Del Monte Pacific Limited ("DMPL" or the "Company")

The Board of Directors (the "**Board**") of the Company refers to the queries raised by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 9 July 2024 in relation to Company's announcement dated 28 June 2024, titled "Financial Statements and Related Announcement: Full Yearly Results".

The Company sets out its responses as follows:

	SGX Queries	**Company's Responses**
	1. We note that in FY2024, the Group reported a net debt of US$2.28 billion [FY2023: US$2.25 billion], net debt/adjusted EBITDA of 15.0x [FY2023: 6.7x] and gearing of 8.9x [FY2023: 5.8x]. Considering that the Company had cash and cash equivalents of $13.1 million and incurred losses of US$81.2 million in FY2024, please disclose:	
	(i) whether the Company's current assets are adequate to meet the Company's current liabilities of $1.80 billion, including its bases of assessment;	As of 30 April 2024, the DMPL Group's ("Group") current liabilities exceeded its current assets by US$417.3 million. This is mainly driven by long-term loans of the Company that have matured and will be due within the next 12 months in the Company. Management believes that the Group will be able to pay or refinance its liabilities as and when they fall due, 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: ▪ Despite incurring a loss, the Group generated positive cash flow from operations for the year amounting to US$373.4 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. We expect to see further improvement in the US subsidiary following our decision to reduce pack for most of the categories. ▪ 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: 1. Continuation of plans in the US to reduce inventory 2. Reduction of waste and inventory write offs across the Group 3. Reduction of warehousing and distribution costs in the US 4. Consolidation of manufacturing footprint in the US 5. Improve planning through digitization and clear organization accountability across the Group 6. Restoration of productivity for processed pineapple variety (C74) in the next 12 to 24 months 7. Right size workforce and reduce fixed costs.

		In addition, we note that: • US$500 million of the current liabilities relates to a liability of the Company's U.S. subsidiary under its Asset-Backed Loan (ABL) which matures only in 2027. Only a portion of this amount is estimated to be settled in less than 12 months. We make daily payments that are not based on maturity. Those payments are made to increase availability under the ABL. • US$500 million of current liabilities pertains to certain obligations of the Company maturing in less than a year in respect of which discussions have been progressing with the partner banks for extension and refinancing for up to three years.
	(ii) how the Company intends to fulfill its significant payment obligations in the next 12 months;	The Company has been progressing discussions with partner banks for extension and/or refinancing including converting some short-term revolving facilities into long-term loans.
	(iii) To elaborate on how "plans for the selective sale of assets and injection of equity through strategic partnerships" disclosed on Page 7 will help the Company to fulfil its debt obligations, as well as the respective progress;	• The relevant Group companies have engaged financial advisors to assist and advise on the sale plans (including, but not limited to, sale of assets, injection of equity through strategic partnerships and/or private placement). The Company notes the continuing disclosure obligations under the SGX-ST Listing Manual and will make further announcements as appropriate or when there are material developments on the same. • The Group intends to utilise the proceeds from these transactions to lower leverage.
	(iv) To disclose whether the Company has any other debt repayment or refinancing plans in the pipeline to	Kindly refer to the Company's responses above

	fulfil its debt obligations when they come due and if so, to provide the details and the present status; and	
	(v) Board's assessment of the Company's ability to meet its debt covenants (if any).	The Board is confident that the Company will be able to meet its debt covenants and/or renew existing waivers from certain creditors. We have communicated to our partner banks that the DMPL Group's leverage is being addressed through the capital restructuring initiatives outlined above and restoring profitability by FY2026.
	2. The Company disclosed on Page 13 that the aggregate value of Interested Person Transactions ("IPT") conducted with Aviemore Ltd. ("Aviemore") was US$31 million in FY2024 (equivalent to ~8.4% of the Group's FY2023 Net Tangible Assets of US$365 million), whilst the Company's existing shareholders' mandate covers the following classes of interested persons ("IP"), (a) NutriAsia, Inc. and its associates (the "NutriAsia Inc. Group"); (b) NutriAsia Holdings Limited and its subsidiaries (the "NutriAsia Holdings Group"); and (c) Mr. Edgardo M. Cruz, Jr., Mr. Rolando C. Gapud, and their respective associates ("IPT Mandate").	
	(i) We note that the Company disclosed Aviemore as an "Affiliate of the Company". Please elaborate on the nature of relationship to substantiate how does it fall within the aforementioned IP covered under the Company's IPT Mandate.	We wish to clarify that the US$31 million described above pertains to short-term advances secured from certain interested persons namely Bluebell Group Holdings Limited, one of the Company's shareholders for US$19 million and Aviemore, which is a wholly-owned subsidiary of NutriAsia Inc. for US$12 million. NutriAsia Inc. is among the Interested Persons to which the IPT Mandate was expressly indicated to apply. NutriAsia Inc. is an entity under the same controlling shareholders as the Company. However, these advances do not form part of the IPT Mandate.
	(iii) We note that there was no IPT conducted with Aviemore in FY2023. Please describe the nature of the transaction between the Company and Aviemore and how this falls within the scope of the Company's existing IPT Mandate.	US$19 million of the US$31 million comprise an interest-free loan from Bluebell Group Holdings Limited. We understand from Listing Rule 909(3) that for borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. Hence, for this transaction, its value under the IPT rules is nil.

		With respect to the US$12 million borrowed from Aviemore, the interest payable is 7% per annum or US$840,000 or 0.23% of the Company’s NTA or about 0.7% of the Company’s market capitalisation if this basis is to be used. Pursuant to Listing Rule 909(3), the value of the transaction is US$840,000, being the interest payable on the borrowing.

BY ORDER OF THE BOARD
DEL MONTE PACIFIC LIMITED

Antonio E S Ungson
Company Secretary
11 July 2024