916%	2024	Quarterly interest payment and principal 15% on eleven equal quarterly instalments starting January 2022 and 85% on maturity date.	USD 4,817
Unsecured loan ^[4]	USD 50,000	USD 50,000	6.5700%	2026	Quarterly interest payment; and principal on eight quarterly instalments starting February 2025.	USD 547
Secured loan ^[5]	USD 100,000	USD 100,000	8.6093%	2024	Monthly interest payments and principal on maturity date.	USD 8,677
Unsecured bonds ^[6]	USD 90,000	USD 90,000	3.75%	2024	Semi-annual interest payments and principal on maturity date.	USD 3,375



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 30 April 2024

18. Loans and borrowings (cont'd)

Classification	Original Principal (In '000)	Outstanding Balance (In '000)	Interest Rate % p.a.	Calendar year maturity	Payment Terms (e.g., annually, quarterly, etc.)	Interest paid 1 May 2023 to 30 Apr 2024 (In '000)
<i>Held by the subsidiaries:</i>						
Unsecured bonds ^[7]	PHP 654,900	PHP 645,900	5Y 3.7563%	2025	Quarterly interest payments and principal on maturity date	PHP 19,882
Unsecured loan ^[8]	PHP 5,800,000	PHP 5,800,000	7.25%	2028	Quarterly interest payment; and principal on thirteen quarterly instalments starting October 2025	PHP 216,006
Unsecured loan ^[9]	PHP 3,000,000	PHP 3,000,000	7.25%	2028	Quarterly interest payment; and principal on twelve quarterly instalments starting January 2026	PHP 109,958
Unsecured loan ^[9]	PHP 1,500,000	PHP 1,312,500	7.4210%	2025	Quarterly interest payment; and principal on eight quarterly instalments starting February 2024	PHP 103,071
Secured loan ^[10]	USD 725,000	USD 716,247	9.6802%	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 71,222
ABL	USD 575,000	USD 472,223	9.02%	2027	No fixed terms	USD 48,477



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

18. Loans and borrowings (cont'd)

[1] On 14 December 2022, the Company obtained a long-term loan amounting to US\$30.0 million to partly finance redemption of series A-2 preference shares. The loans mature in December 2024. The Company is in compliance with the loan covenants requiring testing as at 30 April 2024 and 2023.

[2] The secured bridging loans of US\$50.0 million as at 30 April 2024 (2023: US\$60.0 million) 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 previous US\$60.0 million bridging loan matured in August 2023.

On 3 August 2023, the Company refinanced the bridging loan with a new US\$50.0 million maturing in February 2025 with a variable interest rate of 8.1726% per annum. The Company is in compliance with the loan covenants requiring testing as at 30 April 2024 and 2023.

[3] On 4 April 2022, the Company obtained long-term loans amounting to US\$45.0 million (secured) and US\$30.0 million (unsecured) from two different banks, to partly finance redemption of series A-1 preference shares. The loans will mature in April 2025. The Company is in compliance with the loan covenants requiring testing as at 30 April 2024 and 2023.

[4] In fiscal year 2020, the Company obtained long-term loans amounting to US\$75.0 million maturing in October 2024, to refinance existing debt.

In fiscal year 2024, the Company obtained long-term loans amounting to US\$50.0 million maturing in November 2026, to refinance existing debt.

The Company is in compliance with the loan covenants as at 30 April 2024 and 2023.

[5] On 15 May 2020, the Company obtained a long-term loan 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. On 15 May 2023, the loan maturity was extended to November 2024. The Company is in compliance with the loan covenants as at 30 April 2024 and 2023.

[6] 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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

18. Loans and borrowings (cont'd)

- [7] 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\$45.0 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 2024, US\$11.2 million (Php645.9 million) five-year fixed-rate bonds remain outstanding. DMPI had been compliant with its bond covenants as at 30 April 2024 and 2023.

- [8] On 31 October 2023, DMPI obtained a long-term loan facility amounting to US\$100.7 million (Php5.8 billion) payable over thirteen equal quarterly instalments with the first repayment date due in October 2025 and last repayment date due in October 2028 at a variable interest rate (April 2024: 7.25% per annum) to finance payment of the three-year Php5.8 billion bonds. DMPI had been compliant with its loan covenants as at 30 April 2024 and 2023.

- [9] On 6 November 2020, DMPI availed of an unsecured long-term credit facility amounting to US\$27.0 million (Php1.5 billion) at a variable interest rate (2024: 7.421% per annum, 30 April 2023: 5.5268%), 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 instalments to commence at the end of the 13th quarter from the initial drawdown date until fully paid. DMPI is in compliance with the loan covenants as at 30 April 2024 and 2023.

On 31 October 2023, DMPI obtained a long-term loan facility amounting to US\$52.1 million (Php3.0 billion) payable over twelve equal quarterly instalments with the first repayment date due in January 2026 and last repayment date due in October 2028 at a variable interest rate 7.25% per annum for general corporate requirements and to refinance existing debts.

DMPI is in compliance with the loan covenants as at 30 April 2024 and 2023.

- [10] 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 2024, the interest rate for the Term Loan is 9.68% per annum (2023: 9.31% per annum). Interest is initially payable monthly and can be paid quarterly at DMFI's option.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

18. Loans and borrowings (cont'd)

[10] *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 US\$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 US\$1.0 million in excess of that amount.

DMFI is compliant with the Term Loan B Agreement loan covenants as at 30 April 2024 and 2023.

Debt issuance costs

Loans and borrowings are stated net of unamortized debt issuance cost. The balance of unamortized debt issuance cost are as follows:

	Note	Group		Company	
		Year ended 30 April 2024 US\$'000	Year ended 30 April 2023 US\$'000	Year ended 30 April 2024 US\$'000	Year ended 30 April 2023 US\$'000
At beginning of the year		23,157	35,359	1,462	2,732
Additions		4,764	20,295	389	218
Write-off		–	(26,341)	–	–
Amortization	26	(5,844)	(6,156)	(1,207)	(1,488)
At end of the year		22,077	23,157	644	1,462



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

19. Other noncurrent liabilities

	Group	
	30 April 2024 US\$'000	30 April 2023 US\$'000
Noncurrent portion of long-term equipment financing	22,444	–
Workers' compensation	16,156	13,268
Derivative liabilities	–	3,097
Accrued vendors liabilities	277	461
	38,877	16,826

In October 2023, DMFI entered into an agreement to sell and lease back equipment for 60 months at an interest of 6.57% per annum with gross proceeds amounting to US\$32.4 million. Based on the agreement, the Group has the option to repurchase the equipment for an agreed purchase price, thus, this transaction did not qualify as sale and leaseback and is accounted as financial liabilities under "long-term equipment financing" in accordance with IFRS 9, *Financial Instruments*.

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 2024 and 2023, 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 2024 US\$'000	30 April 2023 US\$'000
Commodity contracts		(16)	(3,928)
Foreign currency forward contract		(1,571)	1,061
Interest rate cap		–	6,189
Interest rate swap		–	(1,105)
Total		(1,587)	2,217
Included in:			
Other noncurrent assets	10	–	6,189
Prepaid expenses and other current assets	14	1,179	2,678
Trade payables and other current liabilities	22	(2,766)	(3,553)
Other noncurrent liabilities		–	(3,097)
		(1,587)	2,217



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

19. Other noncurrent liabilities (cont'd)

Derivative liabilities (cont'd)

Interest Rates

As of 30 April 2024 and 2023, 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.

On 25 April 2024, the Group pre-terminated both interest rate cap and interest rate swap hedges, resulting to recognition of US\$4.4 million expense and US\$4.8 million income, respectively. For interest rate cap, US\$10.5 million was retained in the OCI for the intrinsic value of the hedge to be amortized systematically in accordance with the related loan.

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



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

19. Other noncurrent liabilities (cont'd)

Derivative liabilities (cont'd)

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). In April 2024, the Group has pre-terminated both the interest rate cap and interest rate swap.

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 2024 and 2023:

	30 April 2024	30 April 2023
	US\$'000	US\$'000
Natural gas (MMBTU)	618	1,039
Diesel (gallons)	4,358	5,786
Gas (oil barrels)	96	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 2024	30 April 2023
	US\$'000	US\$'000
Mexican pesos	278,783	-
United States dollar	197,000	154,000



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 30 April 2023

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 2024			Line item in the statement of financial position where the hedged instrument is included	Change in the value of hedge instrument recognized in OCI	During 2024	
	Notional amount	Carrying amount				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/cap	–	–	–	–	–	(11,049)	Net finance expense
Commodity price risk							
Commodity contracts							
Natural gas							
(MMBTU)	618	–	(733)	Derivative liabilities – Current	2,796	1,858	Cost of sales
Diesel (gallons)	4,358	484	–	Prepaid and Other Current Assets	1,326	(701)	Cost of sales
Gas oil (barrels)	96	233	–	Prepaid and Other Current Assets	(3,225)	–	
Foreign exchange risk							
Foreign currency forward							
(USD)	197,000	–	(2,033)	Derivative liabilities – Current	757	–	Net finance expense
Foreign currency forward (MXN)	278,783	462	–	Prepaid and Other Current Assets	(237)	(474)	Cost of sales
					1,417	(10,366)	



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Notes to the financial statements
For the financial year ended 30 April 2023

19. Other noncurrent liabilities (cont'd)

Derivative liabilities (cont'd)

Amounts Relating to Hedging Instruments (cont'd)

	30 April 2023			Line item in the statement of financial position where the hedged instrument is included	Change in the value of hedge instrument recognized in OCI	During 2023		Line item in profit or loss affected by the reclassification
	Notional amount	Carrying amount				Amount reclassified from hedging reserve to profit or loss		
		Assets	Liabilities					
	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	–		
Interest rate swaps	–	–	(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	
					3,724	(5,371)		



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
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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 2024	30 April 2023
	US\$'000	US\$'000
Balance at beginning of year	1,426	(5,395)
Changes in fair value:		
- Interest rate risk	(5,065)	12,437
- Commodity risk	897	(5,264)
- Foreign exchange risk	520	(3,449)
Amount reclassified to profit or loss		
- Interest rate risk	11,049	-
- Commodity risk	(1,157)	1,264
- Foreign exchange risk	474	4,107
Tax movements on reserves during the year	(1,679)	(2,274)
Balance at end of year	<u>6,465</u>	<u>1,426</u>



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**Notes to the financial statements
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20. Employee benefits

	Group		Company	
	30 April 2024 US\$'000	30 April 2023 US\$'000	30 April 2024 US\$'000	30 April 2023 US\$'000
Pension asset	7,800	10,630	–	60
	7,800	10,630	–	60
Post-retirement benefit obligation	6,103	6,795	–	–
Executive retirement plan	1,928	2,188	–	–
Cash incentive award	–	4,024	–	–
Short-term employee benefits	22,698	17,972	–	–
Other plans	1,356	2,894	–	–
Net defined benefit liability	7,592	11,701	112	–
Total employee benefit liability	39,677	45,574	112	–
Current	23,899	24,280	–	–
Noncurrent	15,778	21,294	112	–
	39,677	45,574	112	–

Included in pension asset of the Group and Company is an amount of US\$7.8 million and nil (2023: US\$10.6 million and US\$0.1 million), respectively, relating to the defined benefit and defined contribution retirement plans in DMPI.

Included in post-retirement benefit obligation is an amount of US\$6.1 million (2023: 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\$7.6 million and US\$0.1 million (2023: US\$11.7 million and nil) 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 2024. 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 2025.

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.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

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. The Company did elect to use funding balance to offset minimum required contributions. The amount of the 2024 funding balance elected to be used to offset the 2024 minimum contributions (amount as of the beginning of the 2024 Plan Year) was US\$0.8 million. The amount is rolled forward with interest to the due date of any required contribution, is intended to offset any contributions required for the 2024 plan year, including quarterly contributions due.



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Notes to the financial statements
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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 2024				30 April 2023			
	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	243,788	(238,402)	2,480	7,866	269,094	(262,372)	1,673	8,395
Included in profit or loss:								
Current service cost	2,154	–	–	2,154	2,126	–	–	2,126
Plan administration cost	–	2,222	–	2,222	–	939	–	939
Interest cost/(income)	11,634	(11,395)	151	390	10,806	(10,623)	85	268
	257,576	(247,575)	2,631	12,632	282,026	(272,056)	1,758	11,728
Included in OCI								
Remeasurements loss (gain):								
- Actuarial loss (gain) arising from:								
- financial assumptions	(9,992)	–	–	(9,992)	(13,784)	–	–	(13,784)
- demographic assumptions	(1,161)	–	–	(1,161)	(1,024)	–	–	(1,024)
- experience adjustment	(142)	–	–	(142)	2,603	–	–	2,603
- Return on plan assets excluding interest income	–	3,535	–	3,535	–	7,952	–	7,952
- Changes in the effect of the asset ceiling	–	–	(1,020)	(1,020)	–	–	837	837
- Effect of movements in exchange rates	(988)	4,540	(261)	3,291	(1,343)	2,357	(115)	899
	(12,283)	8,075	(1,281)	(5,489)	(13,548)	10,309	722	(2,517)
Others								
Contributions	–	(620)	–	(620)	–	(472)	–	(472)
Benefits paid	(25,734)	25,106	–	(628)	(24,690)	23,817	–	(873)
	(25,734)	24,486	–	(1,248)	(24,690)	23,345	–	(1,345)
Ending balance	219,559	(215,014)	1,350	5,895	243,788	(238,402)	2,480	7,866



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

20. Employee benefits (cont'd)

Movement in net defined benefit liability (asset) (cont'd)

Represented by:

	Net defined benefit liability (asset)	
	30 April 2024	30 April 2023
	US\$'000	US\$'000
Pension asset	(7,800)	(10,630)
Post-retirement benefit obligation	6,103	6,795
Net defined benefit liability	7,592	11,701
	5,895	7,866

Plan assets

Plan assets comprise:

	Group	
	30 April 2024	30 April 2023
	US\$'000	US\$'000
Interest-bearing cash/bank deposits	2,925	3,318
Real estate (within Philippines)	17,517	14,386
Common collective trust funds:		
Fixed income	48,237	53,055
Equity fund	62,760	69,060
Mutual funds -		
Equity fund	8,319	9,154
Debt instruments:		
Corporate	34,294	37,733
Government	36,743	41,950
Others	5,309	5,285
Equity securities -		
Quoted	1,582	3,661
Others	(2,671)	800
Fair value of plan assets	215,015	238,402

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.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

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 2024 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 30 April 2024.

The principal actuarial assumptions used for accounting purposes expressed as weighted average were:

	<----- DMFI ----->	
	30 April 2024	30 April 2023
Discount rate (per annum)	5.59%-5.65%	3.96%-4.50%
	<----- DMPI ----->	
	30 April 2024	30 April 2023
Discount rate (per annum)	6.29%	6.58%
Future salary increases (per annum)	5.00%	5.00%
	<----- ROHQ ----->	
	30 April 2024	30 April 2023
Discount rate (per annum)	6.27%	6.50%
Future salary increases (per annum)	5.00%	5.00%



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 2024 the weighted average duration of DMPI's and ROHQ's defined benefit retirement obligation is 6.7 years and 3.7 years, respectively (2023: 7.3 years and 4.8 years, respectively).

The projected future benefit payments for the DMPI and ROHQ plans are as follows:

As of 30 April 2024:

	DMPI US\$'000	ROHQ US\$'000	Total Expected Benefit Payments US\$'000
2025	3,437	543	3,980
2026	3,080	62	3,142
2027	2,514	80	2,594
2028	3,082	83	3,165
2029	3,243	86	3,329
2030-2034	16,515	682	17,197

As of 30 April 2023:

	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
2039-2033	18,421	906	19,327



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

20. Employee benefits (cont'd)

Actuarial valuation (cont'd)

The weighted average duration of DMFI's defined benefit retirement obligation are as follows:

	Duration (years)	
	30 April 2024	30 April 2023
Qualified retirement plan	8.1	8.6
Post-retirement benefits plan	7.5	8.0
Executive retirement plans	N/A	N/A

The projected future benefit payments for the DMFI plan as of 30 April 2024 and 2023 are as follows:

	Normal Retirement US\$'000	Other than Normal Retirement US\$'000	Total US\$'000
	2024		
Less than one year	21,014	743	21,757
More than one year to five years	72,666	2,460	75,126
More than five years	71,990	2,314	74,304
2023			
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



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

20. Employee benefits (cont'd)

Actuarial valuation (cont'd)

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 2024	Target Allocation Range
Equity securities	34%	34%
Debt securities	58%	58%
Other	8%	8%
Total	100%	

	30 April 2023	Target Allocation Range
Equity securities	36%	36%
Debt securities	57%	57%
Other	7%	7%
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.



20. Employee benefits (cont'd)

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.

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----- ->			
	2024		2023	
	0.50% increase US\$'000	0.50% decrease US\$'000	0.50% increase US\$'000	0.50% decrease US\$'000
Discount rate (per annum)	(6,816)	7,339	(7,490)	8,038

Defined benefit obligation

	←-----DMPI----- ->			
	2024		2023	
	1.0% increase US\$'000	1.0% decrease US\$'000	1.0% increase US\$'000	1.0% decrease US\$'000
Discount rate (per annum)	(1,705)	1,947	(1,769)	2,020
Future salary increases (per annum)	1,958	(1,745)	2,032	(1,811)

Defined benefit obligation

	←-----ROHQ----- -->			
	2024		2023	
	1.0% increase US\$'000	1.0% decrease US\$'000	1.0% increase US\$'000	1.0% decrease US\$'000
Discount rate (per annum)	(45)	50	(47)	52
Future salary increases (per annum)	51	(46)	53	(48)



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 2024 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\$3.5 million, US\$8.4 million and US\$7.9 million during fiscal years 2024, 2023 and 2022, 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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 2024 was US\$3.6 million (2023: US\$4.8 million; 2022: US\$4.2 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 2024 US\$'000	30 April 2023 US\$'000
At beginning of the year	–	203
Provisions used during the year	–	(203)
At end of the year	–	–

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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

22. Trade payables and other current liabilities

	Note	Group		Company	
		30 April 2024 US\$'000	30 April 2023 US\$'000	30 April 2024 US\$'000	30 April 2023 US\$'000
Trade payables		223,069	216,700	762	66
Accrued operating expenses:					
Interest	39	14,688	10,441	4,708	3,228
Advertising		9,971	4,060	–	–
Trade promotions		6,805	8,410	–	–
Taxes and insurance		18,355	11,755	–	–
Professional fees		13,847	9,200	556	394
Freight and warehousing		13,116	8,902	–	–
Salaries, bonuses and other employee benefits		3,875	2,019	–	–
Utilities		1,908	3,236	–	–
Tinplate and consigned stocks		4,482	2,204	–	–
Miscellaneous		15,302	11,250	292	309
Overdrafts		238	1,969	–	–
Accrued payroll expenses		4,804	5,980	3,719	4,207
Withheld from employees (taxes and social security cost)		2,759	2,473	41	41
Contract liabilities	24	1,032	2,366	–	–
VAT payables		162	214	–	–
Advances from customers		165	208	–	–
Derivative liabilities	19	2,766	3,553	–	–
Other payables		37,956	–	12,639	–
Current portion of long-term equipment financing	19	5,618	–	–	–
Amounts due to subsidiaries (non-trade)	37	–	–	171,944	107,889
		380,918	304,940	194,661	116,134

Accrued miscellaneous include management fees and other outside services, land and other rental, credit card payable and other importation incidental costs.

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.

Other payables include the Company's payables to Aviemore Ltd, a wholly-owned subsidiary of NutriAsia Inc, and an entity under the same controlling shareholders of the Company, amounting to US\$12.6 million. The amount due is unsecured, bears an interest of 7% per annum, and is payable on demand. Other payables also include a subsidiary's payables to a minority shareholder of the Company, Bluebell Group Holdings Limited amounting to US\$19.0 million. The amount due is unsecured, interest-free and payable on demand.

The amounts due to subsidiaries are unsecured, interest-free and payable on demand.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

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	Land	Machineries and equipment	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Cost				
At 1 May 2022	137,477	57,076	40,918	235,471
Additions	12,354	3,052	1,265	16,671
Lease expiry	–	(871)	–	(871)
Currency realignment	(2,110)	(3,252)	–	(5,362)
At 30 April 2023 and 1 May 2023	147,721	56,005	42,183	245,909
Additions	12,825	13,647	1,073	27,545
Disposals/Retirements	(5,795)	(1,674)	(168)	(7,637)
Lease termination/expiry	(2,891)	–	–	(2,891)
Currency realignment	(1,343)	(2,029)	–	(3,372)
At 30 April 2024	150,517	65,949	43,088	259,554
Accumulated amortization				
At 1 May 2022	59,933	20,312	31,687	111,932
Amortization	21,323	8,700	5,935	35,958
Lease expiry	–	(871)	–	(871)
Currency realignment	(498)	(1,178)	–	(1,676)
At 30 April 2023 and 1 May 2023	80,758	26,963	37,622	145,343
Amortization	21,848	8,942	1,661	32,451
Lease termination/expiry	(5,795)	(1,674)	(168)	(7,637)
Currency realignment	(644)	(1,227)	–	(1,871)
At 30 April 2024	96,167	33,004	39,115	168,286
Carrying amounts				
At 30 April 2023	66,963	29,042	4,561	100,566
At 30 April 2024	54,350	32,945	3,973	91,268



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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:

		30 April 2024	30 April 2023
	Note	US\$'000	US\$'000
Amortization expense of right-of-use assets	25	32,582	32,972
Interest expense on lease liabilities	26	4,692	5,443
Expenses relating to short-term leases	25	10,928	12,882
Variable lease payments		508	402
Total amount recognized in statement of income		48,710	51,699

Amortization expense is net of amount capitalized to inventories and to PPE as bearer plants during the year, and includes amortization capitalized previously to inventories that were sold during the year amounting to US\$ 22.8 million (2023: US\$ 23.9 million).

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.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

23. Leases (cont'd)

Group as a lessee (cont'd)

DMPI 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 DMPI has the sole option to terminate the lease every five years without incurring penalty, DMPI has the absolute right to enforce the entire duration of the lease (i.e., lease term).

DMPI assessed the lease term to be five years from 11 January 2019 since it is not yet reasonably certain to renew beyond the initial five-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 three years.

On 9 January 2024, the lease term was extended for another 25 years starting 11 January 2024. Starting 1 May 2024, the annual rental rate will increase from Php16,500 per hectare to Php19,000 per hectare and the annual rental rate will increase from Php19,000 per hectare to Php20,000 per hectare starting 1 January 2027.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	30 April 2024	30 April 2023
	US\$'000	US\$'000
At the beginning of year	100,096	121,320
Additions	25,050	17,986
Accretion of interest	6,158	6,615
Payments of principal	(35,466)	(38,962)
Payments of interest	(2,776)	(3,723)
Currency realignment	(1,643)	(3,140)
At the end of year	91,419	100,096
Current	20,470	27,892
Noncurrent	70,949	72,204
	91,419	100,096

Finance expense in the consolidated statements of cash flows is net of the amount capitalized in PPE as bearer plants (Note 5) amounting to US\$1.5 million (2023: US\$1.2 million).



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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\$0.1 million for the fiscal year 2024 (2023: US\$0.5 million).

Lease receivables represent amounts to be settled in cash over the remaining lease term. Movement of the lease receivables during the period are as follows:

	30 April 2024	30 April 2023
	US\$'000	US\$'000
At the beginning of year	186	691
Adjustments	–	3
Contractual receipts	(126)	(486)
Interest income	4	17
Currency realignment	(7)	(39)
	<hr/>	<hr/>
At the end of year	57	186
	<hr/> <hr/>	<hr/> <hr/>
Current	–	126
Noncurrent	57	60
	<hr/>	<hr/>
	57	186
	<hr/> <hr/>	<hr/> <hr/>

Sources of estimation uncertainty

Determination of incremental borrowing rate (“IBR”) 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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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.

	Note	30 April 2024 US\$'000	Group 30 April 2023 US\$'000	30 April 2022 US\$'000
Gross revenue		2,895,390	2,811,249	2,707,207
Fair value gain on biological assets	11	46,462	59,105	65,678
Less:				
Discounts		(89,450)	(88,990)	(84,255)
Returns		(25,114)	(20,186)	(18,264)
Direct promotions		(399,558)	(339,865)	(328,280)
Net revenue		2,427,730	2,421,313	2,342,086

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:

	Note	30 April 2024 US\$'000	Group 30 April 2023 US\$'000	30 April 2022 US\$'000
Receivables, included in Trade and other receivables – Gross of ECL allowance	13	192,569	195,335	189,839
Contract liabilities, included in Trade payables and other current liabilities	22	1,032	2,366	2,091

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. Contract liabilities amounting to US\$2.4 million as at 1 May 2023 have been recognized as revenue in fiscal year 2024 (1 May 2022: US\$2.1 million).

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, nil and US\$0.7 million in fiscal year 2024, 2023 and 2022, respectively.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

25. Profit before taxation

Profit before taxation is arrived at after charging (crediting):

	Note	<----- Group ----->			<----- Company ----->		
		Year ended 30 April 2024 US\$'000	Year ended 30 April 2023 US\$'000	Year ended 30 April 2022 US\$'000	Year ended 30 April 2024 US\$'000	Year ended 30 April 2023 US\$'000	Year ended 30 April 2022 US\$'000
Amortization of intangible assets	8	7,034	6,967	6,650	–	–	–
Changes in fair value of agricultural produce harvested and sold	11	(40,003)	(57,307)	(60,236)	–	–	–
Allowance for inventory obsolescence	12	18,700	9,542	4,135	–	–	–
Inventories recognized as cost of sales	12	1,528,800	1,385,159	1,300,313	–	–	–
Impairment of trade and nontrade receivables (reversal of impairment)	13	272	(181)	1,060	–	–	–
Depreciation of property, plant and equipment		161,297	154,439	146,480	–	–	–
Amortization of right-of-use assets	23	32,582	32,972	39,292	31	93	93
Short-term leases	23	10,928	12,882	13,710	–	–	–
Research and development expenses		10,486	10,237	9,970	–	–	–
Audit fees paid to:							
- EY Singapore		204	172	95	165	136	60
- SGV		1,133	1,438	1,297	222	251	450
- affiliates of auditors of the Company		50	50	43	–	–	–
- other auditor		44	6	6	–	–	–
Non-audit fees paid to:							
- EY Singapore		30	–	–	30	–	–
- SGV		729	160	–	30	111	–
- other auditors		84	80	80	–	2	2
(Gain) loss on disposal of property, plant and equipment		(1,754)	759	789	–	–	–
Legal expenses		2,521	3,646	2,318	5	3	8
Staff costs							
Wages and salaries		235,271	224,576	249,629	6,478	5,538	5,174
Social security costs		18,579	22,128	20,039	26	22	44
Pension costs - defined benefit pension plan*		4,499	10,401	10,426	108	107	145
Pension costs – provident fund		4,342	5,313	4,757	5	4	4
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.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

26. Net finance expense

	Note	Group			Company		
		Year ended 30 April 2024 US\$'000	Year ended 30 April 2023 US\$'000	Year ended 30 April 2022 US\$'000	Year ended 30 April 2024 US\$'000	Year ended 30 April 2023 US\$'000	Year ended 30 April 2022 US\$'000
Finance income							
Interest income from:							
- Bank deposits		154	88	43	-	1	
- Due from a subsidiary		-	-	-	-	-	
- Others		914	824	728	-	7	
Realized foreign exchange gain		3,760	12,839	1,858	-	169	
Unrealized foreign exchange gain		8,345	542	2,572	72	-	
		13,173	14,293	5,201	72	177	
Finance expense							
Interest expenses on bank loans							
		(200,325)	(125,526)	(91,197)	(46,304)	(30,741)	
Interest rate swap settlement							
		11,049	744	-	-	-	
Amortization of debt issue cost, discount							
	18	(5,844)	(6,156)	(12,258)	(1,207)	(1,488)	
Leases							
	23	(4,692)	(5,443)	(6,345)	-	(3)	
Redemption cost on senior secured notes							
		-	(44,530)	-	-	-	
Write-off of deferred financing cost							
		-	(26,341)	-	-	-	
Realized foreign exchange loss							
		(1,918)	(4,101)	(2,186)	(14)	(23)	
Unrealized foreign exchange loss							
		(5,840)	(4,508)	(721)	(2)	(108)	
		(207,570)	(215,861)	(112,707)	(47,527)	(32,337)	
Net finance expense							
		(194,397)	(201,568)	(107,506)	(47,455)	(32,160)	



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

27. Tax expense - net

	Note	Year ended 30 April 2024 US\$'000	Group Year ended 30 April 2023 US\$'000	Year ended 30 April 2022 US\$'000
Current tax expense				
- Current year		14,003	26,759	20,605
Deferred tax credit				
- Origination and reversal of temporary differences	9	(32,511)	(9,592)	18,695
		(18,508)	17,167	39,300
Reconciliation of effective tax rate				
(Loss) profit before taxation		(150,457)	42,544	154,830
Taxation on profit at applicable tax rates		(31,587)	6,201	31,048
Final tax on dividend		5,931	6,586	9,477
Non-deductible expenses		5,694	4,822	2,389
Non-taxable income		(26)	(12)	(6)
Change in unrecognized deferred tax asset		1,267	(1,410)	(4,356)
Change in tax rate		-	1,174	1,005
Others		213	(194)	(257)
		(18,508)	17,167	39,300



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

27. Tax expense – net (cont'd)

	Year ended 30 April 2024 US\$'000	Group Year ended 30 April 2023 US\$'000	Year ended 30 April 2022 US\$'000
Applicable tax rates			
- Philippines (non-PEZA)	25.0%	25.0%	25.0%
- Philippines (PEZA)*	5.0%	5.0%	5.0%
- India	31.2%	31.2%	31.2%
- Singapore	17.0%	17.0%	17.0%
- United States of America	25.0%	25.0%	25.0%
- 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% (2023: 25% and 2022: 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 Letter of Authority ("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 31 December 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 8 June 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 1 August 2022 to 31 July 2023.

On 29 June 2022 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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

27. Tax expense – net (cont'd)

On 19 July 2023 PEZA issued LOA No. 22-EOD-LS/FP/EE-2251 to renew DMPI's authority to sell to the domestic market its registered products manufactured at its PPAEPZ, BAREZ and QAIZ facilities, provided that the annual total volume (statistical cases) of its local sales for FY ending 30 April 2023 shall not exceed the equivalent of thirty percent (30%) of the annual total sales volume (statistical cases) for the said period, which shall include the volume intended for donation to Del Monte Foundation Inc.

On 2 January 2024, PEZA issued renewal of LOA No. 23-EOD-LS/FP/EE-1768, authorizing DMPI to sell to the domestic market its registered products manufactured at its PPAEPZ, BAREZ and QAIZ facilities, provided that the annual total volume (statistical cases) of its local sales for FY ending 30 April 2024 shall not exceed the equivalent of thirty percent (30%) of the annual total sales volume (statistical cases) for the said period, which shall include the volume intended for donation to Del Monte Foundation Inc.

On 25 March 2024, PEZA issued extension of LOA Nos. 23-EOD-LS/FP/EE-1768 by LOA No. 24-EOD-LS/FP/EE-007 authorizing DMPI to sell to the domestic market its registered products manufactured at its PPAEPZ, BAREZ and QAIZ facilities, provided that the annual total volume (statistical cases) of its local sales for FY ending 30 April 2024 shall not exceed the equivalent of thirty percent (30%) of the annual total sales volume (statistical cases) for the said period, which shall include the volume intended for donation to Del Monte Foundation Inc. The said LOA extension is valid until 31 May 2024.

On 28 May 2024, PEZA issued extension of LOA Nos. 23-EOD-LS/FP/EE-1768 by LOA No. 24-EOD-LS/FP/EE-007 authorizing DMPI to sell to the domestic market its registered products manufactured at its PPAEPZ, BAREZ and QAIZ facilities, provided that the annual total volume (statistical cases) of its local sales for FY ending 30 April 2024 shall not exceed the equivalent of thirty percent (30%) of the annual total sales volume (statistical cases) for the said period, which shall include the volume intended for donation to Del Monte Foundation Inc. The said LOA extension is valid until 31 July 2025.

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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 2024 and 2023 as all preference shares were fully redeemed.

	Year ended 30 April 2024 US\$'000	Group Year ended 30 April 2023 US\$'000	Year ended 30 April 2022 US\$'000
(Loss) profit attributable to owners of the Company	(129,157)	16,949	100,031
Cumulative preference share dividends for the year	–	(4,063)	(18,903)
	(129,157)	12,886	81,128
Weighted average number of ordinary shares ('000):			
Outstanding ordinary shares at 1 May, representing weighted average number of ordinary shares during the year	1,943,460	1,943,960	1,943,960
Basic earnings per share (in US cents)	(6.64)	0.66	4.17



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

28. Earnings (loss) per share (cont'd)

Diluted earnings 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.

	Year ended 30 April 2024 US\$'000	Group Year ended 30 April 2023 US\$'000	Year ended 30 April 2022 US\$'000
Profit attributable to owners of the Company	(129,157)	16,949	100,031
Cumulative preference share dividends for the year	–	(4,063)	(18,903)
	(129,157)	12,886	81,128
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)	(6.64)	0.66	4.17

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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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

Meals and Meal Enhancers

The meals and meal enhancers segment includes sales and profit of a) packaged pineapples which are mainly used to enhance the flavor of different dishes, and b) products that are added to other ingredients to prepare a meal, such as packaged vegetables, tomato-based products such as ketchup, tomato sauce, pasta sauce, recipe sauce, pizza sauce, pasta, broth and stock, and condiments under five brands, namely Del Monte, S&W, College Inn, Contadina and Kitchen Basics. Key products under this segment are packaged beans, packaged corn, broth and stock sold in the United States as well as canned pineapple and tomato-based products sold in the United States and Asia Pacific. This segment includes the FLAME segment of DMFHL.

Snacking and Desserts

The snacking and desserts segment includes sales and profit of packaged fruits, including frozen, under the Del Monte, S&W, Joyba and Today's brands. This also includes the product innovations in the Philippines in the biscuits category and the Joyba beverages in the United States. This segment includes the Healthy Snacking of DMFHL.

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.

Premium Fresh fruit

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,

Others

Includes all sales and profit of non-branded products, excluding fresh pineapples, and the "Beyond Retail" segment of DMFHL. This includes buyer's labels, that are packaged in different formats such as can, plastic cup, pouch and aseptic bag. This also includes sales 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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 30 April 2024

29. Operating segments (cont'd)

Information about reportable segments

	<----- Americas ----->			<----- Asia Pacific ----->			<----- Europe ----->			<----- Total ----->		
	Year ended 30 April 2024 US\$'000	Year ended 30 April 2023 US\$'000	Year ended 30 April 2022 US\$'000	Year ended 30 April 2024 US\$'000	Year ended 30 April 2023 US\$'000	Year ended 30 April 2022 US\$'000	Year ended 30 April 2024 US\$'000	Year ended 30 April 2023 US\$'000	Year ended 30 April 2022 US\$'000	Year ended 30 April 2024 US\$'000	Year ended 30 April 2023 US\$'000	Year ended 30 April 2022 US\$'000
Revenue												
Meals and meal enhancers	844,280	821,708	742,843	207,808	199,936	207,229	3,461	8,621	1,915	1,055,549	1,030,265	951,987
Snacking and desserts	471,584	473,354	452,540	81,383	81,615	88,701	235	378	325	553,202	555,347	541,566
Premium fresh fruit	–	–	–	160,684	149,111	131,080	–	–	–	160,684	149,111	131,080
Beverages	8,054	7,674	6,333	134,641	141,105	144,788	1,959	2,469	2,232	144,654	151,248	153,353
Others	427,331	437,454	465,884	48,719	61,845	67,559	37,591	36,043	30,657	513,641	535,342	564,100
Total	1,751,249	1,740,190	1,667,600	633,235	633,612	639,357	43,246	47,511	35,129	2,427,730	2,421,313	2,342,086
Operating Income	(22,585)	173,950	161,894	107,074	107,434	132,115	(1,888)	6,942	7,556	82,601	288,326	301,565
Unallocated G&A	–	–	–	–	–	–	–	–	–	(29,412)	(30,939)	(30,017)
Other income (expense)	–	–	–	–	–	–	–	–	–	(8,187)	(11,789)	(4,258)
Operating Income – Group level	(22,585)	173,950	161,894	107,074	107,434	132,115	(1,888)	6,942	7,556	45,002	245,598	267,290
Share in net loss of joint ventures	–	–	–	(1,062)	(1,486)	(4,954)	–	–	–	(1,062)	(1,486)	(4,954)
Depreciation and amortization	50,103	52,459	57,794	150,811	141,919	134,628	–	–	–	200,914	194,378	192,422
Capital expenditure	43,290	55,433	32,122	148,429	182,489	170,537	–	–	–	191,719	237,922	202,659



29. Operating segments (cont'd)

Major customer

Revenues from a major customer of the Americas segment for fiscal year 2024 amounted to approximately US\$681.8 million or 28.1% (2023: US\$609.2 million or 25%, 2022: 561.4 million or 24%) of the Group's total revenue. The customer accounted for approximately 13% of trade and other receivable as at 30 April 2024 (2023: 14%).

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 9 production facilities in the USA, Mexico, and the Philippines as at 30 April 2024 (2023: 11). 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).



31. Share option and incentive plans (cont'd)

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 2024 is nil (2023: US\$4.0 million). Total expense recognized under "Wages, salaries and other benefits" in the consolidated income statement of the Group amounted to -US\$4.0 million, US\$0.3 million and US\$5.0 million in fiscal years 2024, 2023 and 2022, respectively.

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.

There was no expense recognized in the consolidated income statement arising from the DMPI LTIP for fiscal years 2024, 2023, and 2022.



31. Share option and incentive plans (cont'd)

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



32. Financial risk management (cont'd)

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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 2024	30 April 2023
	US\$'000	US\$'000
Americas	133,855	154,486
Europe	12,686	10,418
Asia Pacific	90,093	99,238
	236,634	264,142

At 30 April 2024, the Group's most significant customer accounted for 14% of the trade and other receivables carrying amount (2023: 14%).

Impairment losses

The aging of financial assets excluding cash on hand that were not impaired at the reporting date was:

	Group	
	30 April 2024	30 April 2023
	US\$'000	US\$'000
Within credit terms	166,119	177,466
Past due 0 - 60 days	34,894	39,012
Past due 61 - 90 days	3,912	7,128
Past due 91 - 120 days	5,271	6,203
More than 120 days	26,438	34,333
	236,634	264,142

As at 30 April 2024 and 2023, the Company's financial assets are all not past due.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

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:

Group	2024			Simplified Approach US\$'000	Total US\$'000
	General approach		Stage 3 US\$'000		
	Stage 1 US\$'000	Stage 2 US\$'000			
Cash in banks and cash equivalents	13,031	–	–	–	13,031
Trade and other receivables*	2,446	–	–	228,014	230,460
Refundable deposits**	1,824	–	–	–	1,824
Derivative assets	1,179	–	–	–	1,179
	18,480	–	–	228,014	246,494
ECL Allowance	–	–	–	(9,860)	(9,860)
	18,480	–	–	218,154	236,634

* includes noncurrent portion of receivables from sale and leaseback (Note 10) and lease receivables (Note 23)

** included under advance rentals and deposits (Note 10)

Group	2023			Simplified Approach US\$'000	Total US\$'000
	General approach		Stage 3 US\$'000		
	Stage 1 US\$'000	Stage 2 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
Derivative assets	8,867	–	–	–	8,867
	33,106	–	–	240,681	273,787
ECL Allowance	–	–	–	(9,645)	(9,645)
	33,106	–	–	231,036	264,142

* includes noncurrent portion of receivables from sale and leaseback (Note 10) and lease receivables (Note 23)

** included under advance rentals and deposits (Note 10)



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

As at 30 April 2024 and 2023, the Company's financial assets were all classified under Stage 1.

Company	2024				Total US\$'000
	General Approach			Simplified Approach US\$'000	
	Stage 1 US\$'000	Stage 2 US\$'000	Stage 3 US\$'000		
Cash in banks and cash equivalents	470	–	–	–	470
Nontrade receivables	27,421	–	–	–	27,421
	27,891	–	–	–	27,891

Company	2023				Total US\$'000
	General Approach			Simplified Approach US\$'000	
	Stage 1 US\$'000	Stage 2 US\$'000	Stage 3 US\$'000		
Cash in banks and cash equivalents	554	–	–	–	554
Nontrade receivables	26,406	–	–	–	26,406
	26,960	–	–	–	26,960

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):

	Within credit term US'000	2024 Days past due				Over 120 days US'000	Total US'000
		<30 days	30-60 days	61-120 days			
		US'000	US'000	US'000	US'000		
Trade receivables	139,109	30,116	3,019	4,560	15,765	192,569	
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	35.15%	–	
Expected credit loss	–	–	–	–	5,541	5,541	
	Within credit term US'000	2023 Days past due				Over 120 days US'000	Total US'000
		<30 days	30-60 days	61-120 days			
		US'000	US'000	US'000	US'000		
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	

The Group assessed that all balances under Stage 1 and Stage 2 have not experienced significant increase in credit risk as of 30 April 2024 and 2023.

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).



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 2024	30 April 2023
	%	%
Group		
United States of America	28	35
Philippines	32	50
Hong Kong	39	14
Singapore	1	1
Company		
Philippines	79	82
Hong Kong	8	7
Singapore	13	11

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.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

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 2024	30 April 2023	30 April 2024	30 April 2023
	US\$'000	US\$'000	US\$'000	US\$'000
Fixed rate instruments				
Loans and borrowings	100,699	292,040	89,541	148,758
Variable rate instruments				
Loans and borrowings	2,195,344	1,981,313	445,197	418,099
Interest rate caps	-	5,084	-	-
	2,195,344	1,986,397	445,197	418,099
	2,296,043	2,278,437	534,738	566,857



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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

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 2024		
Variable rate instruments	(9,959)	9,959
Interest rate caps	–	–
	<hr/>	<hr/>
	(9,959)	9,959
	<hr/>	<hr/>
30 April 2023		
Variable rate instruments	(18,569)	18,569
Interest rate caps	7,208	(7,208)
	<hr/>	<hr/>
	(11,361)	11,361
	<hr/>	<hr/>

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 2024 and 2023, 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\$1,076.2 million (2023: US\$1,639.9 million) in credit lines, of which 4% (2023: 17%) 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.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

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:

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 2024						
Derivative financial assets						
Commodity contracts	19	717	717	717	–	–
Foreign currency contracts	19	462	462	462	–	–
Non-derivative financial assets						
Cash in banks and cash equivalents	15	13,031	13,031	13,031	–	–
Trade and other receivables*	10,13	220,600	221,917	218,154	941	2,822
Refundable deposits**	10	1,824	1,824	–	–	1,824
		236,634	237,951	232,364	941	4,646

* includes noncurrent portion of receivables from sale and leaseback (Note 10) and lease receivables (Note 23)

** included under advance rentals and deposits (Note 10)



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**Notes to the financial statements
For the financial year ended 30 April 2024**

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 2024						
Derivative financial liabilities						
Interest rate swap	19	2,033	2,033	2,033	–	–
Commodity contracts	19	733	733	733	–	–
Non-derivative financial liabilities						
Unsecured bank loans*						
- Current	18	675,539	678,074	678,074	–	–
- Noncurrent	18	216,362	259,349	15,320	244,029	–
Secured bank loans**						
- Current	18	243,189	253,409	253,409	–	–
- Noncurrent	18	1,160,953	1,188,469	481,289	21,759	685,421
Lease liabilities	23	91,419	153,995	34,891	102,089	17,015
Equipment financing	19, 22	28,062	31,372	6,786	24,586	–
Trade payables and other current liabilities***	22	368,416	368,416	368,416	–	–
		2,786,706	2,935,850	1,840,951	392,463	702,436
Net financial liabilities (assets)		2,550,072	2,697,899	1,608,587	391,522	697,790

* includes bonds

** includes the ABL loans

*** excludes derivative liabilities, advances from customers, deferred revenue, withheld from employees (taxes and social security cost), current portion of long-term equipment financing and VAT payables



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 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

** included under advance rentals and deposits

Group	Note	Carrying amount US\$'000 Restated	Contractual cash flows US\$'000 Restated	Less than 1 year US\$'000 Restated	1-5 years US\$'000 Restated	More than 5 years US\$'000 Restated
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	186,180	183,129	183,129	–	–
- Noncurrent	18	1,240,648	1,282,506	478,294	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

* includes the bonds payables

** includes the ABL loans

*** excludes derivative liabilities, advances from customers, deferred revenue, withheld from employees (taxes and social security cost) and VAT payables



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

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 2024						
Non-derivative financial assets						
Cash and cash equivalents	15	470	470	470	–	–
Trade and other receivables	13	27,421	27,421	27,421	–	–
		27,891	27,891	27,891	–	–
Non-derivative financial liabilities						
Unsecured bank loans*						
- Current	18	255,076	264,323	264,323	–	–
- Noncurrent	18	43,726	49,576	2,922	46,654	–
Secured bank loans						
- Current	18	235,936	253,409	253,409	–	–
- Noncurrent	18	–	–	–	–	–
Trade payables and other current liabilities**	22	194,620	194,620	194,620	–	–
		729,358	761,928	715,274	46,654	–
Net financial liabilities		701,467	734,037	687,383	46,654	–

* includes the bonds payables

** excludes withheld from employees (taxes and social security cost) and VAT payables



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

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*						
- Current	18	156,794	160,223	160,223	–	–
- Noncurrent	18	177,531	196,273	9,873	186,400	–
Secured bank loans						
- Current	18	168,104	173,838	173,838	–	–
- Noncurrent	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		655,990	694,041	438,354	255,687	–

* includes the bonds payables

** excludes withheld from employees (taxes and social security cost) and VAT payables

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.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

Foreign exchange risk (cont'd)

At the reporting date, the Group's exposure to foreign currencies is as follows:

	Philippine Peso US\$'000	Mexican Peso US\$'000
30 April 2024		
Trade and other receivables	42,157	8,390
Cash and cash equivalents	6,948	695
Other noncurrent assets	21,139	–
Loans and borrowings	(102,982)	–
Trade and other payables	(126,949)	(32,233)
	(159,687)	(23,148)
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)

The Company has no significant exposure to foreign currencies as at 30 April 2024 and 2023.

Sensitivity analysis

A 10% strengthening of the group entities' foreign currencies against their respective functional currency at the reporting date would have increased (decreased) profit/loss 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.

	Philippine Peso		Mexican Peso	
	Increase (decrease) Profit before taxation US\$'000	Equity US\$'000	Increase (decrease) Profit before taxation US\$'000	Equity US\$'000
30 April 2024				
10% strengthening	(15,969)	–	(2,315)	–
10% weakening	15,969	–	2,315	–
30 April 2023				
10% strengthening	(18,508)	–	(2,135)	–
10% weakening	18,508	–	2,135	–



32. Financial risk management (cont'd)

Financial risk management objectives and policies (cont'd)

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.

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 2024		30 April 2023	
	Profit before taxation	Equity	Profit before taxation	Equity
	US\$'000	US\$'000	US\$'000	US\$'000
10% increase in commodity price	–	26	–	53
10% decrease in commodity price	–	(26)	–	(53)



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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	Derivatives US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000	Fair value US\$'000
30 April 2024							
Cash and cash equivalents	15	13,123	–	–	–	13,123	13,123
Trade and other receivables*	10, 13, 23	220,600	–	–	–	220,600	220,600
Refundable deposits**	10	1,824	–	–	–	1,824	1,824
Financial assets carried at FVOCI	10	–	11,665	–	–	11,665	11,665
Derivative assets	14	–	–	1,179	–	1,179	1,179
		235,547	11,665	1,179	–	248,391	248,391
Loans and borrowings	18	–	–	–	2,296,043	2,296,043	2,401,349
Trade and other payables***	22	–	–	–	368,416	368,416	368,416
Derivative liabilities	22	–	–	2,766	–	2,766	2,766
Equipment financing	19, 22	–	–	–	28,062	28,062	28,062
		–	–	2,766	2,692,521	2,695,287	2,800,593

* includes noncurrent portion of receivables from sale and leaseback (Note 10) and lease receivables (Note 23)

** included under advance rentals and deposits (Note 10)

***excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables



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**Notes to the financial statements
For the financial year ended 30 April 2024**

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 Restated	Derivatives US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000 Restated	Fair value US\$'000 Restated
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 Refundable deposits**	14	18	–	–	–	18	18
	10	1,838	–	–	–	1,838	1,838
Financial assets carried at FVOCI	10	–	6,080	–	–	6,080	6,080
Derivative assets	14	–	–	8,867	–	8,867	8,867
		255,359	6,080	8,867	–	270,306	270,306
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 (Note 10) and lease receivables (Note 23)

** included under advance rentals and deposits (Note 10)

***excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables



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**Notes to the financial statements
For the financial year ended 30 April 2024**

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 2024						
Trade and other receivables	13	27,421	–	–	27,421	27,421
Cash and cash equivalents	15	470	–	–	470	470
Financial assets carried at FVOCI	10	–	10,516	–	10,516	10,516
		27,891	10,516	–	38,407	38,407
Loans and borrowings	18	–	–	534,738	534,738	534,738
Trade and other payables*	22	–	–	194,620	194,620	194,620
		–	–	729,358	729,358	729,358

**excludes withheld from employees (taxes and social security cost)*

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
Financial assets carried at FVOCI	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)*



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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	Note	30 April 2024			Total US\$'000
		Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000	
Financial assets					
Derivative assets	14, 19	–	1,179	–	1,179
Financial assets carried at FVOCI	10	1,130	10,535	–	11,665
Non-financial assets					
Fair value of agricultural produce harvested under inventories	11	–	–	1,821	1,821
Fair value of unharvested agricultural produce	11	–	–	48,577	48,577
Freehold land	5	–	–	73,740	73,740
Financial liabilities					
Derivative liabilities	19, 22	–	2,766	–	2,766
Lease liabilities	23	–	–	91,419	91,419
Loans and borrowings		–	1,665,689	735,660	2,401,349
Equipment financing	19, 22	–	–	28,062	28,062



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

34. Determination of fair values (cont'd)

Fair value hierarchy (cont'd)

Group	Note	30 April 2023			Total US\$'000 Restated
		Level 1 US\$'000 Restated	Level 2 US\$'000	Level 3 US\$'000	
Financial assets					
Derivative assets	14, 19	–	8,867	–	8,867
Financial assets carried at FVOCI	10	1,057	5,023	–	6,080
Non-financial assets					
Fair value of agricultural produce harvested under inventories	11	–	–	4,496	4,496
Fair value of unharvested agricultural produce	11	–	–	44,852	44,852
Freehold land	5	–	–	74,463	74,463
Financial liabilities					
Derivative liabilities	19, 22	–	6,650	–	6,650
Lease liabilities	23	–	–	100,096	100,096
Loans and borrowings		–	1,621,836	734,229	2,356,065

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.

Included within financial assets carried at FVOCI (Level 2) are investment in unquoted equity shares by the Company that were valued based on the latest transaction price at which the Company acquired additional shares in the investee. This approach utilized the most recent transaction price involving the Company to estimate the fair value of the investment in these unquoted equity shares. Other than this investment, the Company has no other assets and liabilities measured at fair value as of 30 April 2024 and 2023.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

34. Determination of fair values (cont'd)

Financial instruments measured at fair value

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.

Type	Valuation technique
Interest rate swaps/caps (under "derivative assets" as part of "prepaid expenses and other current assets" and "other noncurrent assets;" and "derivative liabilities" as part of "trade payables and other current liabilities" and "Other noncurrent liabilities")	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 (under "derivative assets" as part of "prepaid expenses and other current assets" and "other noncurrent assets;" and "derivative liabilities" as part of "trade payables and other current liabilities" and "other noncurrent liabilities")	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 (under "derivative liabilities" as part of "trade payables and other current liabilities" and "other noncurrent liabilities")	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.
Financial assets carried at FVOCI (under "other noncurrent assets")	The estimated fair value of the investment unquoted equity shares as at 30 April 2024 and 2023 is based on recent open-market transactions of the equity shares.



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**Notes to the financial statements
For the financial year ended 30 April 2024**

34. Determination of fair values (cont'd)

Financial instruments not measured at fair value

Type	Valuation technique
Financial assets and liabilities (under “other noncurrent assets” and “loans and borrowings”)	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 (under “trade and other receivables”, “cash and cash equivalents”, “trade and other payables”, loans and borrowings,” and “lease liabilities”)	<p>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.</p> <p>The fair value of all financial assets and liabilities with maturity of more than one year are calculated based on the present value of future principal and interest cash flows, discounted at the market rates ranging from 2.9% to 7.5% (2023: 2.9% to 7.0%) (Level 3).</p>

Other non-financial assets

Assets	Valuation technique	Significant unobservable inputs
Freehold land (under “property, plant, and equipment”)	<p>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.</p> <p>The valuation method used is sales comparison approach. This is a comparative approach that considers the sales of similar or substitute properties and related market data and establish a value estimate by involving comparison (Level 3).</p>	<p>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.</p> <p>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.</p>
Livestock (cattle for slaughter and cut meat) (under “biological assets”)	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.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

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 (under “revenue” and “cost of sales”)	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 (under “revenue” and “cost of sales”)	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.



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

34. Determination of fair values (cont'd)

Other non-financial assets (cont'd)

Assets	Valuation technique	Significant unobservable inputs
Unharvested agricultural produce – fruits growing on the bearer plants (under “biological assets”)	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.	<p>The unobservable inputs are expected selling price and gross margin for harvested produce while key assumptions for the fair value of unharvested agricultural produce include expected selling prices, gross margin, estimated tonnage of harvests and future growing costs.</p> <p>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.</p>

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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 2024	30 April 2023
	US\$'000	US\$'000
Within one year	357,557	414,042
After one year but within five years	311,154	308,337
After five years	431,520	325,056
	1,100,231	1,047,435

Future capital expenditure

	Group	
	30 April 2024	30 April 2023
	US\$'000	US\$'000
Capital expenditure not provided for in the financial statements		
- approved by Directors and contracted for	6,864	33,769
- approved by Directors but not contracted for	23,461	29,625
	30,325	63,394

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.



36. Contingencies (cont'd)

Source of estimation uncertainty (cont'd)

As at 30 April 2024, 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 2024, management has assessed that the probable cash outflow to settle these assessments is not material.

As of 28 April 2024, provision for retained liabilities arising from workers' compensation claims amounted to US\$16.9 million, US\$16.2 million of which is noncurrent (30 April 2023: US\$14.8 million, US\$13.3 million of which is noncurrent); 1 May 2022: US\$17.8 million, US\$14.6 million of which is noncurrent (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.



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 30 April 2024

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*	Due to Related Parties**	Terms	Conditions
Under Common Control						
■ Shared IT services	2024	109	254	–	Due and demandable; non-interest bearing	Unsecured; no impairment
	2023	98	60	–		
	2022	112	41	–		
■ Sale of apple juice concentrate /materials	2024	81	21	–	Due and demandable; non-interest bearing	Unsecured; no impairment
	2023	15	8	–		
	2022	12	–	–		
■ Inventory count shortage	2024	38	–	–	Due and demandable; non-interest bearing	Unsecured; no impairment
	2023	–	–	–		
	2022	–	–	–		
■ Sale of Raw Materials	2024	–	–	–		
	2023	–	–	(4)		
	2022	48	–	(68)		
■ Purchases	2024	338	–	(180)	Due and demandable; non-interest bearing	Unsecured
	2023	119	5	(21)		
	2022	122	5	(11)		
■ Tollpack fees	2024	–	–	–	Due and demandable; non-interest bearing	Unsecured
	2023	–	–	–		
	2022	12	58	–		



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 30 April 2024

37. Related parties (cont'd)

Related party transactions (cont'd)

Group			Amount of the transaction	Outstanding balance Due from Related Parties*	Due to Related Parties**	Terms	Conditions
Category/ Transaction	Year	US\$'000	US\$'000	US\$'000	US\$'000		
Under Common Control							
- Security deposit	2024	-	-	-	-	Due and demandable; non-interest bearing	Unsecured
	2023	25	-	-	-		
	2022	7	-	-	-		
Other Related Parties							
- Management fees from DMPI retirement fund	2024	4	1	(2)		Due and demandable; non-interest bearing	Unsecured; no impairment
	2023	4	-	2			
	2022	53	7	2			
- Rental to DMPI Retirement	2024	1,915	-	(705)		Due and demandable; non-interest bearing	Unsecured
	2023	1,851	-	(174)			
	2022	1,837	-	(362)			
- Rental to NAI Retirement	2024	651	-	(232)		Due and demandable; non-interest bearing	Unsecured
	2023	629	-	(57)			
	2022	652	-	(121)			
- Rental to DMPI Provident Fund	2024	-	-	-		Due and demandable; non-interest bearing	Unsecured
	2023	6	-	-			
	2022	7	-	-			
- Cash advances NAI	2024	5,996	-	(5,996)		Short-term; Non-interest bearing	Unsecured; no impairment
	2023	-	-	-			
	2022	1,261	1,261	-			
- Cash advances Bluebell Holdings Limited	2024	19,000	-	(19,000)		Due and demandable; Non-interest bearing	Unsecured
	2023	-	-	-			
	2022	-	-	-			
- Cash advances Aviemore Ltd	2024	12,639	-	(12,639)		Due and demandable; Interest bearing	Unsecured
	2023	-	-	-			
	2022	-	-	-			
	2024		276	(38,754)			
	2023		73	(254)			
	2022		1,372	(560)			

*included as part of trade and other receivables excluding long-term loans receivable

**included as part of trade and other payables



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements
For the financial year ended 30 April 2024

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	2024	18,994	-	-	Due and demandable; non-interest bearing	Unsecured; no impairment
	2023	88,503	-	-		
	2022	33,519	-	-		
- Reimbursement of expenses	2024	63,909	27,416	-	Due and demandable; non-interest bearing	Unsecured; no impairment
	2023	136,439	26,400	-		
	2022	7,317	84,229	-		
- Cash advance	2024	63,788	-	(170,583)	Due and demandable; both interest/ noninterest bearing	Unsecured
	2023	76,517	-	(106,796)		
	2022	5,277	-	(30,278)		
- Management fees payable to subsidiaries	2024	267	-	(1,361)	Due and demandable; non-interest bearing	Unsecured
	2023	565	-	(1,093)		
	2022	577	-	(528)		
- Cash advances Aviemore Ltd	2024	12,639	-	(12,639)	Due and demandable; Interest bearing	Unsecured
	2023	-	-	-		
	2022	-	-	-		
Joint Venture						
- Cash advance	2024	-	-	-	Due and demandable; non-interest bearing	Unsecured; no impairment
	2023	185	4,377	-		
	2022	595	2,835	-		
	2024		27,416	(184,583)		
	2023		30,777	(107,889)		
	2022		87,064	(30,806)		

*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 2024 and 2023, 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 2024 US\$'000	Year ended 30 April 2023 US\$'000	Year ended 30 April 2022 US\$'000	Year ended 30 April 2024 US\$'000	Year ended 30 April 2023 US\$'000	Year ended 30 April 2022 US\$'000
Directors:						
Fees and remuneration	5,856	7,576	5,930	5,058	6,673	5,007
Key executive officers (excluding Directors):						
Short-term employee benefits	5,233	5,056	4,625	2,819	4,168	3,525
Post-employment benefits	29	28	27	–	–	–



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

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 2024	30 April 2023	30 April 2022
	US\$'000	US\$'000	US\$'000
DMPLFL			
Ownership interests held by non-controlling interests	6.43%	6.43%	6.43%
Revenue	1,737,342	1,733,102	1,654,913
Profit	(118,641)	(2,942)	45,818
Other comprehensive income	12,375	6,777	5,031
Total comprehensive income			
Attributable to non-controlling interests:			
- Profit	(7,628)	(189)	2,946
- Other comprehensive income	796	436	323
Total comprehensive income	(6,832)	247	3,269
Noncurrent assets	1,219,310	1,202,400	1,119,963
Current assets	1,123,146	1,135,911	727,810
Noncurrent liabilities	(1,244,148)	(838,835)	(678,406)
Current liabilities	(387,733)	(682,635)	(356,362)
Net assets	710,575	816,841	813,005
Net assets attributable to non-controlling interests	45,685	52,518	52,271
Cash flows provided by operating activities	180,780	(217,687)	54,848
Cash flows provided by (used in) provided by investing activities	(36,950)	(127,133)	(31,998)
Cash flows used in financing activities, before dividends to non-controlling interests	(147,000)	349,267	(24,471)
Currency realignment	(71)	43	(149)
Net increase (decrease) in cash and cash equivalents	(3,241)	4,490	(1,770)

On 15 May 2020, the Company increased its effective stake in DMPLFL after converting its long-term receivable from DMFHL into equity investment (Note 6).



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
For the financial year ended 30 April 2024**

38. Non-controlling interest in subsidiaries (cont'd)

	30 April 2024	30 April 2023
	US\$'000	US\$'000
DMPI		
Ownership interests held by non-controlling interests	10.73%	13%
Revenue	691,934	739,026
Profit	46,590	66,455
Other comprehensive income	(750)	8,441
Total comprehensive income		
Attributable to non-controlling interests:		
- Profit	4,945	8,639
- Other comprehensive income	93	1,097
Total comprehensive income	5,038	9,736
Noncurrent assets	495,100	492,792
Current assets	560,959	462,949
Noncurrent liabilities	(226,907)	(94,274)
Current liabilities	(573,076)	(628,283)
Net assets	256,076	233,184
Senior perpetual capital securities (non-controlling interest) – See Note 6	(66,083)	
Net assets excluding senior perpetual capital securities	189,993	233,184
Net assets attributable to non- controlling interests excluding senior perpetual capital securities	20,386	30,314
Cash flows provided by operating activities	86,081	41,112
Cash flows used in investing activities	(147,687)	(183,556)
Cash flows provided by used in financing activities, before dividends to non- controlling interests	54,556	137,502
Currency realignment	1,603	45
Net decrease in cash and cash equivalents	(5,447)	(4,897)

In relation to the sale of 12% stake in DMPI, the Group recognized non-controlling interest amounting to US\$26.4 million, representing 12% of the net asset value of DMPI as at 30 April 2020 (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 (Note 6).

On 4 April 2024, DMPI redeemed 2.54% of its shares owned by SEA Diner (Note 6).



Del Monte Pacific Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 30 April 2024

39. Supplemental Disclosure of Cash Flow Information

The changes in liabilities arising from financing activities of the Group for the year ended 30 April 2024, 2023 and 2022 are as follows:

	Note	1 May 2023 US\$'000	Cash inflows US\$'000	Cash outflows US\$'000	Accrued interest but not yet paid US\$'000	Foreign exchange movement US\$'000	Reclassifi- cation and others US\$'000	30 April 2024 US\$'000
Group								
Fiscal Year 2024								
Current interest-bearing loans and borrowings	18	820,053	2,858,693	(3,009,649)	–	(17,886)	267,517	918,728
Noncurrent interest-bearing loans and borrowings	18	1,453,300	1,903,274	(1,710,594)	–	(2,849)	(265,816)	1,377,315
Lease liabilities	23	100,096	–	(38,242)	6,158	(1,643)	25,050	91,419
Accrued interest payable	22	10,441	–	(190,705)	195,074	(122)	–	14,688
Derivative liabilities	19, 22	6,650	–	–	–	–	(3,884)	2,766
Total liabilities from financing activities		2,390,540	4,761,967	(4,949,190)	201,232	(22,500)	22,867	2,404,916
Group								
Fiscal Year 2023								
Current interest-bearing loans and borrowings	18	338,294	3,485,753	(3,343,872)	–	(11,069)	350,947	820,053
Noncurrent interest-bearing loans and borrowings	18	1,229,072	1,261,200	(688,701)	–	(8,729)	(339,542)	1,453,300
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
Group								
Fiscal Year 2022								
Current interest-bearing loans and borrowings	18	263,625	2,235,913	(2,170,734)	–	(13,081)	22,571	338,294
Noncurrent interest-bearing loans and borrowings	18	1,022,118	612,200	(376,300)	–	(15,717)	(13,229)	1,229,072
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



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**Notes to the financial statements
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39. Supplemental Disclosure of Cash Flow Information (cont'd)

	Note	1 May 2023 US\$'000	Cash inflows US\$'000	Cash outflows US\$'000	Accrued interest but not yet paid US\$'000	Reclassifi- cation and others US\$'000	30 April 2024 US\$'000
Company Fiscal Year 2024							
Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	324,898	216,600	(299,538)	–	249,052	491,012
Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	241,959	50,000	–	–	(248,233)	43,726
Accrued interest payable	22	3,228	–	(40,850)	42,330	–	4,708
Total liabilities from financing activities		570,085	266,600	(340,388)	42,330	819	539,446

	Note	1 May 2022 US\$'000	Cash inflows US\$'000	Cash outflows US\$'000	Accrued interest but not yet paid US\$'000	Reclassifi- cation 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



Del Monte Pacific Limited and its Subsidiaries

**Notes to the financial statements
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39. Supplemental Disclosure of Cash Flow Information (cont'd)

	Note	1 May 2021 US\$'000	Cash inflows US\$'000	Cash outflows US\$'000	Accrued interest but not yet paid US\$'000	Reclassifi- cation 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

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.



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Notes to the financial statements For the financial year ended 30 April 2024

40. Comparative information

During the year, the Group restated the classification of its loans and borrowings to reflect more appropriately the expected settlement period of its ABL, and the classification of certain noncurrent financial assets carried at FVOCI to reflect the noncurrent nature of their investment tenure. Comparative amounts in the statement of financial position were restated for consistency. The amounts are reclassifications within the statement of financial position, and the effects of the reclassifications are summarised as follows.

Statement of financial position

	Note	Year ended 30 April 2023 (US\$'000)	Reclassi- fication (US\$'000)	Year ended 30 April 2023 (US\$'000) Restated
Noncurrent assets				
Other noncurrent assets – Financial assets carried at FVOCI	10	42,250	613	42,863
Current assets				
Prepaid expenses and other current assets - Others	14	59,667	(613)	59,054
Noncurrent liabilities				
Loans and borrowings	18	994,477	458,823	1,453,300
Current liabilities				
Loans and borrowings	18	1,278,876	(458,823)	820,053

41. Subsequent events

In May 2024, the Group formalized a plan to sell the real estate at Toppenish and Markesan plant with carrying value of approximately US\$8.0 million. These assets will be classified as assets-held-for-sale in the consolidated balance sheet with effect from the 1st quarter until sold.

In August 2024, Del Monte Foods Corporation II Inc (“DMFC”), a subsidiary within DMFHL, entered into a new two-step financing commitment (the “DMFC-ABL”) with its ABL lenders and certain other lenders. The DMFC-ABL allows DMFC to borrow up to US\$210.0 million additional monies in step-one, and incremental borrowings of up to US\$30.0 million in a new facility step-two. The commitment also lacks financial covenants that could lead to default, but failing to meet milestones will necessitate governance changes.

