DEL MONTE PACIFIC LIMITED

REIMAGINING

ANNUAL REPORT **FY2023**

Del Monte Quality

S&W PREMIUM

Contadina ROMA TOMATOES

College Inn SINCE 1923

CORPORATE PROFILE

Dual listed on the Mainboards of the Singapore Exchange Securities Trading Limited and the Philippine Stock Exchange, Inc., Del Monte Pacific Limited (Bloomberg: DELM SP/ DELM PM), together with its subsidiaries (the "Group"), is a global branded food and beverage company that caters to today's consumer needs for premium quality, healthy products. The Group innovates, produces, markets and distributes its products worldwide.

The Group is proud of its heritage brands - *Del Monte, S&W, Contadina* and *College Inn* – most of which originated in the USA more than 100 years ago as premium quality packaged food products. The Group has exclusive rights to use the *Del Monte* trademarks for packaged products in the United States, South America, the Philippines, Indian subcontinent and Myanmar, while it owns *S&W* globally except for Australia and New Zealand. The Group owns the *Contadina* and *College Inn* trademarks in various countries.

DMPL's USA subsidiary, Del Monte Foods, Inc. (DMFI) (www.delmontefoods.com), owns other trademarks such as *Fruit Refreshers, Veggieful, Bubble Fruit, JOYBA, Kitchen Basics* and *Take Root Organics* while DMPL's Philippine subsidiary, Del Monte Philippines, Inc. (www.delmontephil.com), owns exclusive rights to trademarks such as *Del Monte, Today's, Fiesta, 202, Fit 'n Right, Heart Smart, Bone Smart* and *Quick 'n Easy* in the Philippines.

The Group sells packaged fruit, vegetable and tomato, sauces, condiments, pasta, broth, stock, juices and frozen pineapple, under various brands and also sells fresh pineapples under the *S&W* brand (www.swpremiumfood.com).

DMPL's USA subsidiary operates six plants in the USA and two in Mexico, while its Philippine subsidiary operates a fully-integrated pineapple operation with its 28,000-hectare pineapple plantation in Bukidnon, a frozen fruit processing facility and a Not From Concentrate juicing plant nearby, and a fruit processing facility that is about an hour away from the plantation. The Philippine subsidiary also operates a beverage bottling plant in Cabuyao, Laguna.
The Group owns approximately 96% of a holding company that owns 50% of Del Monte Foods Private Limited (www.delmontefoods.in) in India which markets *Del Monte*-branded packaged products in the Indian market. The Group's joint venture partner is the well-respected Bharti Enterprises, which is one of the largest conglomerates in India.

DMPL and its subsidiaries are not affiliated with the other Del Monte companies in the world, including Fresh Del Monte Produce Inc., Del Monte Canada, Del Monte Asia Pte. Ltd. and these companies' affiliates.

DMPL is 71%-owned by NutriAsia Pacific Ltd. and Bluebell Group Holdings Limited, which are beneficially-owned by the Campos family of the Philippines. A subsidiary of the NutriAsia Group is the market leader in the liquid condiments, specialty sauces and cooking oil market in the Philippines.

www.delmontepacific.com
www.delmontefoods.com
www.delmontephil.com
www.lifegetsbetter.ph
www.delmontefoods.in
www.delmonte.com

www.swpremiumfood.com
www.contadina.com
www.collegeinn.com
www.joyba.com
www.kitchenbasics.com
www.takerootorganics.com

For more information, please scan QR Code to access DMPL's website

REIMAGINING

Amidst the evolving consumer landscape, we are ***Reimagining*** ways of responding to market trends, ways of reshaping consumer experiences, and ways of reengineering our processes. We are achieving these through agile innovation, digital transformation and technological advances.

In the process, we are reinvigorating our organization, reinforcing our market leadership and restoring growth momentum.

CONTENTS

OUR VISION

Nourishing Families. Enriching Lives. Every Day.

We nourish families by providing delicious food and beverages that make eating healthfully effortless– anytime and anywhere. We build brands with quality products that are perfectly wholesome and thoughtfully prepared.

OUR CORE VALUES

CHOICE
VALUES

CHAMPIONING TOGETHER

To champion together is our choice. Del Monte succeeds because we see ourselves as one team. We each work to our unique strengths and play a part in the group's collective greatness. When we collaborate, we achieve more.

HEALTHY FAMILIES

We choose to grow healthy families. We strengthen family bonds of our consumers and enable our employees to build better lives for their families. At the heart of who we are is the well-being of the home.

OWNERSHIP WITH INTEGRITY

We choose to embody ownership with integrity. Del Monte is under our care – we hold ourselves accountable. We see how our work helps achieve Del Monte's vision. A genuine Malasakit – this is what we share in Del Monte.

INNOVATION

We choose to innovate. We constantly rethink, explore, and create to produce only the fresh, groundbreaking and pioneering ideas for our products and processes. We will push – creating breakthroughs, always challenging ourselves to be future-ready.

COMMITMENT TO SOCIETY AND ENVIRONMENT

We choose to make a commitment to society and the environment. We are responsible for the big role we play in safeguarding our world's future. Thus, we ensure that Del Monte not only refrains from harming the environment, but also contributes to enriching it. We are committed to uplifting lives through honest and ethical business practices. We are a good corporate citizen.

EXCELLENCE IN EVERYTHING WE DO

We choose to be excellent in everything we do. No matter how large or small a task is, we understand the value of executing each one effectively and efficiently. We drive Quality and uphold doing the right things the right way.

OUR STRATEGY

Enablers

Build the Right Capabilities, Talent, Culture and Team to Deliver Against Vision

KEY BRANDS AND BRAND OWNERSHIP

DMPL owns Del Monte, S&W

DMPL owns S&W

Del Monte
(Packaged Products)

USA, SOUTH AMERICA, PHILIPPINES, INDIAN SUBCONTINENT AND MYANMAR

S&W
(For both Packaged and Fresh Products)

GLOBALLY EXCEPT AUSTRALIA AND NEW ZEALAND

Contadina College Inn

The Group also owns the CONTADINA and COLLEGE INN trademarks

PRODUCTION FACILITIES

6	2	3	1
USA	Mexico	Philippines	India

135+ YEARS HERITAGE

Our Passion for Quality Goes Back Generations

The Del Monte name has been synonymous with premium foods since its debut in 1886. For generations, our Company has proudly earned our reputation with a series of innovations and a singular dedication to quality.

Today, that commitment to quality is deeply embedded in our culture. At Del Monte, we will always strive to cultivate the best wholesome vegetables, fruits and tomatoes to help you and your family live a life full of vitality and enjoyment.

1886
Del Monte brand is born in California

1999
- DMC lists on the New York Stock Exchange
- Del Monte Pacific Limited (DMPL) is incorporated as parent of DMPI
- DMPL lists on the Singapore Exchange

1997
TPG acquires DMC

1996
DMC fully divests from Del Monte Philippines (DMPI)

1989
KKR sells DMC and breaks up the Del Monte brand

1988
KKR buys RJR-Nabisco

1979
RJR acquires Del Monte US, now called Del Monte Corporation (DMC)

1926
Del Monte US sets up operations in the Philippines

2006
NutriAsia Pacific Limited acquires 85% of DMPL

2007
- DMPL buys the S&W brand for Asia and EMEA from DMC
- DMPL enters into a joint venture with the Bharti group in India

2011
KKR investor group reacquires DMC and takes it private

2013
- DMPL lists on the Philippine Stock Exchange (PSE)
- NPL down to 67% stake

2014
DMPL acquires the consumer food business of DMC from KKR for US$1.675 billion; re-unites with US company

2020
Private equity firm invests in a 13% stake in DMPI

FIVE-YEAR SUMMARY

Financial Year ending April (Amounts in US$ million unless otherwise stated)	FY2023	FY2022	FY2021	FY2020	FY2019
Profitability[1]					
Turnover	2,421.3	2,342.1	2,162.7	2,128.3	1,954.8
Gross Profit	607.0	622.7	556.0	452.2	395.0
EBITDA	329.7	351.5	309.0	142.2	143.7
EBITDA - without Non-Recurring items	337.2	351.5	309.0	225.7	156.1
Profit/(loss) from Operations	245.6	267.3	211.9	51.2	80.1
Net Profit Attributable to Owners	16.9	100.0	63.3	(81.4)	20.3
EPS (US cents)	0.66	4.17	2.24	(5.20)	0.03
Net Profit - without Non-Recurring items	72.2	100.0	63.3	32.2	15.8
EPS - without Non-Recurring items[2] (US cents)	3.50	4.17	2.24	0.64	(0.20)
Gross Margin (%)	25.1	26.6	25.7	21.2	20.2
EBITDA Margin (%)	13.6	15.0	14.3	6.7	7.4
Operating Margin (%)	10.1	11.4	9.8	2.4	4.1
Net Margin (%)	0.7	4.3	2.9	na	1.0
EPS Growth (%)	(84.2)	86.2	143.1	nm	101.1
Return on Equity (%)	3.9	17.6	10.5	na	3.4
Return on Assets (%)	0.6	4.0	2.5	na	0.8
Balance Sheet					
Cash	19.8	21.9	29.4	33.5	21.6
Debt	2,273.4	1,567.4	1,285.7	1,396.0	1,478.7
Net Debt	2,253.5	1,545.5	1,256.3	1,362.6	1,457.0
Fixed Assets	659.0	577.6	544.8	517.6	582.0
Total Assets	3,139.7	2,584.9	2,417.9	2,554.4	2,398.7
Shareholders' Equity	385.8	494.7	642.5	565.9	601.1
Net Tangible Asset Per Share (US cents)	(22.4)	(18.6)	(21.3)	(25.2)	(23.1)
Net Debt to Equity (%)	584.2	312.4	195.5	240.8	242.4
Net Debt to EBITDA (x)	6.8	4.4	4.1	9.6	10.1
Net Debt to Adjusted EBITDA (x)	6.7	4.4	4.1	6.0	9.3
Cash Flow					
Cash Flow from Operations	(2.8)	280.7	315.3	377.4	181.9
Capital Expenditure	237.9	202.7	164.0	132.5	123.5
Share Statistics[3]					
Number of Outstanding Ordinary Shares (m)	1,944.0	1,944.0	1,944.0	1,944.0	1,944.0
Number of Outstanding Preference Shares[4] (m)	-	10.0	30.0	30.0	30.0
Singapore Exchange					
Share Price[5] (S$)	0.235	0.380	0.340	0.107	0.136
Share Price (US$ equivalent)	0.176	0.274	0.256	0.076	0.100
Market Capitalization (S$ m)	456.8	738.7	660.9	208.0	264.4
Market Capitalization (US$ m)	342.2	532.7	498.4	147.4	194.2
US$: S$	1.34	1.39	1.33	1.41	1.36
Price Earnings Multiple[1] (x)	30.0	10.0	10.0	na	nm
Philippine Stock Exchange					
Share Price[5] (Peso)	11.04	14.24	13.30	3.74	5.84
Share Price (US$ equivalent)	0.20	0.27	0.28	0.07	0.11
US$: PhP	55.5	52.3	48.2	50.4	52.1
Market Capitalization (US$ m)	386.7	528.9	536.9	144.1	217.9
Price Earnings Multiple[1] (x)	30.1	6.5	12.3	na	nm
Share Price: Series A-1 Preference Shares[4] (US$)	na	na	10.20	9.60	10.10
Share Price: Series A-2 Preference Shares[4] (US$)	na	10.16	10.06	9.70	10.00
Dividend					
Dividend Per Share[6] (US cents)	0.13	1.70	1.20	1.54	0.52
Dividend Per Share (Singapore cents)	0.17	2.36	1.62	2.12	0.71
Dividend Yield (%)	0.7	6.2	4.8	19.8	5.2
Dividend Payout (%)	15.0	33.0	37.0	na	50.0

1 The profitability of the Group in FY2019, 2020 and 2023 had been impacted by non-recurring items in the USA.
2 EPS is calculated as earnings after preference share dividends.
3 DMPL ordinary shares were listed on 2 August 1999 on the Singapore Exchange and on 10 June 2013 on the Philippine Stock Exchange (PSE). Singapore share prices are converted to US cents for the purpose of computing financial ratios. DMPL did a 2:10 Bonus Issue with ex-date of 9 April 2013. It also did a Rights Issue in March 2015. New shares issued resulted in a 33% dilution.
4 Preference Shares started trading on the PSE on 7 April 2017 for Series A-1 and on 15 December 2017 for Series A-2. Series A-1 had been redeemed on 7 April 2022 and Series A-2 on 15 December 2022.
5 Based on fiscal yearend prices, i.e. 30 April.
6 A special dividend was declared in FY2020 as the private equity investment in Del Monte Philippines, Inc. generated a net gain of US$77 million for DMPL.

FY2023 HIGHLIGHTS

- DMPL generated record sales of US$2.4bn in FY2023, up 3% from prior year on higher sales in the U.S. and international markets
- Del Monte Foods, Inc. (DMFI) delivered US$1.7bn sales or 72% of Group revenue, mainly driven by branded retail sales growth
- DMFI acquired the brand and inventory of Kitchen Basics for US$99.0m; Kitchen Basics contributed US$35.1m to FY2023 sales
- Market leadership maintained in nearly all core categories in the U.S. and Philippines, and for fresh pineapple in China
- However, higher costs amidst the inflationary environment led to lower Group gross margin of 25.1% from 26.6%, and 3% lower gross profit to US$607.0m
- New loans taken to fully redeem the US$300m Preference Shares in April and December 2022 led to interest expense of US$14.4m booked in the P&L, whereas before Preference Share dividends were accounted for in the balance sheet, not P&L
- One-off costs of US$55.2m mainly due to the early redemption of DMFI's Notes which had a high interest rate of 11.875%
- Without one-off costs, the Group generated:
  - EBITDA of US$337.2m, down 4%
  - Net profit of US$72.2m, down 28%
- Including one-off costs, the Group generated:
  - EBITDA of US$329.7m, down 6%
  - Net profit of US$16.9m from US$100.0m in the prior year
- Final dividend of US$0.0013 or 15% of FY2023 net profit
- DMPL won the Best Managed Board (Silver) Award from the Singapore Corporate Awards and received the Singapore Corporate Governance Award from the Securities Investors Association (Singapore)
- Del Monte Philippines obtained the Rainforest Alliance certificate for its fresh pineapple and juicing plant; moreover, following BSI's certification of its pineapple operations' negative carbon footprint last year, DMPI is now measuring a broader scope 3 beyond pineapple, including toll packers, top suppliers, and logistics providers

Notes on DMPL's Results

1. FY2023 is from 1 May 2022 to 30 April 2023.
2. DMPL owns 87% of Del Monte Philippines, Inc. and 93.6% of Del Monte Foods, Inc. DMPL, therefore, recognizes a 13% and 6.4% non-controlling interest (NCI) in these two subsidiaries, respectively. These comprise the NCI line in the P&L. Net profit is net of NCI.
3. DMPL adopted the amendments to IAS 16 and IAS 41 (Agriculture: Bearer Plants) in April 2017. The change in accounting standard was applied retrospectively. This involved reclassifying a portion of biological assets to plant, property and equipment leading to much higher depreciation expense. However, for EBITDA calculation, the Group retained the old calculation using the lower depreciation for comparability.

LETTER TO SHAREHOLDERS

MR. ROLANDO C. GAPUD
Executive Chairman

MR. JOSELITO D. CAMPOS, JR.
Managing Director and CEO

> Amidst the evolving consumer landscape, we are *Reimagining* ways of responding to market trends and one of these is through agile innovation.

Dear Shareholders,

Del Monte Pacific generated record sales of US$2.4 billion in FY2023, driven by better revenue in the United States and international markets. Sales of our U.S. subsidiary, Del Monte Foods, Inc. (DMFI), topped US$1.7 billion, driven by growth across almost all categories.

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

Sales in the Philippines of US$361.6 million grew in peso terms on higher culinary, beverage and new product sales but declined in U.S. dollar terms due to the peso depreciation.

International markets generated higher sales of US$330.5 million of fresh produce and packaged goods. Our company continues to be the number 1 fresh pineapple exporter to China and among the Top 3 in Japan and South Korea.

On a recurring basis without one-off costs, DMPL delivered an EBITDA of US$337.2 million, down 4%, while net profit was US$72.2 million, lower by 28% from prior year, as discussed in detail in the Operating and Financial Review. With one-off costs, EBITDA of US$329.7 million was down 6% while net profit declined to US$16.9 million from US$100.0 million in the prior year.

DIVIDENDS

The Board approved a final dividend of US$0.0013 per share representing a 15% payout of FY2023 net profit.

STRATEGY AND OUTLOOK

The global environment remains unstable with consumers being more cautious with their spending while inflation has not abated to normal levels. It is all the more imperative to offer superior brand and product value to consumers.

In the U.S., our Company will continue to accelerate its transformation into a leading, innovative consumer packaged goods company focused on building brands. As we grow our core products, we will also expand our portfolio of newer brands JOYBA in bubble tea, Take Root Organics in culinary and Kitchen Basics in stock and broth. Innovation and expanded distribution in a number of high growth channels will continue to be drivers of growth.

We continue to scale up our premium MD2 fresh pineapple production in the Philippines to sustain the export growth of these products and our market leadership in North Asia.

We will remain vigilant in managing our operating expenses throughout the supply chain from production to distribution with better operational and energy efficiency, optimized packaging and reduced wastage in order to improve our margins.

DMPL's major priority is to reduce leverage and bring down interest expense in the coming year. We will focus on working capital improvements, especially inventory reduction, to generate more cash flow and strengthen the balance sheet with lower gearing.

The Group has embarked on a debt reduction plan to raise equity funds in order to substantially reduce debt and improve its capital structure.

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

"We are reinvigorating our organization, reinforcing our market leadership and restoring growth momentum."

REIMAGINING

Amidst the evolving consumer landscape, we are ***Reimagining*** ways of responding to market trends and one of these is through agile innovation. In the U.S., we have entered new categories, such as ambient bubble tea drink and a new line of organic culinary products, by leveraging on supplier relationships. In the Philippines, we have forayed into the dairy and biscuits segments through strategic partnerships. We remain attuned to changing market dynamics in order to capture opportunities.

We use Nice Tech revolutionary technology to freeze pineapples without breaking the cellular structure of the fruit, making it superior to Individually Quick-Frozen (IQF) technology. With the rising global trend on healthy snacks, the Group's Nice Tech frozen pineapple spears and chunks have gained traction, now sold in more foodservice channels such as KFC in the UK, 7-Eleven in Japan and McDonald's in the Middle East, Balkan region in Europe and Canada.

Building on our record of success in high quality MD2 fresh pineapples, we have taken this to the next level with our more premium S&W Deluxe fresh pineapples. These are naturally-ripened and extra sweet with very favorable market feedback in China, Japan and South Korea. We also use MD2 pineapples to make Not from Concentrate (NFC) Pineapple Juice which our customers use as an ingredient for their pineapple smoothies, ice lollies or packaged NFC juice.

We are ***Reimagining*** ways of reshaping consumer experiences and one of these is through digital transformation. Kitchenomics, which started out as a recipe program in the Philippines in the 1980s through direct mailers, cookbooks and TV cooking shows, has evolved into a consumer engagement program with an e-commerce site where consumers can buy our products, capitalizing on consumer preferences and digital technology.

We are ***Reimagining*** ways of reengineering our processes and leveraging technology across our supply chain. In our pineapple growing operations, we utilize a number of tools to increase productivity and enhance farming practices. We use near-infrared spectroscopy to detect changes in internal maturity and translucency in fresh fruits using a non-destructive inspection. We also employ drone images in dredging ditches and installing canals to prevent soil erosion.

Given our rich brand heritage and long corporate history, we need to continue ***Reimagining*** how we nourish our consumers -- refreshing offerings, reshaping experiences, rethinking possibilities.

> We need to continue *Reimagining* how we nourish our consumers -- refreshing offerings, reshaping experiences, rethinking possibilities.

In the process, we are reinvigorating our organization, reinforcing our market leadership and restoring growth momentum.

SUSTAINABILITY

As a leading global food company, corporate sustainability is an important part of the Group's vision, strategy and core values. In the Sustainability section of this Annual Report, we highlight our contribution to the United Nations Sustainable Development Goals.

DMPL's subsidiary in the Philippines obtained the Rainforest Alliance certificate for its fresh pineapple and juicing plant, recognizing that its plantation complies with standards that require long-term environmental, social, and economic sustainability. Following the British Standard Institution's (BSI) certification of its pineapple operations' negative carbon footprint last year, Del Monte Philippines is now measuring a broader scope 3 beyond pineapple, including toll packers, top suppliers, and logistics providers. The Company has also developed an Extended Producer Responsibility Program that is being implemented this year in collaboration with a waste management company to recycle plastic waste.

More details are in our FY2023 Sustainability Report.

RECOGNITION

Del Monte Pacific was honored to receive the Best Managed Board (Silver) Award for mid-cap companies from the Singapore Corporate Awards, its 3rd such award and 15th award overall including past years' Best CFO, Best Investor Relations and Best Annual Report awards.

DMPL also received the Singapore Corporate Governance Award from the Securities Investors Association (Singapore) or SIAS. This is DMPL's 9th award from SIAS, which recognized the company in previous years for Corporate Governance, Transparency and Shareholder Communication Excellence.

On the commercial front, JOYBA Blueberry Pomegranate Bubble Tea was named one of the best new retail products for 2023 in the USA while Mr. Milk Yoghurt Flavored Milk Drink was one of the top breakthrough innovations for ASEAN in 2022.

Del Monte Philippines was also recognized in Universum's Top 50 Most Attractive Employers in the Philippines.

We are humbled and inspired to continuously uphold our core values: championing together, healthy families, ownership with integrity, commitment to society and environment, and excellence in everything we do.

APPRECIATION

We thank our management and employees for their commitment, passion and hard work, especially during these challenging times, and encourage them to continue pursuing our vision, *Nourishing Families. Enriching Lives. Every Day*.

We are grateful to you, our shareholders, bankers, business partners, consumers and other stakeholders for your sustained support. And finally, we thank the Chairpersons of our Board Committees, our Independent Directors and the rest of the Board members for their invaluable wise counsel.

MR. ROLANDO C. GAPUD	**MR. JOSELITO D. CAMPOS, JR.**
Executive Chairman	Managing Director and CEO

21 July 2023

BOARD OF DIRECTORS

MR. ROLANDO C. GAPUD
Executive Chairman, 81
Appointed on 20 January 2006 and last re-appointed on 17 September 2020

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

MR. EDGARDO M. CRUZ, JR.
Executive Director, 68
Appointed on 2 May 2006 and last re-appointed on 27 August 2021

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

MR. JOSELITO D. CAMPOS, JR.
Executive Director, 72
Appointed on 20 January 2006 and last re-appointed on 26 August 2022

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

MR. BENEDICT KWEK GIM SONG
Lead Independent Director, 76
Appointed on 30 April 2007 and last re-appointed on 17 September 2020
Appointed as Lead Independent Director on 11 September 2013

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

MR. GODFREY E. SCOTCHBROOK

Independent Director, 77

Appointed on 28 December 2000 and last re-appointed on 27 August 2021

Mr. Godfrey E. Scotchbrook is DMPL's Chairman of the Remuneration and Share Option Committee. He is also a Director of Del Monte Foods, Inc., DMPL's US subsidiary, and of Del Monte Philippines, Inc., DMPL's Philippine subsidiary. Mr. Scotchbrook is an independent practitioner in corporate communications, issues management and investor relations with more than 50 years of experience in Asia. In 1990, he founded Scotchbrook Communications and his prior appointments included being an executive director of the then publicly listed Shui On Group. A proponent of good corporate governance, he is a Non-Executive Director of Hong Kong-listed Convenience Retail Asia. He is a Fellow of the Hong Kong Management Association and also of the British Chartered Institute of Public Relations. Mr. Scotchbrook earned his DipCam PR having studied Media and Communications at City University, London.

DR. EMIL Q. JAVIER

Independent Director, 82

Appointed on 30 April 2007 and last re-appointed on 26 August 2022

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

MRS. YVONNE GOH

Independent Director, 70

Appointed on 4 September 2015 and last re-appointed on 26 August 2022

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

Directorships in other listed companies, both current and in the past three years:
MR. JOSELITO D. CAMPOS, JR. Director of Philippine-listed San Miguel Corporation (since 2010)
DR. EMIL Q. JAVIER Independent Director of Philippine-listed Centro Escolar University (since 2002)
MR. GODFREY E. SCOTCHBROOK Non-Executive Director of Hong Kong-listed Convenience Retail Asia (since 2002)
None of DMPL's Directors are Chairman in other listed companies.

BOARD OF DIRECTORS

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the information on Mr. Rolando C. Gapud and Mr. Benedict Kwek Gim Song, both of whom are seeking re-appointment as Directors at the Company's Annual General Meeting are set out below:

Information as required in Appendix 7.4.1	Mr. Rolando C. Gapud *Executive Chairman*	Mr. Benedict Kwek Gim Song *Lead Independent Director*
Date of appointment	20 January 2006	30 April 2007
Date of last re-appointment	17 September 2020	17 September 2020
Age	81	76
Country of principal residence	Hong Kong	Singapore
The Board's comments on this re-appointment	The Nominating and Governance Committee (NGC) had recommended to the Board the re-appointment of Mr. Gapud as a Director and took into account his attendance at meetings, contributions and performance in its assessment and recommendation. The Board concurred with the NGC's recommendation on Mr. Gapud's re-appointment as a Director of the Company.	The NGC had recommended to the Board the re-appointment of Mr. Kwek as a Director and took into account his attendance at meetings, contributions and performance in its assessment and recommendation. The Board concurred with the NGC's recommendation on Mr. Kwek's re-appointment as a Director of the Company.
Whether re-appointment is executive, and if so, the area of responsibility	Yes Strategy, performance and business development of the Group	N.A.
Job Title	Executive Chairman, Member of the NGC	Lead Independent Director and Chairperson of the ARC, member of the NGC and the RSOC
Professional qualifications	• Master of Science in Industrial Management from the Massachusetts Institute of Technology (MIT) • Member of the Asian Executive Board of the Sloan School of MIT and the Board of Governors of the Asia School business, a joint venture between the Sloan School of MIT and Bank Negara, the Central Bank of Malaysia	• Bachelor of Social Science (Economics) degree from the then University of Singapore • Attended a management development program at Columbia University in the United States
Working experience and occupation(s) during the past 10 years	2013 – Present Director in Del Monte Pacific's affiliated companies. Please refer to the "Board of Directors" section	2013 – Present Director in Del Monte Pacific's affiliated companies. Please refer to the "Board of Directors" section
Shareholding interest in the Company and its subsidiaries	Please refer to the Directors' Interest discussion under Directors' Statement section.	Please refer to the Directors' Interest discussion under Directors' Statement section.
Any relationship (including immediate family relationship) with any existing director, existing executive officer, the Company and/ or substantial shareholder of the Company or any of its subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil

Information as required in Appendix 7.4.1	Mr. Rolando C. Gapud *Executive Chairman*	Mr. Benedict Kwek Gim Song *Lead Independent Director*
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual of the SGX-ST has been submitted to the Company	Yes	Yes
Other Principal Commitments[1] including Directorships[2]	Past Directorships (for the last 5 years) Nil Present / Existing Directorships • Del Monte Foods, Inc. • Del Monte Philippines, Inc. • Del Monte Foods Private Ltd. • S&W Fine Foods International Limited • DMPL India Limited • DMPL India Private Limited • Del Monte Foods Holdings, Inc. • Del Monte Foods Holdings II Inc. • Del Monte Foods Holdings Limited • DMPL Foods Limited • NutriAsia Pacific Limited • Del Monte Foundation, Inc.	Past Directorships (for the last 5 years) Nil Present / Existing Directorships • Del Monte Foods, Inc.
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him/her or against a partnership of which he/she was a partner at the time when he/she was a partner or at any time within 2 years from the date he/she ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he/she was a director or an equivalent person or a key executive, at the time when he/she was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he/she ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him/her?	No	No

1 "Principal Commitments" has the same meaning as defined in the 2018 Code of Corporate Governance (i.e. includes all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organizations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments).

2 Not applicable for announcements of appointment pursuant to Rule 704(9) of the Listing Manual of the SGX-ST (i.e. appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the Company to a managerial position in the Company or any of its principal subsidiaries).

BOARD OF DIRECTORS

Information as required in Appendix 7.4.1	Mr. Rolando C. Gapud *Executive Chairman*	Mr. Benedict Kwek Gim Song *Lead Independent Director*
(d) Whether he/she has ever been convicted of any offense, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such purpose?	No	No
(e) Whether he/she has ever been convicted of any offense, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he/she is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him/her in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his/her part, or he/she has been the subject of any civil proceedings (including any pending civil proceedings of which he/she is aware) involving an allegation of fraud, misrepresentation or dishonesty on his/her part?	No	No
(g) Whether he/she has ever been convicted in Singapore or elsewhere of any offense in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he/she has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

Information as required in Appendix 7.4.1	Mr. Rolando C. Gapud *Executive Chairman*	Mr. Benedict Kwek Gim Song *Lead Independent Director*
(i) Whether he/she has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him/her from engaging in any type of business practice or activity?	No	No
(j) Whether he/she has ever, to his/her knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of: (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, In connection with any matter occurring or arising during that period when he/she was so concerned with the entity or business trust?	No	No
(k) Whether he/she has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

SENIOR MANAGEMENT

MR. JOSELITO D. CAMPOS, JR.
Managing Director and Chief Executive Officer
Joined the DMPL Group on 16 March 2006

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

MR. LUIS F. ALEJANDRO
Chief Operating Officer
Joined the DMPL Group on 16 March 2006

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

MR. IGNACIO C.O. SISON
Chief Corporate Officer
Joined the DMPL Group on 1 August 1999

Mr. Ignacio Carmelo O. Sison is DMPL's Chief Corporate Officer responsible for sustainability, risk management, strategy, investor relations and corporate communications. He is also the Chief Sustainability Officer of Del Monte Philippines, Inc. He has been with DMPL since 1999 and was the group's CFO for nine years. Mr. Sison has over 30 years of experience including leadership roles in finance and sustainability. Before joining DMPL, he was CFO of its previous parent company for three years. Among others, he also worked for Pepsi-Cola Products Philippines and SGV & Co. In 2010, Mr. Sison received the Best CFO award from the Singapore Corporate Awards. DMPL's sustainability initiatives have been recognized through Mr. Sison's thought leadership at the Singapore Exchange, Global Reporting Initiative and Financial Executives Institute of the Philippines webinars. He is the Vice Chairman of the Philippine Sustainability Reporting Committee and is a member of the Institute of Corporate Directors. Mr. Sison is a member of the Advisory Board of the Ateneo Institute of Sustainability and Chair of the Finance and Budget Committee of Ateneo de Manila University's Board. He served as Chairman of the National Committee of UWC Philippines. Mr. Sison holds an MSc degree in Agricultural Economics from Oxford University; an MA, Major in Economics, from the International University of Japan; a BA in Economics, magna cum laude, from the University of the Philippines; and an International Baccalaureate from the Lester B. Pearson United World College, Canada.

MR. PARAG SACHDEVA

Chief Financial Officer

Joined the DMPL Group on 21 September 2015

MR. RUIZ G. SALAZAR

Chief Human Resource Officer

Joined the DMPL Group on 12 October 2016

Mr. Parag Sachdeva is the CFO of DMPL and Del Monte Philippines, Inc., DMPL's Philippine subsidiary. He is also COO of Del Monte Foods, Inc., DMPL's US subsidiary. Mr. Sachdeva has 30 years of management and finance experience spanning planning and controllership, performance management, mergers and acquisitions, treasury, IT and human resources. Before joining DMPL, he was with Carlsberg Asia for more than a year and supported efficiency and effectiveness programs across the Asian and African regions. Prior to Carlsberg, he was with HJ Heinz for 20 years and held leadership positions in Asia Pacific regions in finance, IT and human resources. Mr. Sachdeva graduated from the Aligarh Muslim University in India, Major in Accounting and Commerce. He also has an MBA degree, Major in Finance from the same university.

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

MR. ANTONIO E.S. UNGSON

Chief Legal Counsel, Chief Compliance Officer and Company Secretary

Joined the DMPL Group on 16 August 2006

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

SENIOR MANAGEMENT

DEL MONTE FOODS, INC.

DEL MONTE PHILIPPINES, INC.

S&W FINE FOODS INTERNATIONAL LTD.

DEL MONTE FOODS, INC.

1. **PAUL MATTHEW BELIVEAU**
   Chief Human Resource Officer
2. **PARAG SACHDEVA**
   Chief Operations Officer
3. **BIBIE WU**
   Chief Marketing Officer
4. **TODD STILLWELL**
   Vice President, Logistics, Planning and Customer Supply Chain
5. **JAMES CALTABIANO**
   Chief Financial Officer
6. **GREGORY LONGSTREET**
   President and Chief Executive Officer
7. **WILLIAM SAWYERS**
   General Counsel, Chief Compliance Officer, Secretary
8. **ASHISH MALLICK**
   Chief Supply Chain Officer
9. **DAVID STIS**
   Chief Customer Officer
10. **JEANETTE NAUGHTON**
    Vice President, Strategic Planning

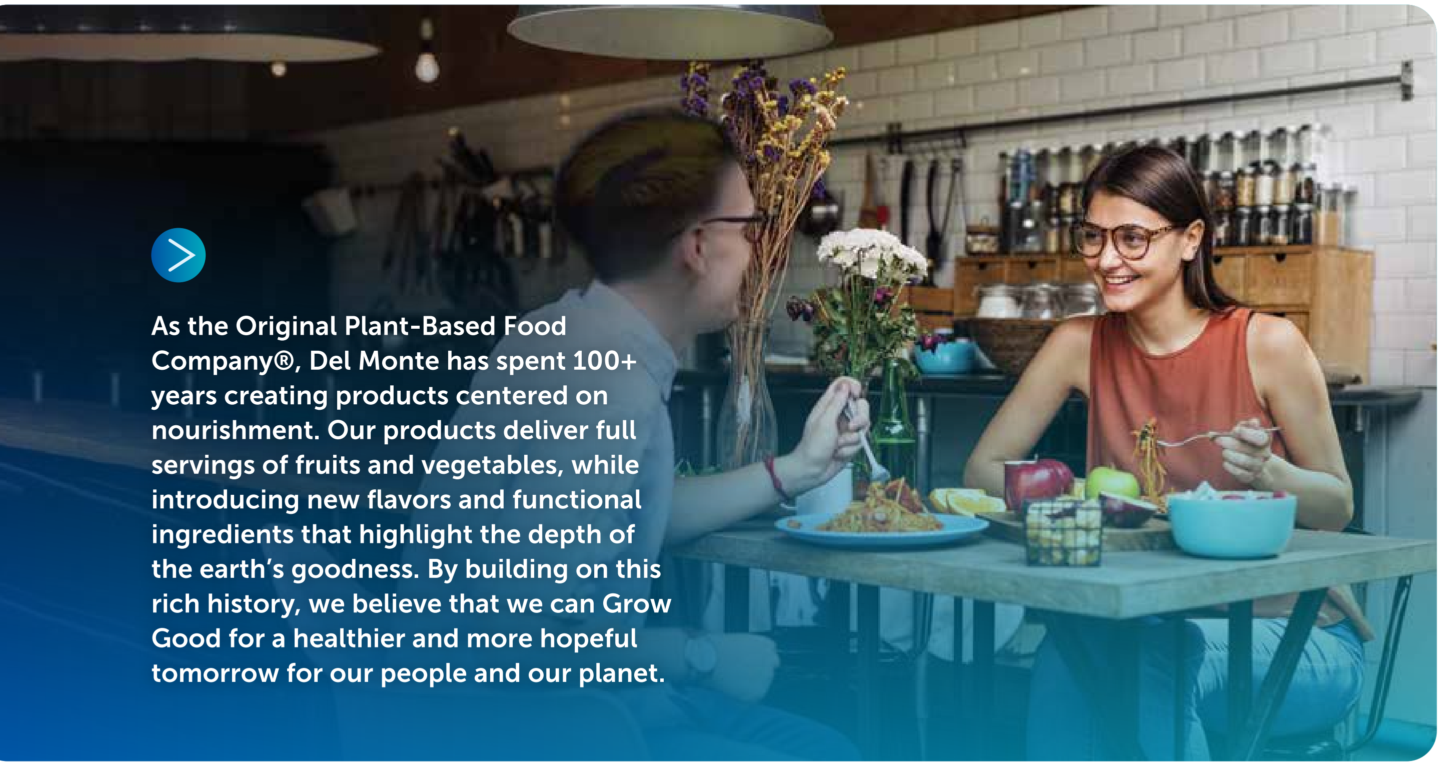
DEL MONTE PHILIPPINES, INC.

1. **ARNOLD ALVAREZ**
   Chief Supply Chain Officer
2. **FRANCISCO MOLAS**
   Group Head, Mindanao Operations
3. **EILEEN ASUNCION**
   Group Head, Commercial Joint Venture (JV) Operations
4. **ANTONIO UNGSON**
   Chief Legal Counsel, Chief Compliance Officer and Company Secretary
5. **PARAG SACHDEVA**
   Chief Financial Officer
6. **LUIS ALEJANDRO**
   President and Chief Operating Officer
7. **JOSELITO CAMPOS, JR.**
   Chief Executive Officer
8. **IGNACIO SISON**
   Chief Sustainability Officer
9. **PHILIP MACAHILIG**
   Group Head, Philippine Market Commercial Operations
10. **SHARON TANGANCO**
    Chief Marketing Officer
11. **ANGEL GATCHALIAN, JR.**
    Group Head, Corporate Procurement
12. **TAN CHOOI KHIM**
    Group Head, International Commercial Operations
13. **RUIZ SALAZAR**
    Chief Human Resource Officer
14. **IRIS UY**
    Group Head, R&D

S&W FINE FOODS INTERNATIONAL LTD.

1. **MARIA ODETTE LAGUNILLA**
   Fresh Senior Commercial Manager and Deluxe Lead
2. **MARCO DEO VERDEFLOR**
   Director, Fresh Commercial Operations
3. **RHODORA 'DHANG' GUMAPAC-NEGRIDO**
   Senior Manager, Supply Chain and Product Sourcing
4. **SUMARLEKI AMJAH**
   Head, ASEAN, MENA and Indian subcontinent (Packaged)
5. **SHARIN REBOLLIDO**
   Commercial Senior Manager, China, Korea, Hong Kong and Taiwan (Packaged) and Beyond Fresh
6. **TAN CHOOI KHIM**
   General Manager
7. **RICHARD LIN**
   Commercial Manager, China (Fresh and Packaged)
8. **WARUNEE 'GAYE' KARNASUTA**
   Commercial Manager, Europe, Middle East and Africa (Packaged)
9. **YAP SIEW LING 'ISON'**
   Commercial Manager, Europe, Middle East and Africa (Packaged)
10. **FRITZ MATTI**
    Commercial Manager, Japan (Fresh and Packaged)
11. **MA. MARIETA BRUGADA**
    Finance Head, Mindanao Operations & International Market
12. **KRISTOFFER VINCENT SAN MIGUEL**
    Senior Manager, International Markets Finance

INNOVATION IN PURSUIT OF HEALTH AND WELLNESS



As the Original Plant-Based Food Company®, Del Monte has spent 100+ years creating products centered on nourishment. Our products deliver full servings of fruits and vegetables, while introducing new flavors and functional ingredients that highlight the depth of the earth's goodness. By building on this rich history, we believe that we can Grow Good for a healthier and more hopeful tomorrow for our people and our planet.

USA

The Del Monte brand has been trusted in American households for the last 100+ years. We have continued to evolve and expand our product offerings with our consumers' needs in mind by responsibly making nutritious foods more accessible to all.

Del Monte Home Cooking Ingredients

Over the last three years during the pandemic, we have seen heightened interest in ready-made cooking ingredients as consumers double down on home meal preparation, health and wellness. This propelled both the launch of Take Root Organics and the acquisition of Kitchen Basics in the last fiscal year.

Expanding Del Monte Foods' Product Portfolio

In August 2022, Del Monte Foods completed the acquisition of Kitchen Basics, a line of ready-to-use stocks and broths, from McCormick & Company. Kitchen Basics is well-known for its culinary quality, supporting the company's desire to drive consumers to create better-for-you, delicious-tasting meals at home.

Entering the Organic Space with Take Root Organics

In November 2022, Del Monte Foods added Take Root Organics to its product portfolio to provide consumers access to affordable, organic products. Take Root Organics partners with local family farmers who practice organic farming methods and are committed to growing the highest quality produce.

Acquired Kitchen Basics ready-to-use stocks and broths

DMFI added an affordable organic line

Del Monte Beverages

Over the past five years, Del Monte Foods has launched a slew of new products using breakthrough technologies in ingredients, packaging and processes.

Doubling Down on JOYBA

Del Monte Foods introduced its beverage brand JOYBA in 2021 as the first shelf-stable boba tea product to enter the grocery retail space. The line of boba shop-inspired ready-to-drink beverages is made with real brewed tea and popping boba, delivering a burst of joy with every sip.

Building on the brand's success with the Gen Z market, JOYBA launched its newest flavor nationwide in summer of 2023 - JOYBA Blueberry Pomegranate Flavored Black Bubble Tea.

Del Monte Sustainability

Over the last two years, Del Monte Foods has been a pioneer in the upcycled food movement by introducing products that are helping to end food waste.

Fighting Food Waste

In 2021, the company announced the industry's first canned vegetable products to be Upcycled Certified, Del Monte Blue Lake Petite Cut, Blue Lake Farmhouse Cut and Del Monte Classics Cut Green Beans. Following these in 2022, Del Monte Gut Love and Boost Me Fruit Infusions received their own certifications.

Boost Me and Gut Love Fruit Infusions contain redirected excess pineapple juice, which would otherwise have gone to waste. Farmhouse Style and Petite Cut Green Beans are upcycled small or irregular cuts of green bean, which would otherwise have gone to waste.

As a result of Del Monte Foods' food waste reduction efforts, the company has diverted 10 million pounds of peach pieces from landfills through a Feeding America partnership and upcycled approximately 600,000 pounds (270 tons) of surplus green beans, pineapple juice and boba syrup in fiscal 2022.

New products accounted for 7.6% of total sales in USA in FY2023.

PHILIPPINES

Innovation in the Philippines has largely focused on strengthening its core categories behind relevant functional benefits. Health and wellness have been the anchor for new product introductions with the consumers' health needs in mind. Finding solutions to address emerging health issues has led to a host of innovative products that offer clinically-proven benefits, from promoting weight management and body fat reduction, to lower cholesterol and better bone health.

Fruits

Del Monte is the dominant market leader in the Philippine canned mixed fruit category. Given the growth of consumer interest in everyday desserts, Del Monte launched a summer season flavor for its fruit cocktail – Del Monte Fiesta with Mandarin Orange and Del Monte Fiesta with Langka (jackfruit). These flavors are a delicious medley of pineapple, papaya, nata de coco and cherries – plus feature bright wedges of Mandarin orange or festive slivers of jackfruit.

Fruit cocktail is the primary ingredient for fruit salad, the favorite holiday dessert of Filipinos. Leveraging on the Christmas season, Del Monte Fiesta launched a limited edition 385-gram size in a unique clear can perfect for

New JOYBA Bubble Tea flavor of Blueberry Pomegranate

INNOVATION IN PURSUIT OF HEALTH AND WELLNESS

Del Monte Fiesta in clear packaging

Del Monte Fiesta with Mandarin Orange and Langka (Jackfruit)

New Mr. Milk Orange flavor loved by kids

gifting. This transparent packaging highlighted the colorful fruit mix of Del Monte Fiesta, making it a festive present for friends and family.

Healthy Beverage
Innovations include:

- Innovations on 100% Pineapple Juice aggressively expanded its relevance among a broader base of consumers, with ACE vitamins delivering improved immunity for the family; and 100% Pineapple Juice Fiber-Enriched delivering daily detoxification for young adults immersed in the foodie culture.

- 100% Pineapple Juice Heart Smart with Reducol, a special blend of plant sterols and stanols that help lower bad cholesterol, and 100% Pineapple Juice Bone Smart, a calcium-fortified juice that has twice the level of calcium than a glass of milk, designed to provide the same benefit to lactose-intolerant consumers.

- We relaunched Fit 'n Right Classic for casual health enthusiasts who are taking care of their body through diet and exercise.

- We launched seasonal Del Monte Juice Drink variants with delicious and healthy flavors to drive home consumption occasions. These include Melon Cucumber, Pineapple Kiwi and Pineapple Lychee.

- We entered the fast-growing ready-to-drink milk category with Mr. Milk, an affordable fruit- and yogurt-flavored milk drink which now carries 5 flavors: Plain, Strawberry, Green Apple, Mango and Orange. To accelerate growth, Orange was introduced recently being a flavor loved by kids.

- DMPI's strategic joint venture with Vietnam Dairy Products JSC (Vinamilk), a leading regional dairy company, launched new products in September 2021 which include a line of fortified ready-to-drink dairy products that deliver superb taste and highly relevant functional benefits.

Innovative Del Monte Beverages including calcium-fortified Pineapple Juice

› Del Monte Vinamilk IQ Smart Milk Drink comes in chocolate, vanilla and strawberry flavors, and is fortified with Omega 3 & 6 for brain function, Vitamin A for the eyes and B-Vitamins for energy to help children through tough school days; and

› Del Monte Vinamilk Yogurt Drink comes in strawberry and mixed fruit flavors, and is fortified with Power 10™ vitamins to help nourish even the pickiest of eaters.

Convenience Cooking

The portfolio of products that offer healthier choices has expanded: Lycopene-rich tomato sauces and ketchup, no-MSG culinary sauces and cooking aids. Lycopene consumption is associated with lower incidence of cancer.

Del Monte Carbonara in a bigger 400g pack

Del Monte Spaghetti, a delectable, al dente pasta

As a dominant market leader in tomato-based sauces, Del Monte also invested in growing new variants and formats beyond its core products:

- Del Monte Carbonara was relaunched with a new and refreshed design with an upsized pack in recognition of the growing love of Filipinos for beyond red sauces. Del Monte Carbonara boasts of being made with real milk and real cream for a delectable pasta experience the whole family will love.

- With the growth of economy brands in the Spaghetti Sauce and Pasta segments, Del Monte strives to offer the best quality product that gives a delectable, al dente pasta experience to more discerning consumers with the relaunch of Del Monte Pasta Italiana. It is made only from the finest durum wheat semolina to give that perfect bite.

Snacking

To participate in the huge snacking segment particularly Biscuits, Del Monte launched new affordable trial pack formats and flavors under the Del Monte Potato Crisp brand. These are delicious, crispy-thin and flavorful biscuits offering consumers a healthier snack alternative with its 'baked, not fried' proposition.

New products accounted for 7.7% of total sales in the Philippines in FY2023.

Del Monte Potato Crisp Biscuits in new smaller packs. It is crispy and flavorful goodness of eating chips, without the guilt - baked, not fried.

S&W IN ASIA

S&W is our brand platform for Asia, outside the Philippines and the Indian subcontinent, which is adaptable to the diverse tastes of its markets.

Following the success of S&W Sweet 16 fresh pineapple, we launched S&W Deluxe Premium, a naturally-ripened extra sweet pineapple, in China, Japan and South Korea in November 2021 with favorable market feedback. Majority are sold in China through our distributors, and this premium fresh variety is gaining traction in China's retail segment.

As part of S&W's plan to provide high-quality, healthy products globally, it came up with Not From Concentrate (NFC) Pineapple Juice, made of 100% MD2 Pineapple Juice, i.e. from the premium fresh pineapple variety. S&W offers NFC Pineapple Juice to customers as an ingredient for their pineapple smoothies, ice lollies or packaged NFC juice.

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

Naturally-ripened extra sweet S&W Deluxe Premium in China, Japan and South Korea

INNOVATION IN PURSUIT OF HEALTH AND WELLNESS

S&W customers using our NFC Pineapple Juice

With the rising global trend on healthy snacks, we are now in foodservice channels such as KFC in the UK, 7-Eleven in Japan and McDonald's in the Middle East, Balkans and Canada.

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

INDIA

The role of innovation at Del Monte India is two-fold. The first is to enable the business to expand into bigger, adjacent categories in retail, and the second is to introduce pack type, pack size innovations that help recruit more consumers within existing categories.

In line with the first objective, we entered the Tomato (snack) sauce category with a 900-gram spout pack in August 2022 and Chocolate Syrup category with a 600-gram pack in September 2022. These two categories combined represent an opportunity of approximately US$40 million. We also relaunched our Mayonnaise bottle range in wide mouth PET jars, which form the bulk of the mayonnaise category in India, bringing our offering more in line with consumer usage.

To recruit new consumers, we introduced a Tomato Ketchup 90-gram pack priced at INR 15, a range of domestic pasta 200-gram packs priced at INR 60 and a Chocolate Syrup 100-gram spout priced at INR 50. These SKUs add to our existing low price point pack portfolio and help the business gain more retail outlets and consumers as we move forward in our journey in India.

The Group continues to innovate to offer health, wellness and nutrition through its trusted brands in pursuit of its vision, *Nourishing Families. Enriching Lives. Every Day.*

New smaller pack sizes to attract more consumers

Using revolutionary technology, these frozen pineapples have similar properties as fresh cut pineapple when thawed

U.S. CLAIMS TO FAME

As the **original plant-based food company**, we're always innovating to make nutritious and delicious foods more accessible to consumers across our portfolio of beloved brands, including Del Monte, Contadina, College Inn, JOYBA, Kitchen Basics and S&W.

98%
of U.S. consumers recognize the Del Monte brand

RECENT AWARDS AND RECOGNITIONS:

- Del Monte Blue Lake Petite Cut, Blue Lake Farmhouse Cut Green Beans, Del Monte Gut Love and Boost Me Fruit Infusions are **Upcycled Certified™**
- **Refrigerated and Frozen Foods Awards Best New Retail Products for 2023:** Blueberry Pomegranate Bubble Tea
- **#1 on San Francisco Business Times'** list of Largest Food and Beverage Manufacturers in the Greater Bay Area

LEADING MARKET POSITIONS

Canned Vegetables
#1 brand nationally
4.6x the size of the next national brand

Packaged Fruit
#1 Refrigerated fruit brand
#1 Fastest growing canned pineapple brand

Broth and Stock
#1 for College Inn brand in Northeast region[1]
#2 for Kitchen Basics stock brand[1]
#3 Broth + Stock manufacturer[1]

Canned Tomatoes
#1 Italian Tomato brand in Paste and Sauce segments
#3 fastest growing organic brand[2] for Take Root Organics

FREIGHTWAVES 2023 SHIPPER OF CHOICE
for our procurement practices, smoothness of working with shipping facilities, and doing the work to drive transportation efficiency

OUR DEL MONTE FRUIT INFUSIONS AND JOYBA BUBBLE TEA WON
2022 PRODUCT OF THE YEAR AWARD IN TWO CATEGORIES![3]

99%
TOMATOES
are from the U.S. with supply from Italy

99%
VEGETABLES
are from the U.S. with supply from Brazil, China, Netherlands, Peru and Poland

70%
FRUITS
are from the U.S. with supply from Mexico, Chile, Philippines, China, Thailand and Greece

96%
of our packaging is non-plastic and recyclable

Del Monte was the **FIRST** consumer-facing manufacturer to work with the **USDA** for **NON-GMO CERTIFICATION** for corn products

We support
627
GROWERS in USA

We support
136
FRUIT GROWERS in Mexico

98%
of U.S. consumers stated Del Monte is a brand they trust

2023	Vegetables	Tomatoes	Fruits (U.S.)	Fruits (Mexico)
Tons	261,153	320,123	193,759	67,394
Growers	93	24	510	136

1 Excluding private label.
2 Compared to previous 6 months.
3 Product of the Year is the world's largest consumer-voted award for product innovation, where winners are determined by the votes of 40,000 consumers in a national representative survey conducted by research partner Kantar, a global leader in consumer research.

PRODUCTS

DEL MONTE IN THE UNITED STATES


ELBOW MACARONI
SALAD MACARONI
CREAMY & CHEESY
SWEET STYLE
FILIPINO STYLE
ITALIAN STYLE
SPAGHETTI
TOMATO PASTE
ORIGINAL STYLE
ORIGINAL
SWEET
CHUNKS
TIDBITS
SLICES
FIESTA
CRUSHED
100% PINEAPPLE
A-C-E
Four Seasons
Mango
Melon Cucumber
Pineapple Blueberry
White Grape
Pineapple Lychee
Pineapple Kiwi
Pineapple Orange
Pineapple Strawberry
Sweetened Pineapple
Fit 'n Right
BURN
CTRL
DETOX
Potato Crisp

S&W IN ASIA AND THE MIDDLE EAST

DEL MONTE IN INDIA

ASIA CLAIMS TO FAME

Throughout our

97-YEAR JOURNEY,

Del Monte is proud to be recognized for our premium quality, nutritious and delicious products

Our operations benefit about

100,000 INDIVIDUALS

AWARDS AND RECOGNITIONS

- DMPL's Independent Director **Dr. Emil Q. Javier** was declared a **National Scientist** by the President of the Philippines
- **15 awards** for 11 years from the Singapore Corporate Awards including **Best Managed Board**, **Best CFO**, **Best Investor Relations** and **Best Annual Report**
- **Highest ranked** mid-cap company with a **ranking of #12** overall in the **Singapore Governance and Transparency Index** out of 489 SGX-listed companies
- **Finalist** in the **Asia Pacific Tambuli Awards** for **Good Health and Well-Being**, Corporate Purpose Category
- Recognized by LinkedIn as a company with the **"Most Inspirational Team"**

LEADING MARKET POSITIONS
IN ASIA

BEANS

Top 2 in Singapore and Indonesia

APPLE CIDER VINEGAR

Top 2 in ASEAN

CANNED PINEAPPLE

Top 1 in South Korea
Top 3 in China

CANNED TROPICAL FRUIT

Top 1 in China and South Korea

FRESH PINEAPPLE

#1 imported pineapple in China
Top 3 in Japan, South Korea and Middle East

LEADING MARKET POSITIONS
IN THE PHILIPPINES

PACKAGED PINEAPPLE

#1 brand nationally
Also **used for everyday cooking**

CANNED MIXED FRUIT

#1 brand nationally
Healthy snack or dessert

RTD JUICES EX FOIL POUCHES

#1 brand nationally
Healthy and refreshing juices

TOMATO SAUCE

#1 brand nationally
Versatile ingredient for various recipes

SPAGHETTI SAUCE

#1 brand nationally
For **easy-to-prepare** delicious spaghetti meals

S&W FRESH PINEAPPLE

contains **~100mg of Bromelain** enzyme per cup that reduces inflammation after injury or surgery

S&W HEART SMART PINEAPPLE JUICE

won the **Food & Beverage Award** in the Singapore Business Review Listed Companies Awards for Best Innovation

FROZEN PINEAPPLES

using patented freezing technology, retains fresh-like properties when thawed

100%
of our Culinary products contain
ZERO TRANS FAT

DEL MONTE KITCHENOMICS
has 3 million strong community on Facebook

DMPL'S CEO
MR. JOSELITO D. CAMPOS, JR.
Entrepreneur of the Year Awardee
Asia Pacific Entrepreneurship Awards

3X
EMPLOYER OF THE YEAR AWARD
from the People Management Association of the Philippines

45%
of senior management are women

16 AVERAGE TRAINING HOURS
per employee

CARBON NEGATIVE
given plantation and forest cover

~665,000 INDIGENOUS
trees planted

~28,000-HECTARE
pineapple plantation

20%
of the Cannery's power requirement supplied by renewable energy

32,000 PATIENTS BENEFITED
from the Foundation's medical, dental and mobile missions

300 YOUTHS GRANTED
scholarships to various schools in SY2022-23

AWARDS

DMPL's Lead Independent Director, Mr. Benedict Kwek Gim Song, receiving the Best Managed Board (Silver) Award from Singapore's Minister for Health Mr. Ong Ye Kung

GOVERNANCE

Del Monte Pacific Wins the Best Managed Board Award

In the Singapore Corporate Awards (SCA) held on 30 August 2022, DMPL was honored to receive the Best Managed Board (Silver) Award for mid-cap companies.

DMPL had won two Gold awards for the Best Managed Board in 2010 and 2015.

Since the SCA began in 2006, the Company has won a total of 15 awards for 11 years since 2010, a significant recognition among companies listed in Singapore.

Del Monte Pacific Ltd has received four distinct awards -- Best Managed Board, Best Chief Financial Officer, Best Investor Relations and Best Annual Report – and is one 21 companies to have achieved this feat from among 643 companies listed on the Singapore Exchange.

The SCA comprises six of Singapore's key corporate awards, including Best CEO and Best Risk Management, to recognize and celebrate the best in corporate governance among listed companies in Singapore. The awards are organized by the Institute of Singapore Chartered Accountants, Singapore Institute of Directors and The Business Times, supported by the Accounting and Corporate Regulatory Authority and Singapore Exchange.

Del Monte Pacific Receives a Corporate Governance Award from SIAS

Del Monte Pacific was honored to receive the Singapore Corporate Governance Award from the Securities Investors Association (Singapore) or SIAS. This is DMPL's 9th award from SIAS, which recognized the company in previous years for Corporate Governance, Transparency and Shareholder Communication Excellence.

High Corporate Governance Ranking in Singapore

Del Monte Pacific ranked as the highest mid-cap company and 12th overall among 489 Singapore-listed companies evaluated in the Singapore Governance and Transparency Index in August 2022.

ASEAN Asset Class

DMPL was also awarded the ASEAN Asset Class, ASEAN Corporate Governance Scorecard Award, conferred by SEC Chairman in December 2022.

Receiving the Corporate Governance award is Mr. Benedict Kwek Gim Song, DMPL's Lead Independent Director. Together with him in the photo are Mr. Alvin Tan, a Minister of State (center), and Mr. David Gerald, SIAS President (left).

New product Blueberry Pomegranate Bubble Tea ranked third of five new products in a consumer vote

Mr. Milk Yoghurt Flavored Milk Drink is one of BASES Top Breakthrough Innovations for ASEAN in 2022

COMMERCIAL

Del Monte Foods' Blueberry Pomegranate Bubble Tea is one of the Best New Retail Products for 2023

Del Monte Foods has launched a slew of new products during the past five years using breakthrough technologies in ingredients, packaging and processes. One of its latest brands, JOYBA, was recognized by the Refrigerated and Frozen Food Awards as part of the Best New Retail Products for 2023. The brand's Blueberry Pomegranate Bubble Tea ranked third of five new products for the year, decided by consumer vote.

Global M&A Network's Mergers & Acquisitions of the Year Awards

The last five years have also been a time of tremendous growth and transformation for Del Monte Foods— including the successful acquisition of the Kitchen Basics business in August 2022.

The Merger & Acquisition industry in the U.S. is vast and highly competitive. Del Monte Foods along with our legal advisor were presented the Mid-Cap Corporate Deal of the Year (US$100-500 million). President & CEO Gregory Longstreet was recognized for his hands-on involvement and leadership in closing this transaction.

Pictured left to right: Gregory Longstreet, DMFI's President & CEO; Mark Wilhelm of Troutman Pepper Hamilton Sanders law firm; and Alfred Artis, VP Treasurer, accept Mid-Cap Corporate Deal of the Year award

Del Monte Philippines' Mr. Milk Yoghurt Flavored Milk Drink Bags an Innovation Recognition

NielsenIQ BASES has awarded Del Monte Mr. Milk Yoghurt Flavored Milk Drink as one of BASES Top Breakthrough Innovations for ASEAN in 2022.

BASES Top Breakthrough Innovations showcases the best of the best in new product launches. Over the past decade, over 800 initiatives have been awarded globally, highlighting innovation responsible for bringing standout, strategic, and truly meaningful products to the market. Del Monte's Mr. Milk Yoghurt Flavored Milk Drink is now part of this impressive group.

Breakthrough innovations deliver on many core objectives, including: generating broad appeal, achieving longevity in the market, growing their brand, expanding the category, and developing their product with a key consumer and struggle in mind.

AWARDS

Pictured left to right: Margot Stanford, F&M Bank, past Chamber of Commerce Board Chair; Bibie Wu, DMFI Chief Marketing Officer; and Matt Francois, Mayor of Walnut Creek

Del Monte Philippines among the Top 50 most attractive employers

HUMAN RESOURCES

Del Monte Foods Earns Legacy Award from Walnut Creek Chamber of Commerce

The Walnut Creek, California Chamber of Commerce recognized Del Monte Foods with the Legacy Award for being a part of the community for 50+ years! What an honor to grow a healthier, more hopeful tomorrow in the Walnut Creek community and beyond.

Del Monte Foods Ranked #1 Largest Food & Beverage Manufacturer in the Greater Bay Area by San Francisco Business Times

As an original Bay Area innovator for the past 100+ years, Del Monte Foods continues to transform the company to meet consumers' changing needs — making nutritious, plant-based foods more accessible to all. Del Monte Foods is very proud to once again see the company's growth and impact recognized with the #1 rank in the San Francisco Business Times' list of Largest Food and Beverage Manufacturers in the Greater Bay Area.

Del Monte Philippines among the Top 50 Most Attractive Employers

Del Monte was recognized in Universum's Top 50 Most Attractive Employers in the Philippines for STEM (Science, Technology, Engineering and Mathematics) and Business/Commerce students in the recent Universum Student Survey.

Universum is an independent global employment branding consulting company who runs surveys across schools. It also provides analytics and data relevant to a company's brand positioning when it comes to attracting talent and helps employers better understand competitors, communication channels, etc.

Del Monte's Employer Branding through LinkedIn, Facebook and other social media sites are all working well—these are on top of our campus recruitment events and Office of Student Affairs partnerships with key universities and colleges.

SUSTAINABILITY

Upcycled Del Monte Foods Products Named Snack Products of the Year by the 2023 Mindful Awards

Del Monte Gut Love and Boost Me Fruit Cup Snacks with Infusions were recognized as the Overall Snack Products of the Year by the 2023 Mindful Awards in the U.S.

The Mindful Awards highlight conscious companies and products in the Consumer Packaged Goods (CPG) industry that stand up for what is right and take action to make a positive impact on people and the planet.

The Del Monte Gut Love and Boost Me Fruit Cup Snacks with Infusions are made with real fruit such as mangos and pineapples, and are infused with antioxidants and natural ingredients including Vitamin C, nourishing prebiotics and coffee extract, making better for you snacking delicious and convenient.

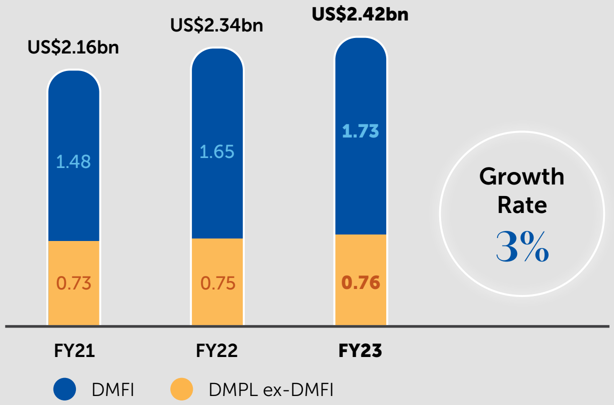
The two new products add to Del Monte's existing products that are Upcycled Certified. Through Gut Love and Boost Me Fruit Cup Snacks, the company is re-directing approximately 130,000 pounds of pineapple juice each year, helping to provide nutritious and affordable food, while reducing greenhouse gas emissions.

Boost Me and Gut Love Fruit Infusions contain redirected excess pineapple juice, which would otherwise have gone to waste

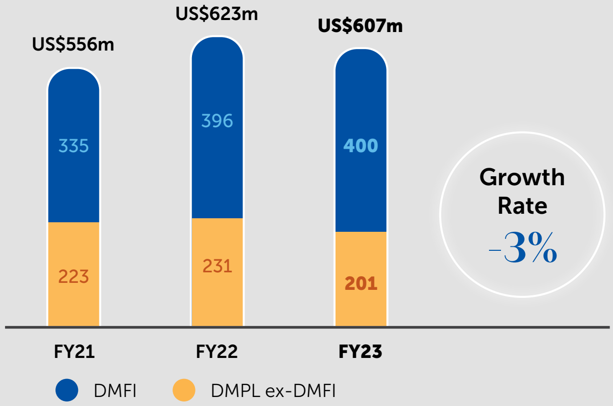
OPERATING AND FINANCIAL REVIEW

DMPL FINANCIAL PERFORMANCE ON RECURRING BASIS

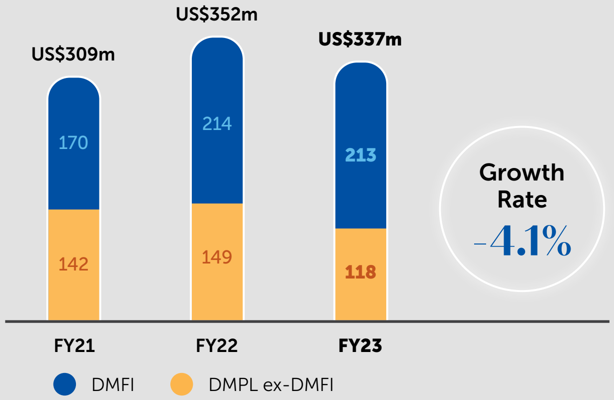
Net Sales



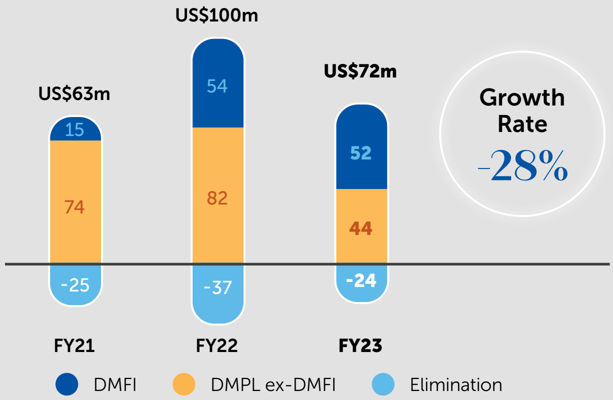
Gross Profit



EBITDA

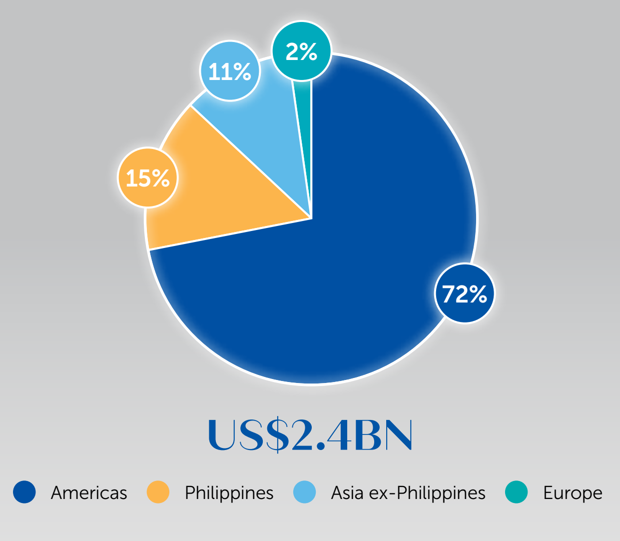


Net Profit

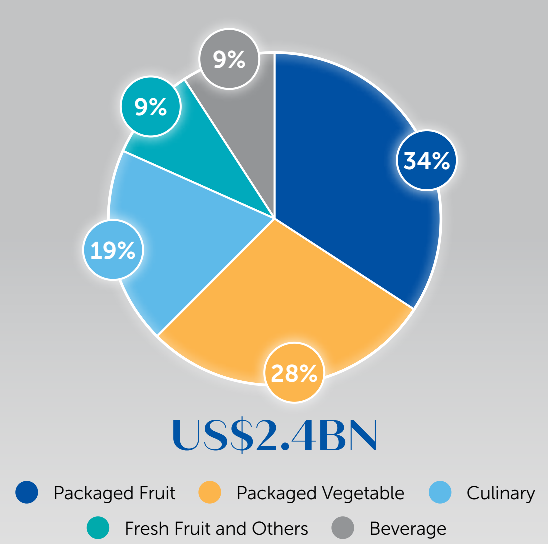


Notes: There were no one-off items in FY2021–22
The figures do not sum up to the totals due to elimination adjustments on consolidation

DMPL FY2023 SALES (By Geography)



DMPL FY2023 SALES (By Product)



OPERATING AND FINANCIAL REVIEW

Kitchen Basics complements our College Inn broth business

SUMMARY

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

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

SALES

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

USA

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

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

In August 2022, DMFI acquired the intellectual property of the Kitchen Basics brand and its extensive inventory of conventional and organic stocks and broths from McCormick & Company for US$99 million (of which US$17 million was inventory with market value of US$25-27 million). The consideration was established through an auction process and negotiations between the parties. The acquisition was financed through available credit facilities. No property, plant and/or equipment were acquired.

Kitchen Basics products are distributed nationally in the United States. The brand was founded in 1996 as the pioneer in liquid stock and remains an industry leader in the U.S. today.

The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics complements DMFI's College Inn broth business and creates an immediate national footprint within the broth and stock category.

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

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

Our exciting new organic brand - Take Root Organics - that is accessibly-priced

We also launched specialty vegetable items Artichoke and Mushrooms

KEY TRENDS WE ARE ADDRESSING

	Key Trend We are Addressing	Del Monte Approach	Succcessful New Products
REINVENTING CORE CATEGORIES	Rise in Morning Snacking	Bring consumers into the category with high value/ on-trend options	
EXPAND INTO PREMIUM PRICE TIERS	Filling White Space Between Private Label and Niche Organics	Give consumers organic options at more accessible price points	
ADDRESSING CONSUMER NEEDS WITH SPEED	Consumers Seeking Value through Multipacks	Nimble supply chain able to deliver multipacks across core products ahead of competitors	

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

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

Market Position in Key Categories in the USA

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

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

JOYBA Bubble tea, a hit with Millennials and Gen Z

OPERATING AND FINANCIAL REVIEW

Tomato Saucy campaign: 'Sauce is so good, it's a meal on its own!'

Philippines

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

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

100% Pineapple Juice campaign: All-out nutrients for immunity

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

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

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

Del Monte continues to enjoy strong market share leadership across all its major categories, with higher shares in packaged pineapple

Del Monte Fit 'n Right relaunched at a lower price

New Mr. Milk Orange flavor tie-up sampling with #1 toy store chain

Full back-to-school support

Del Monte Potato Crisp selective regional launch of singles trial packs

behind consumption-building efforts. Del Monte spaghetti sauce also grew share by staying ahead of competition amidst a declining category.

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

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

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

International/Exports

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

Market Leader in Various Categories in the Philippines

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

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

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

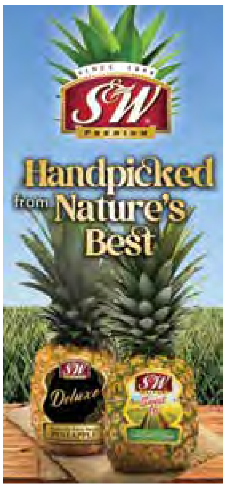
The Group's high quality, premium MD2 pineapple makes it the largest fresh pineapple exporter to China with a 53% share and one of the three biggest exporters to Japan, South Korea and the Middle East.

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

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

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

Del Monte pineapple in Domino's pizza



Sought after S&W pineapples

Frozen pineapples sold in various countries

OPERATING AND FINANCIAL REVIEW

Del Monte Chocolate Syrup, our new product in India, with 50% more cocoa than that of leading competitor

New premium Del Monte Royal Arabian Dates amidst a market of unbranded players

India

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

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

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

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

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

GROSS PROFIT AND MARGIN

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

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

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

DEL MONTE FOODS REFINANCING

In May 2022, DMFI raised US$600 million through a 7-year Term Loan B facility maturing in 2029

Del Monte ropes in Michelin star Chef Vikas Khanna to promote its culinary range in India, with the key brand message "Made by chefs, loved by all" at Adjusted Secured Overnight Financing Rate (SOFR), with a floor of 0.5% plus 4.25% p.a. Proceeds were used to primarily redeem the US$500 million Senior Secured Notes plus redemption fees and accrued interest. The said Notes had an interest rate of 11.875% p.a. and were due to mature in 2025. The new Term Loan B had a hedged interest rate of 8.1% as of end April 2023. The early redemption of the Notes incurred a one-off cost of US$71.9 million or US$50.2 million post tax and non-controlling interest. US$26.3 million of the US$71.9 million was non-cash.

DMFI Non-Recurring Expenses (in US$m)	FY2023	FY2022	Booked under
Early redemption fee for US$500m Notes	45.5	-	Interest Expense
Write-off of deferred financing costs (non-cash)	26.3	-	Interest Expense
Excess of net realizable value over inventory cost related to the Kitchen Basics acquisition	5.0	-	Other Income/ Expense
Settlement of legal claims	2.5	84.6%	Other Income/ Expense
Total (pre-tax basis)	**79.3**	**-**	
Tax impact	(20.3)	-	
Non-controlling interest	(3.8)	-	
Total (post tax and NCI)	**55.2**	**-**	

REDEMPTION OF PREFERENCE SHARES

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

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

There are no more outstanding Preference Shares.

EBITDA AND NET PROFIT

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

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

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

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

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

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

INVENTORIES

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

CAPEX

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

CASH FLOW AND DEBT

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

OPERATING AND FINANCIAL REVIEW

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

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

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

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

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

DIVIDENDS

On 7 October 2022, the Company paid cash dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.325 per Series A-2 Preference Share for the six-month period from 8 April 2022 to 7 October 2022.

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

Under the Company's Articles of Association and the terms of the Preference Shares, the Company may declare and pay dividends on Common Shares provided there are adequate and available funds for dividends on Preference Shares which have priority over Common Shares. Subject to the foregoing, the Board approved a final dividend of 0.13 US cents (US$0.0013) per share to Common Shareholders representing 15% payout of FY2023 net profit.

	For the fiscal year ended 30 April	
	2023	**2022**
Name of dividend	Final Ordinary	Final Ordinary
Type of dividend	Cash	Cash
Rate of dividend	**US$0.0013 per ordinary share**	**US$0.0170 per ordinary share**
Tax rate	Nil	Nil
Book closure date	11 July 2023	13 July 2022
Payable date	25 July 2023	27 July 2022

QUARTERLY RESULTS

FY2023 Quarterly Results					
(Amounts in US$ million unless otherwise stated)	1Q	2Q	3Q	4Q	Total
Turnover	456.6	698.9	681.2	584.6	2,421.3
Gross Profit	131.7	205.3	152.2	117.8	607.0
EBITDA	70.0	124.4	80.2	55.0	329.7
Operating Profit	50.4	103.2	57.2	34.7	245.6
Net Profit	(30.5)	49.5	9.8	(11.9)	16.9
Net Profit - without one-offs	19.6	51.1	11.9	(10.5)	72.2
Gross Margin (%)	28.9	29.4	22.3	20.2	25.1
Operating Margin (%)	11.0	14.8	8.4	5.9	10.1
Net Margin (%)	(6.7)	7.1	1.4	(2.0)	0.7
EPS to common (cents)	(1.65)	2.46	0.46	(0.61)	0.66
Net Debt	1,730.2	2,037.5	2,187.3	2,253.5	2,253.5
Net Debt to Equity (%)	416.5	446.7	582.5	584.2	584.2
Net Debt to EBITDA (x)	5.0	5.6	6.2	6.8	6.8
Cashflow from operations	6.0	(156.9)	71.9	76.3	(2.8)

FY2022 Quarterly Results					
(Amounts in US$ million unless otherwise stated)	1Q	2Q	3Q	4Q	Total
Turnover	462.1	651.0	659.4	569.5	2,342.1
Gross Profit	133.4	178.5	163.2	147.6	622.7
EBITDA	75.0	107.4	91.0	78.2	351.5
Operating Profit	56.8	83.2	70.1	57.2	267.3
Net Profit	18.3	35.8	25.9	20.0	100.0
Net Profit - without one-offs	18.3	35.8	25.9	20.0	100.0
Gross Margin (%)	28.9	27.4	24.7	25.9	26.6
Operating Margin (%)	12.3	12.8	10.6	10.0	11.4
Net Margin (%)	4.0	5.5	3.9	3.5	4.3
EPS to common (cents)	0.69	1.59	1.08	0.82	4.17
Net Debt	1,303.7	1,532.4	1,449.9	1,545.5	1,545.5
Net Debt to Equity (%)	206.0	232.1	211.0	312.4	312.4
Net Debt to EBITDA (x)	3.8	4.3	4.2	4.4	4.4
Cashflow from operations	48.5	(144.3)	173.1	203.4	280.7

QUARTERLY RESULTS

FIRST QUARTER FY2023

The Group generated sales of US$456.6 million for the first quarter of FY2023, lower by 1.2% versus the prior year quarter driven by lower sales in the Philippines partly offset by higher sales in the US as well as higher exports of fresh and packaged pineapples and other products.

The Group's US subsidiary, Del Monte Foods, Inc. (DMFI), generated US$302.4 million or 66.2% of Group sales. DMFI's sales increased by US$4.3 million or 1.5% driven by branded retail in the US and growth in Latin America. Revenue growth was mainly driven by pricing taken across categories in line with inflation offsetting impact of inventory de-loading by key customers and supply constraints mainly in Plastic Fruit Cup and Produce segments.

DMFI continues to pursue its innovation efforts and expand on new product offerings in recent years. New products launched in the past three years contributed 6.8% to DMFI's total sales in the first quarter. The higher sales performance in the first quarter more than offset cost increases driven by inflation and logistics headwinds resulting in DMFI generating a gross profit of US$78.4 million, higher by 1.5% versus prior year quarter's US$77.3 million. Gross margin at 25.9% was in line with prior year.

DMPL ex-DMFI generated sales of US$173.7 million (inclusive of the US$19.5 million sales by DMPL to DMFI which were netted out during consolidation) which were 5.3% lower than the US$183.4 million sales in the prior year quarter. The higher exports sales of S&W fresh and processed pineapples and other products were offset by lower sales and unfavorable forex impact on the Philippines.

DMPL ex-DMFI delivered a lower gross margin of 30.3% from 30.8% in the same period last year as overall pricing improvement was offset by higher product costs brought about by increase in prices of raw and packaging materials particularly tinplate, sugar, tomato paste as well as fuel and related inputs.

The Group's second largest subsidiary, DMPI, achieved sales of US$168.5 million, up 3.6% in peso terms versus the prior year period driven by increased sales of S&W branded processed and fresh pineapples. However, net profit of US$19.7 million was down 16.9% in peso terms, as higher sales were offset by higher product and distribution costs attributed to inflation. About half of DMPI's sales are in the Philippines, with the balance in the international market and others.

In the Philippines, sales were lower by 18.2% in US dollar terms and 9.7% in peso terms driven by the decline in volume across core categories as consumers continued to adjust to a high inflationary environment. Packaged mixed fruits and beverage sales were down as consumers shifted priorities in the face of high food prices, and are spending more on necessities and products offering improved value. Del Monte Philippines capitalized on this trend by highlighting the superior value and post-pandemic relevance of multi-flavored juice drinks in large packs, which grew by 12%. Value promotions also encouraged higher purchases, especially tomato sauce, among the households. The first quarter also saw the temporary impact of transition to new distributors which are expected to deliver increased reach and downline availability across categories.

Furthermore, we also de-loaded inventory in the trade by three weeks. Our offtake in General Trade grew by 7% versus prior year and, with reduced inventory across categories, we are poised for a stronger festive season. Del Monte's volume and market share of packaged pineapples in the Philippines increased from sustained marketing programs.

New innovations in dairy and snacking are gaining traction, now accounting for 8.2% of Philippine market sales. Foodservice sales rose 19.8% with increased consumer traffic and dining out. Convenience stores also started to fully re-open, with first quarter sales up by 38.5%.

Sales of packaged products in the international markets grew by 12.3% on the back of robust sales of S&W canned pineapple and mixed fruit in North Asia, canned Del Monte Deluxe Gold premium pineapple in USA and pineapple juice concentrate in Europe and North Asia.

In FY2022, the Company launched the naturally-ripened extra sweet S&W Deluxe Premium fresh pineapple in China, Japan and South Korea with favorable market feedback, which has continued to gain traction in China's retail segment. The fresh business performed strongly, up 19.8%, driven by additional sales from this premium pineapple along with improved supply of S&W Sweet 16 pineapple.

DMPL's share in Del Monte Foods Private Limited (formerly FieldFresh), the joint venture in India, was a US$0.6 million profit which is an improvement from prior year quarter's share in losses of US$0.7 million. B2B business delivered solid performance with a 66% sales increase supported by growth in foodservice, key accounts and exports. B2C sales also grew double digit at 19% coming from increases in core categories both in modern and general trade channels.

DMFI delivered an EBITDA of US$36.0 million, down 4.1% versus the US$37.5 million in the prior year quarter driven by higher logistics and operating costs which more than offset the favorable impact of higher sales.

In May 2022, DMFI raised US$600 million through a 7-year Term Loan B facility maturing in 2029 at Adjusted Secured Overnight

Financing Rate (SOFR), with a floor of 0.5%, plus 4.25% p.a. Proceeds were used to primarily redeem the US$500 million Senior Secured Notes plus redemption fees and accrued interest. The said Notes had an interest rate of 11.875% p.a. and were due to mature in 2025. The much lower interest rate from the Term Loan B, currently at 6.45% p.a., is expected to result in about US$20-30 million interest savings per year. The redemption of the Notes incurred a one-off cost of US$71.9 million or US$50.2 million post tax and NCI. US$26.3 million of the US$71.9 million was non-cash.

As a result of this one-off cost, DMFI generated a net loss of US$42.2 million. Excluding the one-off cost, DMFI delivered a net income of US$8.0 million, 66.8% higher versus prior year quarter which was mainly driven by savings from lower interest as a result of the refinancing.

DMPL ex-DMFI generated an EBITDA of US$33.1 million, lower by 12.4%, and a net profit of US$17.1 million lower by 17.1% versus the US$20.6 million in the same quarter last year driven by lower margins as discussed above.

The Group generated an EBITDA of US$70.0 million which was lower versus prior year's US$75.0 million and a net loss of US$30.5 million versus prior year quarter's net income of US$18.3 million, mainly driven by the one-off redemption cost of DMFI. On a recurring basis, the Group generated a net income of US$19.6 million which was 7.2% higher versus prior year quarter mainly driven by savings from interest and improved results from joint ventures Del Monte Foods Private Limited (India) and Nice Fruit.

The Group's net debt/adjusted EBITDA increased to 5.0x from 3.8x last year and gearing to 4.2x from 2.1x due to higher loans from DMPL's US$200 million Series A-1 Preference Shares redemption in April 2022, DMFI's Senior Secured Notes refinancing in May 2022, and increase in DMFI's ABL (working capital) loans, and lower equity due to net losses arising from refinancing costs. The impact of the one-off redemption cost on leverage was about 0.5x and is expected to be diluted with higher profitability projected in the coming quarters.

The Group's cash flow from operations in the first quarter was US$6.0 million which was lower versus last year's US$48.5 million mainly due to higher inventories.

SECOND QUARTER FY2023

The Group generated sales of US$698.9 million for the second quarter of FY2023, higher by 7.4% versus the prior year quarter, driven by higher sales in the US, improved sales performance of the Philippine business, as well as higher exports of S&W branded fresh and processed pineapples and other products. Excluding Kitchen Basics (KB), Group's net sales were higher by 5.5 % versus the prior quarter.

The Group's US subsidiary, Del Monte Foods, Inc. (DMFI), generated US$506.3 million or about 72% of Group sales. DMFI's sales increased by US$28.8 million or 6.0% driven by sustained growth in core branded retail business, foodservice and in Latin America partly offset by reduced sales from low-margin private label and co-pack items. Branded retail sales grew by 11.1% attributed to pricing taken to address inflation, distribution expansion for JOYBA bubble tea and acquisition of Kitchen Basics. KB contributed revenue of US$12.1 million, representing 2.4% of net sales. Excluding KB, DMFI's net sales increased by US$16.7 million or 3.5%.

As announced on 4 August 2022, DMFI has acquired certain assets associated with the Kitchen Basics brand of ready-to-use stock and broth from McCormick & Company. The assets, which were comprised mainly of intellectual property and inventory, were acquired for an aggregate consideration of US$99 million. Such price was established through an auction process and negotiations between the parties. The acquisition was financed through available credit facilities. No property, plant and equipment were acquired.

Kitchen Basics products are distributed nationally in the United States and include a range of conventional and organic stock and broth offerings.

The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics complements Del Monte's brand portfolio as the company expands its retail presence in the category.

DMFI continues to pursue its innovation efforts and expand on new product offerings in recent years. Recently, DMFI launched Take Root Organics, its new organics brand, which includes six tomato products grown throughout California's Central Valley. The launch of Take Root Organics provides DMFI an exciting new brand to reach the growing consumer base that seeks high quality and accessibly priced organic food. It also launched Del Monte specialty vegetable items Artichoke and Mushrooms, as well as three new Pocket Pie Pizza flavors – Plant-Based Pepperoni, Plant-Based Sausage & Mushroom, and 4 Cheese. New products launched in the past three years contributed 5.3% to DMFI's total sales in the second quarter.

The higher sales performance in the second quarter resulted in DMFI generating a gross profit of US$141.8 million, higher by 19.1% versus prior year quarter's US$119.1 million. Gross margin at 28.0% was 306 basis points higher than prior year quarter's 24.9% driven by pricing, in line with inflation, and improved margins from reduced sales of low-margin products.

QUARTERLY RESULTS

However, this was partly offset by unfavorable sales mix in retail with shifts to multi-pack as the company addresses shifts in consumer spends in line with inflation. Kitchen Basics contribution to gross profit amounted to US$4.3million with a gross margin of 35.1%. Excluding the impact of Kitchen Basics, DMFI's gross margin is favorable at 27.8% or an improvement of 289 basis points versus prior quarter period.

DMPL ex-DMFI generated sales of US$206.9 million (inclusive of the US$14.0 million sales by DMPL to DMFI which were netted out during consolidation) which were 8.8% higher than the US$190.2 million sales in the prior year quarter. Higher sales were mainly driven by strong sales performance from the Philippines as well as significantly higher exports of S&W branded fresh and processed pineapples and other products. This was however negatively impacted by peso devaluation on sales in the Philippines.

DMPL ex-DMFI delivered a lower gross margin of 30.1% from 32.1% in the same period last year as overall increase in volume as well as pricing improvements were offset by higher product cost attributed to commodity headwinds which caused prices of raw materials, packaging, traded goods, tomato paste, sugar, fuel and coal, among others, to soar. This was further aggravated by the negative impact of peso devaluation on all imported products.

The Group's second largest subsidiary, DMPI, achieved sales of PhP11.3 billion, up 21.6% in peso terms, and up 4.9% in US dollar terms, driven by increased sales in the Philippines as well as higher exports of S&W branded fresh and processed pineapples. However, resulting net profit of PhP1.3 billion was down 2.1% in peso terms, and down 15.6% in US dollar terms, as higher sales were offset by commodity headwinds and higher distribution costs. About 55% of DMPI's sales are in the Philippines, with the balance in the international market and others.

After declining in the first quarter, the Philippine market recovered strongly and generated sales of US$107.9 million, 21.9% higher in peso terms and 7.7% higher in US dollar terms. Core categories delivered higher volume and sales especially for packaged fruit, culinary and innovation on the back of improved distributor operations and successful transition of new distributors, in-store programs to help consumers cope with high inflation, and launch of a new pineapple juice media campaign. Foodservice and Convenience stores sales rose 20.7% and 48.2%, respectively, as the economy opens up post extended COVID lockdowns.

New innovations in dairy and snacking are gaining traction, accounting for 7.5% of Philippine sales. As schools in the Philippines shifted to onsite from online learning, Del Monte activated its milk sampling activities in a number of schools, and also tied up with a leading book store chain to promote its milk product.

International markets generated higher sales of US$84.9 million, up 13.1%, driven by the strong performance of fresh pineapple which offset declines in processed industrial products. Fresh sales rose 46.3% on the back of higher demand and consumer promotions in North Asia and Middle East, coupled with improved supply availability this quarter. Fresh sales also benefitted from continued favorable consumer and trade acceptance of the naturally-ripened extra-sweet S&W Deluxe premium. However, erratic demand in North Asia due to high inflation and extended COVID lockdowns in China had started to impact sales towards the end of the quarter. In the U.S., a major QSR launched new summer drinks, one of which, Pineapple Passionfruit Refreshers, includes our pineapple product. Meanwhile, S&W packaged products grew by 13.9% driven by higher sales of mixed fruit and juice drinks.

DMPL's share in Del Monte Foods Private Limited (formerly FieldFresh), the joint venture in India, was a US$0.1 million profit, an improvement from prior year quarter's share in losses of US$0.5 million driven by better sales performance and margins, as well as overall improvement in cost management.

DMFI delivered an EBITDA of US$86.5 million, up 22.2% versus the US$70.7 million in the prior year quarter, driven by improved gross margin as discussed above. DMFI generated a net profit of US$37.8 million, significantly higher by 66.4% versus prior quarter's US$22.7 million. This was mainly due to higher sales, better sales mix, and lower interest expense driven by refinancing. Kitchen Basics contribution was a net loss of US$0.7 million attributed to a one-off expense of US$1.7 million, net of tax and minority, pertaining to a write-off of excess net realizable value over cost of inventory.

DMPL ex-DMFI generated an EBITDA of US$36.7 million, lower by 5.6%, and a net profit of US$17.5 million lower by 18.4% versus the US$21.4 million in the same quarter last year driven by lower margins as discussed above.

The Group generated an EBITDA of US$124.4 million, 15.9% higher versus prior quarter's US$107.4 million, mainly driven by the strong operating results of DMFI. Consequently, the Group delivered a net profit of US$49.5 million, 38.3% higher than prior quarter's US$35.8 million which was also partly attributed to savings from interest due to refinancing of high yield bonds in May 2022.

The Group's cash outflow from operations in the second quarter was US$156.9 million, higher versus last year's US$144.3 million mainly due to higher inventories.

THIRD QUARTER FY2023

The Group generated sales of US$681.2 million for the third quarter of FY2023, higher by 3.3% versus the prior year quarter driven by higher sales in the US and international markets. Excluding Kitchen Basics (KB), Group's net sales were higher by 1.1% versus the prior quarter.

The Group's US subsidiary, Del Monte Foods, Inc. (DMFI), generated US$495.7 million or about 73% of Group sales. DMFI's sales increased by US$27.3 million or 5.8% on higher retail branded sales of canned vegetables, canned fruit and tomato, coupled with incremental sales of US$14.3 million contributed by the recently acquired KB ready-to-use stock and broth business. Excluding the latter, DMFI's sales were up 2.8%. DMFI continues to hold leading market share positions across its core business on the back of strong commercial execution, increased distribution of core products, and new product expansion, all supported by efficient supply chain operations.

DMFI continues to pursue its innovation efforts and expand new product offerings in recent years. In foodservice, Del Monte has placed its JOYBA bubble tea in over 20 college campuses and has started selling its pineapple juice to Bloomin Brands' which operates Outback and Fleming's Steakhouse, among others. New products launched in the past three years contributed 7.0% to DMFI's total sales in the third quarter.

The higher sales performance in the third quarter resulted in DMFI generating a gross profit of US$98.8 million, slightly higher by 1.1% versus prior year quarter's US$97.7 million. However, gross margin at 19.9% was lower by 93 basis points from prior year quarter's 20.9% as inflationary pressures resulted to higher conversion and logistics costs, which more than offset the pricing adjustments taken to address inflation.

DMPL ex-DMFI generated sales of US$203.7 million (inclusive of the US$18.1 million sales by DMPL to DMFI which were netted out during consolidation) which was slightly higher than the US$202.5 million sales in the prior year quarter. This was mainly driven by strong sales performance in the international market due to higher exports of packaged pineapples and other products and better pricing across all markets. This was however offset by lower sales of fresh pineapples due to extended lockdown in China and lower sales in the Philippines driven mainly by peso devaluation.

DMPL ex-DMFI delivered a lower gross margin of 26.1% from 32.5% in the same period last year. This was mainly driven by commodity headwinds which drove higher costs of raw material, packaging, farm inputs, fuel and related products including energy costs, and freight. The above factors heavily weighed on the margins despite strong volume performance as well as adjusted pricing of our products to offset inflation. This was further aggravated by the negative impact of peso devaluation on all imported products including local sales.

The Group's second largest subsidiary, DMPI, achieved sales of PhP11.3 billion, up 13.1% in peso terms versus the prior year period mainly driven by higher sales of the Philippines and the international markets. However, net profit of PhP1.2 billion was down 22.4% in peso terms as higher sales were offset by higher costs driven by commodity headwinds, higher distribution costs, and increased interest rates. About 54% of DMPI's sales are in the Philippines, with the balance in international market and others.

The Philippine market delivered sales of US$109.8 million, 5.8% higher in peso terms but 6.4% lower in US dollar terms due to peso depreciation. Higher sales of beverage, culinary and innovation categories offset the decline in packaged tropical fruit. Del Monte reinforced its leadership presence during the key Christmas season with superior holiday in-store merchandising and promotions across its core categories. Compelling communication campaigns built relevance for Del Monte products in family meals and value-for-money offers amidst the high inflationary environment. Del Monte improved its market shares and maintained its dominance across core categories. Foodservice sales increased by 15.5% behind the accelerating business of quick service restaurants (QSR), while convenience store sales grew by 67.6%. Innovation especially dairy and snacking are gaining traction, accounting for 6.9% of Philippine sales.

International markets, composed of fresh produce and packaged goods, generated higher sales of US$80.8 million, up 19.3%, driven by strong performance of packaged pineapple, mixed fruit and juice drink exports to USA and Europe. Higher volume and better pricing led to robust sales growth of 53.3% for packaged products. However, sales of fresh pineapple were lower by 8.4%, driven by China due to reduced volume from extended lockdowns. During Chinese New Year, S&W Deluxe Premium and S&W Sweet 16 pineapples in China had special promotions in key chains such as Pagoda, Hema and Xianfeng.

DMPL's share in Del Monte Foods Private Limited (formerly FieldFresh), the joint venture in India, was a profit of US$0.4 million, an improvement from prior year quarter's share in losses of US$0.5 million. This was driven by strong sales performance across B2B and B2C channels as well as sustained margins from continued cost management.

DMFI delivered an EBITDA of US$46.9 million, down by 1.4% versus the US$47.6 million in the prior year quarter; and a net profit of US$5.9 million, lower by

23.0% versus prior quarter's US$7.7 million. This was mainly driven by commodity headwinds, logistics cost as well as increased interest rates. Moreover, a one-off cost of US$2.1 million, net of tax and non-controlling interest, was booked from the write-down of excess of costs of KB inventory over net realizable value as well as legal claims settlement. Excluding the impact of the one-off costs, DMFI delivered a net income of US$8.0 million which was higher by 4.0% versus the prior period net income.

DMPL ex-DMFI generated an EBITDA of US$33.2 million, lower by 25.9%, and a net profit of US$13.2 million lower by 52.0% versus the US$27.5 million in the same quarter last year driven by gross margin decline, as discussed above, as well as higher interest rates.

The Group generated an EBITDA of US$80.2 million, 11.8% lower versus prior quarter's US$91.0 million, mainly driven by higher cost of sales and logistics, as discussed above. Consequently, the Group delivered a net profit of US$9.8 million, 62.0% lower than prior quarter's US$25.9 million mainly due to unfavorable operating results, and higher interest rates. Excluding the one-off cost, the Group delivered a net income of US$11.9 million lower by 53.9% versus the prior period net income.

The Group's cash outflow from operations in the third quarter was US$71.9 million, lower versus last year's US$173.1 million mainly due to the decrease in trade payables of DMFI mainly due to higher settlement of payables in the third quarter versus prior year quarter.

FOURTH QUARTER FY2023

The Group generated sales of US$584.6 million for the fourth quarter of FY2023, slightly higher by 2.6% versus the prior year quarter driven by higher sales in the US and fresh pineapple exports. Excluding the recently-acquired Kitchen Basics (KB), Group net sales were higher by 1.1% versus the prior year quarter.

The Group's US subsidiary, Del Monte Foods Inc. (DMFI), achieved sales of US$428.7 million or 73% of Group turnover. DMFI's sales increased by 4.3% on pricing actions taken to address inflation, distribution gains of JOYBA bubble tea and higher sales of specialty vegetables and multipacks. In addition, KB stock and broth business contributed US$8.7 million of sales. Excluding KB, DMFI's sales were up 2.2%. DMFI continues its leading market share positions across its core businesses on the back of strong commercial execution, increased distribution of core products, and new product expansion, all supported by improved supply chain service.

In foodservice, Del Monte continued to succeed in growing its branded pineapple and pineapple juice business with sales up 24.3% in the quarter. Del Monte's new foodservice peach salsa with morita chiles received positive feedback and gained new distribution in the healthcare sector.

DMFI continued to pursue its innovation efforts and expand new product offerings in recent years. New products launched in the past three years contributed 9.0% to DMFI's total sales in the fourth quarter.

DMFI generated a gross profit for the quarter of US$81.4 million, lower by 20.3% versus prior year quarter's US$102.1 million. Gross margin at 19.0% declined by 580 basis points from prior year quarter's 24.8% attributed to unfavorable cost rate from higher cost of production, input prices and logistics driven by global inflationary headwinds. In addition, margins were further impacted by higher sales of lower margin multipacks as customers preference shifted to more value-added products in the face of rising prices of basic commodities. These factors more than offset the pricing adjustments taken during the year and incremental sales from KB.

DMPL ex-DMFI generated sales of US$180.3 million (inclusive of the US$24.4 million sales by DMPL to DMFI which were netted out during consolidation) which were slightly higher than the US$175.8 million sales in the prior year quarter. This was mainly driven by higher exports of fresh pineapples to China, including the premium quality Deluxe fresh pineapples. Philippine market sales were higher in peso terms but the weaker peso had an unfavorable impact on local sales in US dollar terms.

DMPL ex-DMFI delivered a lower gross margin of 18.5% from 27.0% in the same period last year driven by higher product cost caused by inflation, lower productivity for both plantation and production, increased growing cost for raw pineapple and conversion cost. Unfavorable sales mix from Philippine market and Exports was not fully offset by pricing adjustments taken to counter inflation and cost headwinds.

The Philippine market delivered sales of US$68.5 million, 6.6% higher in peso terms and 0.3% higher in US dollar terms due to peso depreciation. Sales of packaged fruit, culinary and new products were higher behind compelling communication campaigns and value-for-money offers amidst the inflationary environment. Del Monte improved its market shares in fruits and beverage and maintained its number one ranking across core categories. Modern trade and foodservice sales increased by 10% and 18%, respectively. Innovations especially in dairy and snacking are gaining traction, accounting for 8.0% of Philippine sales.

Exports of S&W branded fresh pineapples and packaged pineapples and other products increased by 1.6% due to higher sales of premium fresh pineapples in China and the Middle East. S&W had been actively promoting its products in various food fairs in Asia.

DMPL's share in Del Monte Foods Private Limited (formerly FieldFresh), the joint venture in India, was a loss of US$0.9 million, which was lower versus prior year quarter's share in losses of US$1.5 million. This was driven by better performance of the India business and the one-off losses from the discontinuance of fresh business in the prior year quarter.

DMFI delivered an EBITDA of US$36.7 million, lower by 36.5% versus the US$57.8 million in the prior year quarter driven by lower gross profit as discussed above. Moreover, this quarter's EBITDA included a one-off cost of US$1.4 million, net of tax and non-controlling interest, relating to legal claims settlement as well as a write-down of excess of costs of KB inventory over net realizable value. Excluding the impact of these one-off costs, DMFI delivered an EBITDA of US$38.6 million, lower versus prior quarter's EBITDA of US$57.8 million.

DMPL ex-DMFI generated an EBITDA of US$15.2 million, lower by US$12.5 million, and a net loss of US$3.7 million lower by US$16.6 million versus the prior year quarter's EBITDA and net profit of US$27.7 million and US$13.0 million, respectively. This was mainly driven by the gross margin decline, as discussed above, as well as higher interest rates impacting the bottomline.

The Group's EBITDA of US$55.0 million was lower than prior year quarter's EBITDA of US$78.2 million mainly driven by higher cost as discussed above. The Group reported a net loss of US$11.9 million versus prior year quarter's net profit of US$20.0 million driven by unfavorable operating results as well as higher interest rates. Excluding one-off costs, the Group delivered an EBITDA of US$56.9 million and a net loss of US$10.5 million, lower by 27.2% and 47.3%, respectively, versus the prior year quarter period.

The Group's cash inflow from operations in the fourth quarter was US$76.3 million, lower versus last year's US$203.4 million mainly due to the lower profit as well as lower trade payables due to timing.

BUSINESS OUTLOOK

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

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

The Group is also planning to substantially increase its MD2 fresh pineapple production to support higher exports of these premium products.

To improve our margins, we will remain vigilant in managing our operating expenses which include packaging materials optimization; power and fuel initiatives; investments to improve efficiency, productivity and wastage reduction; and product bundling initiatives in distribution centers.

DMPL is resolute on working capital improvements in FY2024, especially inventory reduction, to generate more cash flow and strengthen the balance sheet with lower debt. The Group will improve its capital structure with equity fund raising, subject to market conditions.

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

USA

In the U.S. market, we have built a strong foundation for growth with our strengthened management team, a product portfolio that is on-point with consumer behavior, a multi-channel sales strategy, and proactive margin management.

We have strengthened the talent in our organization with new additions including Chief Financial Officer, Chief Technology and Sustainability Officer, Human Resources leadership, and Supply Chain leadership.

This is an incredibly exciting time at Del Monte Foods as we continue to accelerate our transformation into a leading, innovative CPG company focused on building brands. We continue to develop efficient and effective operations and cross-functional collaboration to transform our customer supply chain to deliver best-in-class service and adapt our technology infrastructure to capitalize on thoughtful solutions.

We plan to continue stoking the growth of our core business and our new products. We are expanding our core categories with line extensions, pack sizes that address consumers' need for value, and new varieties such as the highly successful Mushroom line. We will keep expanding our new brands like JOYBA bubble tea, recently acquired Kitchen Basics businesses, and Take Root Organics through distribution expansion, marketing investment, and new products. New product innovation pipeline will continue to be a significant contributor to future growth.

There will be increased penetration in channels such as club, e-commerce, dollar, convenience, natural, drugstores and foodservice. International sales growth is expected in Mexico, Latin America and Canada driven by the new resources dedicated to expanding distribution of Del Monte Foods' branded portfolio in those markets, including Kitchen Basics.

We will be investing to strategically aid and increase capacity for new processing, labeling and distribution capabilities; accuracy with new tools, training and systems to help run our business; and speed with streamlined data to drive alignment and simplify decision making.

Cost reduction remains a key imperative in FY2024. Our goals are to achieve conversion cost and recovery targets across each of our production sites; reduce supply chain costs including trade and transfer freight; reduce waste and lower inventory levels by efficiently storing and deploying finished goods, supported by new demand planning systems.

Successful new product JOYBA bubble tea

We will execute strategic pricing actions while monitoring price gaps to ensure core business health. A 6% price increase was implemented in May 2023 and will be reflected in the company's planned gross margin performance beginning in the second quarter of FY2024.

There will be increased Environmental, Social & Governance (ESG) commitments and investments, and improved team member engagement taking clear action from survey learnings.

We are excited for Del Monte Foods' next chapter of growth and development. We believe we have created the climate for success with our talented people and excellent brands, products and systems. We expect higher profit as we drive sales expansion and proactive margin management in the coming year.

ASIA

The Del Monte Pacific Group will continue to expand its branded business in Asia, through the Del Monte brand in the Philippines, where it is a dominant market leader.

S&W, with its packaged, fresh and frozen offering, will continue to gain more traction as it leverages its distribution expansion in Asia and the Middle East.

The Group will drive revenue growth and margin improvement through the continued execution of its commercial strategy and operational excellence programs.

We have embarked on the 'Great Place to Work' journey and have started with a survey of employees across our Asian worksites. Our goal is to improve Del Monte as a home for all current and future generations of employees. With this, we hope to achieve the 'Great Place to Work' accolade in the future.

PHILIPPINES

In light of inflation and competition, the Group will offer and highlight the good value proposition of its products. Focus on product quality is key, reinforcing our leadership position and strengthening brand equity. This includes building brand relevance and new positioning for certain products to recruit new consumers such as the youth, and regaining lapsed users.

The Group will continue to drive increased consumption frequency among a wider base of consumers through expanded trade availability, integrated marketing communication, and promotional offers that provide super value to increase consumption. We will increase traditional trade penetration especially with the rise of community, neighborhood stores. We will expand Mr. Milk, Potato Crisp single packs, Del Monte Ketchup in stand-up-pouch and other products in the tertiary channel. We will grow the e-commerce channel leveraging third-party partnerships and create brand loyalists by widening the membership of Del Monte Kitchenomics beyond its 3 million followers in social media.

In order to sustain growth, marketing, including digital communications, will continue to highlight health and wellness aside from quality and taste, as well as meal planning and preparation especially for our pineapple and culinary products. We will also capitalize on special occasions such as birthdays and Christmas given our staple products in these celebrations.

We expect higher raw material costs for tomato paste, sugar and certain packaging materials in the coming year. We will actively manage costs through improvements in our pineapple plantation yield and conversion metrics, reduction of

Promoting our products for special occasions

BUSINESS OUTLOOK

waste, increased factory and logistics efficiencies, new solar facilities, tighter working capital management including inventory reduction.

Del Monte Philippines has developed an Extended Producer Responsibility Program that will be implemented beginning this calendar year in collaboration with a waste management company to recycle plastic waste. Moreover, following the certification of its pineapple operations' negative carbon footprint last year, Del Monte Philippines is now measuring a broader scope 3, including toll packers, top suppliers, and logistics providers.

Sought after pineapple in North Asia

S&W

The Group aims to maintain market leadership in premium fresh pineapple in key North Asian markets, especially China, where it is a market leader, through its quality and enhanced distribution relationships. Our more premium fresh pineapple, S&W Deluxe Premium, is expected to gain more traction in China, Japan and South Korea. This variant is naturally-ripened and sweeter with favorable market feedback.

We will expand store coverage for fresh pineapple in Tier 2-3 cities in China through existing and new distributors, and expand further in the fresh cut segment in Japan and South Korea retail, where we are among the top three exporters, while also increasing e-commerce sales especially in Coupang in South Korea.

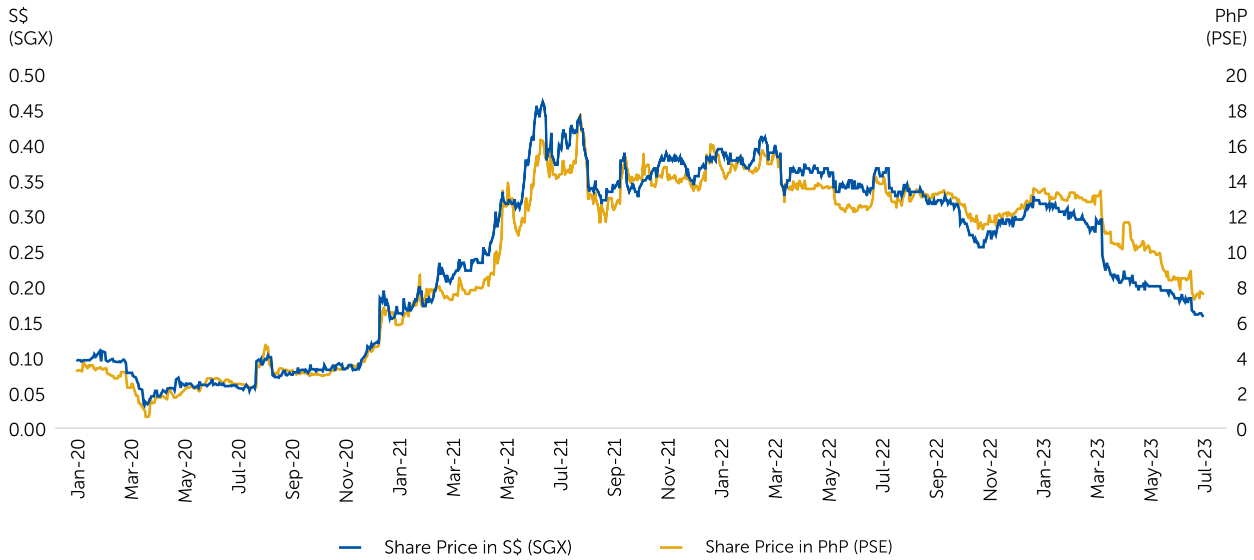
We will further grow value-added pineapple offerings such as Nice Fruit frozen pineapple sticks and Not From Concentrate pineapple juice. Prospects for frozen pineapple sticks are promising as fast food chains and convenience stores start to offer this product as a healthier dessert or snack alternative.

INDIA

Pre-pandemic, B-to-B accounted for more than 50% of sales of Del Monte Foods Private Ltd. (formerly known as FieldFresh), the Group's JV in India. In the past fiscal year, the leadership team had increased the share of retail sales as well as substantially tapped e-commerce. This trend is expected to continue with sustained focus on e-commerce, broader and deeper reach in retail, along with new product innovation and ongoing cost optimization efforts to mitigate unprecedented cost inflation.

SHARE PRICE AND CALENDAR

DEL MONTE PACIFIC SHARE PRICE ON THE SINGAPORE EXCHANGE AND THE PHILIPPINE STOCK EXCHANGE



DEL MONTE PACIFIC SHARE PRICE HIGHLIGHTS*

	in SGX (S$)				in PSE (PhP)			
	up to 3 July 2023	2022	2021	2020	up to 3 July 2023	2022	2021	2020
Low	0.191	0.280	0.194	0.067	8.51	12.10	7.26	2.50
High	0.335	0.385	0.465	0.225	14.18	14.80	17.98	8.10
End of period	0.191	0.335	0.405	0.196	8.80	14.00	15.52	7.21
Average	0.262	0.341	0.338	0.114	11.79	13.56	12.82	4.72

*Calendar Year basis

CALENDAR FOR FY2024 (MAY 2023 - APRIL 2024)

29 Aug 2023	FY2023 Annual General Meeting
7 Sep 2023	1Q FY2024 results announcement
13 Dec 2023	2Q FY2024 results announcement
13 Mar 2024	3Q FY2024 results announcement
26 Jun 2024	4Q FY2024 results announcement

From December onwards, the schedule is indicative and is subject to changes. The final dates will be announced about a week before the results announcement.

Del Monte Pacific's virtual AGM

RISK MANAGEMENT

RISK MANAGEMENT FRAMEWORK

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

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

RISK MANAGEMENT APPROACH

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

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

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

RISK MANAGEMENT AND INTERNAL CONTROLS

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

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

FINANCIAL AUTHORITY LIMITS

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

CODE OF BUSINESS ETHICS

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

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

WHISTLEBLOWER POLICY

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

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

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

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

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

RISK APPETITE

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

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

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

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

IMPACT \ PROBABILITY	Low	Medium	High
High	Urgent	Critical	Critical
Medium	Pre-emptive	Urgent	Critical
Low	Pre-emptive	Pre-emptive	Urgent

RISK MANAGEMENT

Principal Risk	Specific Risk We Face	Mitigation
Cost Increases and Inflationary Pressures	Del Monte Pacific Group's subsidiaries have experienced cost increases in raw materials, packaging and other inputs, including tin plate, raw produce, fuel and labor. Geo-political conflict, inflation, and supply chain challenges put pressure on the company's margins and working capital.	• Cost reduction initiatives, productivity improvements and price adjustment • Socialize inflationary cost increases with customers and private labels to mitigate the risk on price actions to address inflation • Expand plant direct shipment to minimize freight cost and explore giving incentives for customers who can pick-up their orders • Expand the global sourcing strategy • Collaborate value engineering initiatives with cross-functional teams • Renegotiate supplier contracts, vendor bidding and contracts by collaborating with a cross functional team and prioritize strategic sourcing • Rationalize trade spending where gross margins are not in accordance with strategy • Reduce conversion cost year-on-year • Optimize packaging base weight • Minimize increases in overhead spending
Leverage and Liquidity	The Group has availed loan facilities, resulting in a leveraged balance sheet. Risks arise if the Group is unable to service its interest and principal obligations in full and on time affecting its liquidity. This will also impact the Group's performance, cash flow and may breach the financial covenants set under the relevant loan facility.	• Improve cash flows through the following: › Improve working capital by reducing inventory › Monitor sales and selling, production levels, productivity enhancements and operational efficiencies › Move out of over-packed and surplus items › Generate more cash flow › Conduct monthly working capital and cash flow review / forecast › Pay down debt • Work with agent bank to increase the amount available to borrow under the Asset-Based Line of credit • Raise capital to repay debt
Supply Chain Optimization and Excellence	The Group entered into supply agreements with third-party co-manufacturers which are subject to a number of regulations. Unanticipated and unbudgeted cost increases on material, labor factory overheads, transportation, raw produce and tin plate cost exacerbate the risks. Lower cost may not be realized due to organization culture, resources and capabilities of co-manufacturers.	• Put in place new plant management with strong leadership and transformation skills in most locations • Implement a robust transformation program that instills ownership and accountability across the supply chain and support function to deliver the plans • Standardize and simplify processes and procedures where appropriate, and embed new processes and procedures to control supply and costs • Seek strategic partnerships with co-manufacturers to maximize production, introduce new capabilities, increase speed to market and find less seasonal options • Improve planning, forecasting and communication with Demand Planning and Sales to ensure products are at the distribution centers to meet customer demand • Address gaps during consolidation of production facilities and distribution centers • Optimize transportation rates through third parties • Maximize rail transportation to realize savings • Improve transportation planning and cross functional interaction between departments to optimize ocean freight • Monitor line losses, bill of material variances, and recovery yields • Conduct regular contract review to seek cost saving opportunities and assess creative ways to ensure labor availability during the pack season • Improve coordination and align deployment plans • Put in place a process with clear performance expectations and targets, and benchmarking per plant

Principal Risk	Specific Risk We Face	Mitigation
Cybersecurity and Optimization of Systems and Automation	Cyberattacks can disrupt operations by exploiting weaknesses in network devices and servers, corrupting information and stealing confidential data which can lead to financial losses, among others. New systems and systems enhancements are complex and resource intensive. Inability to realize return on investment on these new systems and system enhancements, security upgrades and management processes may hamper the Group's digitization and transformation.	• Address and monitor malicious activities identified by tools and routines that have been deployed by a dedicated Security Incident Monitoring and Operations Group • Provide alerts from applications and network hardware and put in place cadence and tools for security information and event monitoring • Conduct regular security patching for Windows, servers and computers • Put in place an incident response plan and team • Build and stabilize a high performance Information Technology organization and assess systems, processes, risks, and develop people resources • Initiate an IT Steering Committee to provide oversight • Implement weekly working sessions with business partner to improve coordination • Establish IT Governance to rationalize and prioritize systems enhancements and project demand funnel to focus on business value, protect the overall IT environment, and simplify and harmonize business processes • Implement digitization and transformation Initiatives and priorities: warehouse management system, sales and promotion planning, supply and demand planning, materials resource planning, procurement processes, raw produce and growers payables, supply chain metrics, and cybersecurity, among others
Efficient and Effective Processes	Efficient and effective processes ensure the Group makes sound business decisions, overcomes challenges and disruptions and sustains its growth and profitability. Certain processes are not reviewed and may be inconsistent and/or not optimized.	• Effective leaders were put in place in Sales, Operations, Information Technology, Supply Chain, Finance and plant management to drive results and improvements • Implement a more rigorous review process along with performance rating alignment to incentivize and reward results • Include cost reduction and improvement initiatives in employees' key objectives • Fix the basics, enhance process improvements and include functional goals in several departments • Adjust work flows to address changes in the organization • Use Information Technology and ERP functionality to drive process improvements • Reduce variations through a revised packaging strategy and assessment to eliminate complexity and waste • Update policies and responsibility assignment matrix
Product Supply	Insufficient product inventory to meet consumer demand may affect the Group's revenue and profitability. Permanent loss of shelf space and non-acceptance of new products are possible consequences. Adverse weather conditions and competing crops could limit raw product supply and increase prices. Pineapple tonnage brought about by climate change, pests and plant disease may affect our ability to meet our targets.	• Improve long run demand and supply planning capability • Improve weeks of supply to targeted levels • Supplement fresh pack supplies of certain vegetables with Individually Quick Frozen (IQF) • Develop alternate raw product sourcing and implement a global sourcing strategy • Extend the growing season to improve plant capacity and utilization • Identify alert pineapple fields • Intensify soil conservation measures • Sustain better root health thru Integrated Pest Management (IPM) Program • Install grub traps and fast-track alternative safe chemicals to control pest and disease • Implement plans to mitigate climate change and weather disturbances such as El Niño and La Niña

RISK MANAGEMENT

<table>
<tr><th>Principal Risk</th><th>Specific Risk We Face</th><th>Mitigation</th></tr>
<tr><td>Evolving Market Trends and Parameters of Commercial Excellence</td><td>The Group's results depend highly on the performance of our products in the categories where we compete. Inability to meet the plan may result to impairment of goodwill and the Group's ability to fund operations, manage obligations, and maintain its reputation.

Volume loss due to price increases, reduced promotional and marketing activities, category growth assumptions, acceptance of new products, private labels, customer service and program execution are market challenges the Group needs to hurdle to deliver the objectives.

Consumer preferences and purchasing habits have evolved after the pandemic. Dining trends are shifting to fresh, convenient products away from the center of store. Consumers have strong preference to healthy, nutritious and sustainably grown or produced products, especially the younger generation.

E-commerce continues to grow even after the COVID-19 pandemic.</td><td>• Monitor and manage price gaps by tracking competitive price points
• Implement SKU rationalization through brand recognition and quality to improve profitability and increase market share
• Limit private labels to select strategic customers only in areas of excess capacity
• Establish new capabilities to expand the Group's presence in growing channels such as e-commerce through online retail sites and convenience stores
• Enhance relevance of existing portfolio and brands through consumer communication and marketing strategy
• Increase trade funding to reinstate price gaps
• Pursue profitable high margin bids
• Enhance sales processes to improve forecasting and a new profit mindset to increase gross margin
• Improve new products forecast accuracy from added knowledge from customers, velocities and marketing support needed
• Monitor market trends and vaccine distribution leading to reopening of schools, offices and food service businesses
• Implement a quarterly customer business review with executive management to address challenges
• Identify categories and products that perform well
• Minimize customer service issues
• Drive distribution in new channels</td></tr>
<tr><td>Workforce Management
– Pack Planning
– Employee Turnover</td><td>In the U.S., seasonal labor is scarce and the minimum wage is high, especially in certain states. Capabilities and skills need to be sustainable. Wages including overtime and training cost increases need to be addressed.

While there is an increase in the number of workers re-entering the workforce, challenges abound in keeping seasonal employees and work on the scheduled pack season.

In some plants, the high turnover rate impacts the facility's ability to fully staff the operations especially during peak seasons.</td><td>• Provide standardized pack season incentives and help share recruiting resources
• Implement seasonal labor wage increase and close the wage gap between certain facilities
• Use of technology as part of pre-pack planning by sending out communication to engage with recall candidates and inform them of upcoming recall events
• Explore housing options for seasonal employees instead of providing hotel rooms and monthly stipend
• Collaborate with Talent Acquisition in holding recall events through various job fairs
• Use of technology solution for a wider reach of candidates in addition to the in-house teams
• Redesign the onboarding experience for seasonal employees
• Put in place a retention strategy to address employee experience and create a Great Place to Work culture
• Provide a structured training program
• Automate packaging process, reallocate headcount to another production process to optimize productivity
• Modify the production plan and use the demand to ensure productive continuity of the manufacturing facilities and ensure work is available all year round</td></tr>
</table>

Principal Risk	Specific Risk We Face	Mitigation
Recruitment and Retention of Talent	The Group's capability to recruit and retain diverse talents has an impact on the execution of the strategic plan and is critical in enhancing organization's success. Employees' demand for flexible work arrangements and work-life balance are key considerations especially with the Gen Z's. Organizational changes can cause employee fatigue, increase workload and job uncertainty.	• Recruit and retain talents who can execute corporate strategies: › Continue to pull the New Employee Value Proposition through all internal and external channels › Rebrand Careers Website as well as Talent Network to generate candidate pipelines › Reduce usage of external recruitment search partners and agencies › Enforce and monitor measurable functional goals • Continue the positive momentum on corporate inclusion and diversity › Increase frequency of Diversity, Equity and Inclusion events and recognitions through the employee resource groups › Execute current Great Place to Work action plans, launch a new survey, communicate results and update action plans › Create awareness, and improve work culture and retention › Increase focus on recognition platforms › Showcase employee resource groups in the careers website to encourage diverse candidates to apply › Strengthen relationships to broadcast job openings to diversity groups and diversity job boards › Launch the alumni page to encourage boomerang employees and promote an inclusive culture › Maintain 100 score and ranking as a "Best Place to Work for LGBTQ+" in Human Rights Foundation's Corporate Equality Index • Manage the effects of the Great Resignation and gig economy impact › Register as an employer in additional states to find the right talent › Consider Gen Z's preference for flexible work arrangements and work-life balance consideration
Third Party Risks	The Group has strategic relationships with a number of key third parties, including certain large suppliers and trade customers, among others. The frequency and scale of use and sale by the company raises regulatory expectations as to how organizations manage third party risks. These third parties include packaging suppliers, co-manufacturers and co-packers, global sourcing partners, accounting and IT partners and outsourced transportation. The Group may not have the tools, guidance and time to effectively manage and monitor third-party risks. Ongoing monitoring, risk assessment and communication may not be effective to elevate third-party risks to the leadership.	• Ensure secondary or back-up suppliers are in place or pursued where business continuity or relationship risks have a material impact to the Group • Negotiate a win-win approach for long-term relationship • Conduct regular contract review for opportunities to save on cost • Perform a risk assessment of key strategic partners and communicate the risks and action plans • Implement a robust due diligence process for new or significant third parties • Consider a third party due diligence vendor for broader and deeper due diligence process • Conduct quarterly business reviews with clear key performance indicators addressing our priorities • Implement regular benchmarking to measure competitiveness

RISK MANAGEMENT

Principal Risk	Specific Risk We Face	Mitigation
Operations	As an integrated producer of packaged, frozen and fresh fruit products for the world market, the Group's earnings are inevitably subject to certain other risk factors, which include general economic, market and business conditions, change in business strategy or development plans, international business operations, production efficiencies, input costs and availability, disruption of logistics and transportation facilities, obsolescence, litigious counterparties, insurgent activities, virulent disease, and changes in government regulations, including environmental regulations.	• Execute a long-term strategic plan and Annual Operating Plan with clear targets and accountabilities, supported by a BCP, risk management and a corporate sustainability program • Enhance relevance of existing products across key brands and segments through marketing strategy and consumer communication • Implement price adjustments to cover cost inflation • Rationalize low margin products • Optimize packing operations, procurement, logistics and transportation cost • Pursue productivity-enhancing and efficiency-generating work practices and capital projects • Continue to comply with new legislations on the environment, taxation and labor that affect operations and proactively develop strategies to reduce the impact of these regulations • Manage security risks in operating units by strengthening security measures and improving stakeholder relations in local communities
Environmental Risks	Production output is subject to certain risk factors relating to weather conditions, calamities, crop yields, crop diseases, contract growers and service providers' performance, leasehold arrangements and changes in regulations. There is no assurance that climate change and/or weather disturbances will not materially disrupt the Group's business operations in the future or that the Group is fully capable to deal with these situations with respect to all the damages and economic losses resulting from these risks. New regulations in packaging format, recyclability of materials or packaging taxes may increase product cost.	• The Group develops and executes a long-term strategic plan and Annual Operating Plan, supported by risk mitigation measures • The Group also has disaster recovery plans and a Business Continuity Plan in place • The Group has Good Agricultural Practices and Rainforest Alliance certification, and complies with agricultural standards • Develop initiatives to mitigate climate change, weather disturbances and changing weather patterns • Implement carbon emissions reduction strategies and projects › Increase renewable energy projects by implementing solar power › Conduct soil conservation initiatives › Adopt regenerative, and sustainable farming and manufacturing practices › Harness technology to increase farm yields, productivity and safety › Reduce practices that could adversely affect the environment and biodiversity • Develop a strategic plan to address possible changes in regulations on sustainable packaging • Implement phase-out program for hazardous materials through replacement with alternative sustainable materials • Conduct safety training drills and chemical handling training which covers earthquake, firefighting , evacuation, medical response and chemical response drills • Work with insurance brokers to assess the risk exposure and secure adequate insurance coverage, if cost effective
Innovation Challenges	The Group's branded business in the US, the Philippines and the Indian subcontinent through Del Monte and other brands, and in Asia and the Middle East through the S&W brand, is affected by evolving consumer preferences and trends. Product innovation is one of the Group's strategic pillars. The success of new product launches is a major driver to achieve the Group's strategic plan.	• Develop new products that capitalize on category trends, especially health and wellness, and generate sales • Ensure new product launches and platform criteria are met to improve likelihood of new product success and breakthrough by implementing the following measures: › Shift to branded, value-added and packaged products and limit private label business › Leverage brand heritage for growth and position new products that address consumer needs and preferences › Fast track innovation projects that have oversight from the Executive Leadership Team › Prioritize effective execution and project management to improve margins, profitability and cash flow

Principal Risk	Specific Risk We Face	Mitigation
Occupational Health and Safety	Lost work days due to accidents in the workplace can have a huge impact on the business. DMPL may experience loss of productivity, reduction of sales, low staff morale and loss of reputation. The effects of medical outbreaks of infectious diseases, such as the coronavirus, could affect business and results of operations. The Group may experience volatility in demand for and supply of our products due to supply chain challenges, lockdown restrictions, closing of businesses and unemployment, among others. Accidents and infectious diseases pose a risk to our employees' health and well-being and may reduce employee productivity due to lost work days, illness and government restrictions.	• Comply with the Department of Labor and Employment regulation on Occupational Health and Safety of employees by promoting health and safety programs to prevent accidents in the workplace › Monitor recordable injuries, work-related illnesses, high-consequence injuries, and fatalities especially those who are considered as high risks › Conduct safety training to all workers and ensure safety officers are on site to monitor any incidence of unsafe acts or unsafe conditions in the workplace › Comply with government regulation on setting-up a properly equipped medical clinic based on the number of employees in a facility › Procure the services of a third-party nurse and/or doctor who can provide first-aid and attend to employees' medical emergencies and condition › Provide first aid training to key personnel • Implement safeguards and protocols to minimize operational disruption, due to infectious diseases while adhering to government regulations on health and safety: › Implement guidelines of global and national health agencies, including the Department of Health (DOH) and Department of Labor and Employment (DOLE) to protect our employees › Mandate annual physical examination for all employees › Partner with third party medical providers to conduct health examinations and monitor employee health › Monitor new and emerging infectious disease and its health risks › In case of medical outbreaks, implement various health and safety protocols as required by the DOH and/or the DOLE › Provide hybrid work arrangement and technology support for employees to have continuous access to the ERP network, videoconferencing facilities, online applications, emails and files • Promote health, wellness and nutrition to employees to provide added health protection, increase resistance and immunity when medical outbreaks occur › Conduct learning sessions and training programs for employees to attain a healthy lifestyle › Encourage consumption of a healthy and nutritious diet

OUR SIX SUSTAINABILITY PILLARS

OUR VISION:

NOURISHING FAMILIES. ENRICHING LIVES. EVERY DAY.

Sustaining Growth
- Market leader with iconic brands
- Essential food industry to address consumer needs

Nourishing Consumers
- Plant-based products
- Healthy and nutritious products

Strengthening Governance
- Majority of 4 Independent Directors
- 2022 Best Managed Board (Silver) Singapore Corporate Award

Nurturing Employees
- 40% women leaders in senior management
- 11,000 full-time and seasonal employees

Preserving Nature
- Pineapple operations certified as carbon negative
- 665k trees planted to date

Developing Communities
- 32k medical and dental patients served
- 200k people nourished during the year

KEY SUSTAINABILITY GOALS

BETTER NUTRITION

- More nutritious products
- Product innovation and renovation with more positive nutrients
- Reduced sugar and sodium
- Plant- based
- Health and wellness

ESG ETHOS

- Environmental, Social, Governance corporate culture
- Sustainability goals
- Employee engagement, well-being
- Diversity, equality, inclusion
- Community development

WASTE REDUCTION

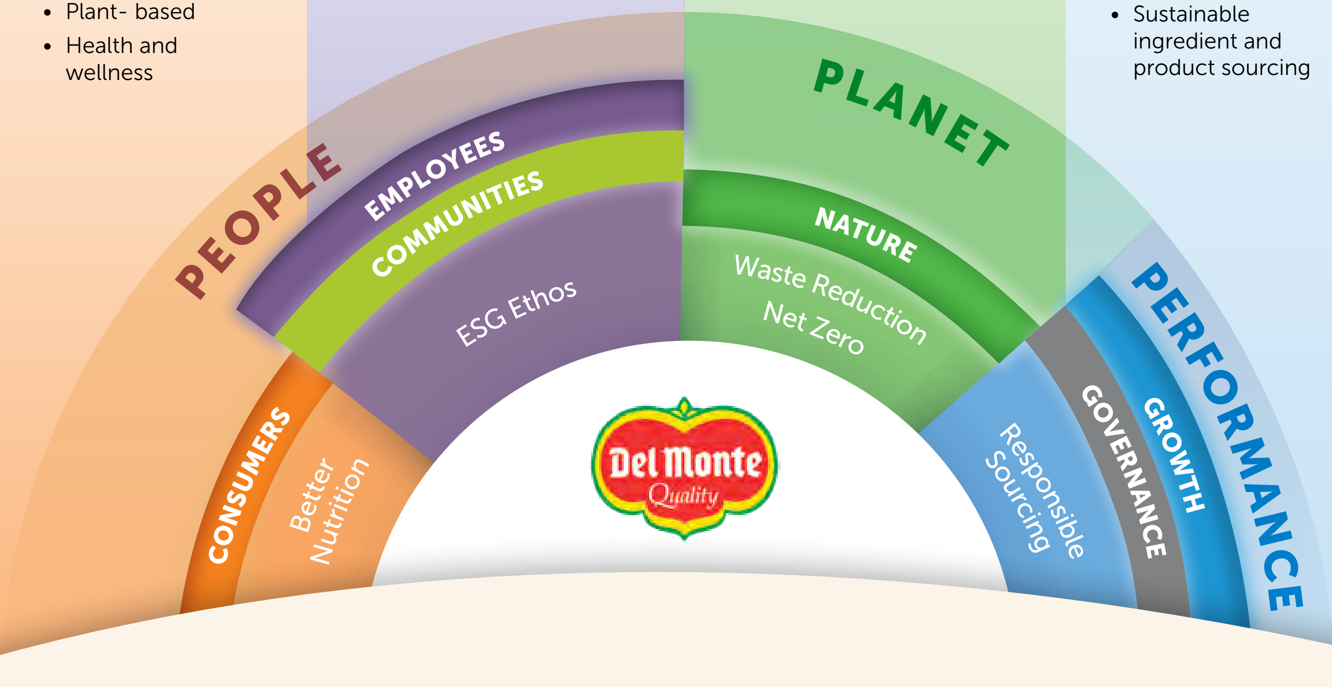
- Reduce wastage from production to distribution
- Manage material usage
- Plastic solution
- Recycle, reuse and repurpose
- Lower environmental impact

NET ZERO

- Net zero carbon emissions by 2050
- Pineapple operations negative carbon footprint
- Renewable energy
- Sustainable agriculture, manufacturing and supply chain

RESPONSIBLE SOURCING

- Supplier code of conduct adherence
- Environmental and social compliance
- Sustainability programs of suppliers
- Sustainable ingredient and product sourcing

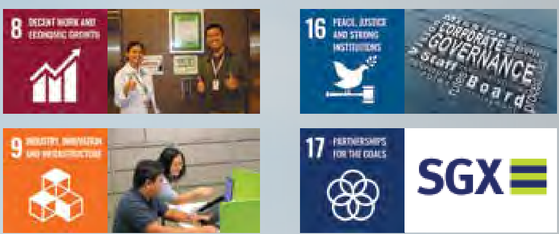


OUR SUSTAINABILITY GOALS ARE ALIGNED WITH THE UN SUSTAINABLE DEVELOPMENT GOALS.

DMPL'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

SUSTAINING GROWTH

STRENGTHENING GOVERNANCE



PRESERVING NATURE

NOURISHING CONSUMERS

NURTURING EMPLOYEES

DEVELOPING COMMUNITIES

DMPL'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

UN SDGs	Description	DMPL's Position	Contribution to the SDGs	Linked to
1 NO POVERTY	**Goal 1: No Poverty** End Poverty in all its forms everywhere	DMPL Group strives to uplift the lives of poor families by providing employment to people in communities where we operate	• About **6,300** full-time and **4,700** seasonal employees, and **17,700** service providers in Del Monte Philippines, Inc. (DMPI) are paid the minimum wage or above • In the US, Del Monte Foods, Inc. (DMFI) meets the **living wage** in each of our major operating areas based on the Massachusetts Institute of Technology definition	GRI 13.21
2 ZERO HUNGER	**Goal 2: No Hunger** End hunger, achieve food security and improved nutrition and promote sustainable agriculture	DMPL implements sustainable agricultural practices to increase productivity and production, help maintain ecosystems, adapt processes to combat climate change and reduce soil erosion to 10 metric tons per hectare annually	• DMFI works with growers and the **Stewardship Index of Specialty Crops (SISC)** to implement sustainable farming practices and ensure stable crop yields • DMFI and its growers use **CropTrak™** software to track various data including sustainability • DMPI manages soil health through various sustainable practices • DMPI has a **Smart Farm Roadmap** that uses big data analytics, to harness technology in farm management	GRI 13.9 GRI 13.10 Task Force on Climate-Related Financial Disclosure (TCFD) GlobalG.A.P.
3 GOOD HEALTH AND WELL-BEING	**Goal 3: Good Health and Well-Being** Ensure healthy lives and promote well-being for all at all ages	As a food and beverage company, DMPL is committed to **'Better Nutrition'** to promote health and well-being of people	• In FY2023, DMPI reduced sugar and sodium by an average of **8.5%** and **7.0%**, respectively • **80%** of Del Monte products in the Philippines provide better nutrition based on a global nutrition profile system • Over **32,200 patients** were served by the Foundation's Mobile Clinic during the fiscal year	GRI 13.10 GRI 13.12
4 QUALITY EDUCATION	**Goal 4: Quality Education** Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	DMPL ensures equal opportunity for employees to develop their skills through training courses for all women and men, and provide communities with access to proper education and skills training through the Del Monte Foundation	• Provided training to DMPL employees: › **12.0 average training** hours for male › **10.0 average training** hours for female • The Foundation supported **300 scholars** from high school to college levels during the school year 2022-2023 • In partnership with TESDA, **160** women, out-of-school, unemployed heads of families and farmers were provided with technical skills training such as dressmaking, defensive driving, and organic farming • **80 Indigenous Peoples families** participated in the Citronella Growing Project of the Foundation in Talakag, Bukidnon	GRI 13.15 GRI 13.12

UN SDGs	Description	DMPL's Position	Contribution to the SDGs	Linked to
	Goal 5: Gender Equality Achieve gender equality and empower all women and girls	The Group promotes a diverse workforce of women and men, provides equitable livelihood opportunities, and ensures women are given equal opportunities for leadership roles at all levels	• **40%** of the Group's senior management team are women • Workforce gender ratio: **63% men, 37% women** • DMPL provides equal opportunity for men, women, LGBTQ+ for vacant job postings • Del Monte Foods, Inc. received a **score of 100** on the Human Rights Campaign Foundation's 2022 Corporate Equality Index annual assessment and was designated as one of the **Best Places to Work for LGBTQ+ Equality**	GRI 13.15
	Goal 6: Clean Water and Sanitation Ensure water availability and sustainable management of water and sanitation for all	DMPL pledges to provide clean drinking water, adequate sewage disposal, and access to clean, safe water and sanitation	• The Foundation implemented water system projects to provide water access and availability to **290 families** in two locations in Bukidnon • In partnership with the local government units and a private NGO, **312 families** improved their sanitation and hygiene through the Foundation's toilet construction project	GRI 13.12
	Goal 7: Affordable and Clean Energy Ensure access to affordable, reliable, sustainable and modern energy for all	The Group commits to increase usage of renewable energy, and optimize efficiency across energy sources in its operations	• In the US, Del Monte's solar panels in Hanford produced **401 megawatt-hours** of electricity • DMPI's waste-to-energy facility contributed **20% of the electricity** of the cannery contributing to its carbon emissions reduction	GRI 13.1
	Goal 8: Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	DMPL commits to protect labor rights, the right to freedom of association, and promote safe and secure working environments for all workers	• **79% of DMPI Mindanao-based employees** are members of an Employee Union • **73% of full-time and seasonal workers** in DMFI are union members • **100 % of Cabuyao-based employees** in the Bottling Plant are members of an Employees Council	GRI 13.18
	Goal 9: Industry, Innovation and Infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	The Group advocates inclusive growth by providing opportunities for small and medium enterprises as part of **'Responsible Sourcing'**, promotes innovation, leverages technology to improve production efficiency and infrastructure	• About **60% of DMPI suppliers** are small and medium enterprises supplying various products and services – e.g. papaya outgrowers, service providers, Nata de Coco supplier and wooden pallets supplier • New product innovations contributed **9% of total Group sales**	GRI 13.22

DMPL'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

UN SDGs	Description	DMPL's Position	Contribution to the SDGs	Linked to
	Goal 10: Reduced Inequalities Reduce inequality within and among countries	DMPL's Human Rights policy and Supplier Code of Conduct promote respect for human rights, and provide equal opportunity for all genders	• DMPL has a Code of Business Ethics which serves as a guide for its close to **6,300 full time** employees in the US and the Philippines, and about **4,700 seasonal workers** in the US • Del Monte has Data Privacy, and a Policy and Data Relating to Health, Safety and Welfare of Employees that ensures employees are not discriminated on the grounds of nationality, ethnic group, religion, age and gender	GRI 13.15 13.20
	Goal 11: Sustainable Cities and Communities Make cities and human settlements inclusive, safe, resilient and sustainable	Provide employees and communities with a safe and sustainable living environment	• Del Monte in the Philippines provides close to **1,400 houses and 50 dormitories** for plantation workers • The **camp sites** around the plantation, where DMPI employees and their families reside, have schools, churches and sports facilities	GRI 13.22
	Goal 12: Responsible Consumption and Production Ensure sustainable consumption and production patterns	The Group implements **'Waste Reduction'** in its operations through material reduction, recycling, reuse and repurposing, and promotion of clean emissions and effluent	• DMFI's paper-based products are **100 percent certified by** Sustainable Forestry Initiative® or Forest Stewardship Council® • DMFI received **five Upcycled Certified™ recognition from Upcycled Food Association** by transforming surplus ingredients into new, high-quality products • Del Monte in the US re-diverted more than **25 million pounds** of food from landfills through a upcycling and food donations • DMPI reduced rigid plastic bottles and caps material usage by **9%**, tin cans by **7%** and stand-up pouches by **4%**	GRI 13.8
	Goal 13: Climate Action Take urgent action to combat climate change and its impacts	DMPL commits to **'Net Zero Carbon Emissions'** by reducing its greenhouse gas emissions in its operations and implementing climate change risk mitigation including renewable energy and reforestation	• Del Monte Pacific Limited commits to achieving **net-zero emissions by 2050** • Both DMFI and DMPI are measuring their carbon emissions to include **scope 3** upstream and downstream GHG emissions • Del Monte Foundation embarked on a multipartite agreement for **bamboo-growing** at the riverbanks and slopes of the Bubonawan watershed in Mt. Kitanglad to protect the watershed, prevent soil erosion and provide livelihood for Indigenous People	GRI 13.1 GRI 13.2 GRI 13.4
	Goal 14: Life Below Water Conserve and sustainably use the oceans, seas and marine resources for sustainable development	The Group commits to protect marine and coastal ecosystems to avoid significant adverse impacts, and take action to conserve marine life by treating waste that goes to waterways	• Through the wastewater-to-energy facility, DMPI cleansed its Bugo facility water discharge at Macajalar Bay which has Biochemical Oxygen Demand levels better than government mandated **100mg /liter** • **2% reduction** in the Group's Water Use Ratio in FY23 vs. FY22	GRI 13.7

UN SDGs	Description	DMPL's Position	Contribution to the SDGs	Linked to
15 LIFE ON LAND	**Goal 15: Life on Land** Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	DMPL commits to protect biodiversity through sustainable agricultural practices and reforestation, and promote environmental stewardship of natural resources	• **35,000 trees** were collectively planted by the Foundation and its partners for reforestation and soil conservation purposes • The Foundation continues its **7-hectare agro forestry project** in Mt. Kitanglad with the indigenous community that grows coffee and bamboo for livelihood in order to protect the forest from denudation • Del Monte Foundation and the Environment and Natural Resources Office of a locality in Bukidnon collaborated to rehabilitate the mangroves in coastal areas through a **Mangrove Tree Growing Project**	GHG 13.1 GHG 13.3 GHG 13.13
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	**Goal 16: Peace, Justice and Strong Institutions** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Part of DMPL's **'ESG Ethos'** is to uphold good governance, eliminate corruption and bribery in all its forms and promote industrial peace	• DMFI provides **anti-corruption training** biennially to management and certain personnel that interact with government officials • DMPI has a stringent **policy against fraud and corruption** through the Code of Business Ethics, supplemented by the Employee Code of Conduct and Supplier Code of Conduct, which helps employees and business partners to have harmonious business relationships • DMPL's employees, suppliers and contractors should adhere to its **Human Rights policy and Supplier Code of Conduct**	GRI 13.15 GRI 13.16 GRI 13.17
17 PARTNERSHIPS FOR THE GOALS	**Goal 17: Partnerships for the Goals** Strengthen the means of implementation and revitalize the Global Partnerships for Sustainable Development	Del Monte Pacific pursues global partnerships with stakeholders for sustainable development	• The Group **engages stakeholders** such as Feeding America, Upcycled Food Coalition, SBTi, Rise Against Hunger, Packaging Institute of the Philippines and the Philippine Chamber of Food Manufacturers, Inc. as partners in the Group's sustainability goals	GRI 13.9

CLIMATE-RELATED REPORT

Peach orchard in Northwest Valley

INTRODUCTION

Del Monte Pacific's (DMPL) climate-related report outlines actual and potential impacts on our business, as well as opportunities and strategies to mitigate risks. DMPL adapts to the evolving climate change and adjusts its mitigation strategies accordingly.

The company's operations have experienced first-hand how climate change has impacted its operations such as water stress in the US, drought caused by El Niño, and heavy rainfall due to La Niña in the Philippines. Del Monte in the Philippines also experienced more frequent typhoons in recent years.

DMPL commits to net-zero carbon emissions goals by 2050. The goal is to reduce scopes 1, 2 and 3 carbon emissions and support the call to limit the rising of the global temperature. Del Monte Foods, Inc. (DMFI) has registered with the Science Based Targets Initiative (SBTi) to align with its net zero standards and define a measurable path not only to the net-zero emissions goal, but also to drive near-term, consistent progress for reducing emissions across the supply chain versus specific 2030 emissions reduction targets as aligned with SBTi criteria. Del Monte Philippines, Inc. (DMPI) is expanding its scope 3 GHG emissions report to include emissions of our toll packers, top suppliers, transportation and logistics service providers.

The Group will pursue opportunities to reduce its carbon emissions. DMPL will work with its value chain, suppliers, third party manufacturers and customers to develop a glide path to net-zero emissions and report on progress against these goals.

DMPL developed its metrics and targets with various stakeholders based on an assessment and understanding of its climate-related risks. Under different climate scenarios, the Group will update its strategies, mitigate risks and implement opportunities. DMPL will integrate these assessments into the Group's strategic planning and enterprise risk management frameworks to ensure it adapts to climate change.

GOVERNANCE

Board Oversight

DMPL is committed to high standards of corporate governance and supports the principles of openness, integrity and accountability advocated by the Singapore Exchange Securities Trading Limited (SGX-ST), and similarly upheld by the Philippine Stock Exchange, Inc. (PSE) and the Philippine Securities and Exchange Commission (SEC). The Board of Directors and Management are also committed to uphold the Company's governance framework.

DMPL's governance on climate change is evolving. Management is responsible for overseeing the Group's risks across functions. Risk assessment and mitigation are aligned with the Group's strategy and form an integral part of the annual business planning and budgeting process. Climate-related risks and its impact on DMPL's business have been part of the Company's risk assessment.

THE BOARD OF DIRECTORS AND MANAGEMENT

Sustainability is part of the Board's agenda at least twice a year. The Board approves the Group's sustainability objectives, goals and projects which include, among others, climate-related projects. The Board also oversees their progress and disclosures in the Annual Report and Sustainability Report.

Management is responsible for overseeing the Group's risks across functions. Risk assessment and mitigation are aligned with the Group's strategy and form an integral part of the annual business planning and budgeting process.

NOMINATING AND GOVERNANCE COMMITTEE

Headed by an independent director, tasked with ensuring compliance with and proper observance of corporate governance principles and practices

AUDIT AND RISK COMMITTEE

Reviews climate-related risks quarterly as part of the Risk Management report on principal risks. Risk assessment and evaluation is an integral part of the Annual Operating Plan. Identified risks are also included and monitored in the corporate risk register, and mitigating measures are followed up with the relevant stakeholders.

CHIEF CORPORATE OFFICER

Leads the sustainability agenda of the Group and updates the Board and management on sustainability goals and projects.

SUSTAINABILITY TEAM

Provides direction and supports the sustainability initiatives of different departments, follows up their goals and progress. The sustainability team updates the Board and also reviews the Risk Management report for the Board. The leadership team has been tasked by the Board to include ESG-related goals and KPIs in their annual performance goals.

Next Steps

We have engaged an independent third party firm to conduct a materiality assessment of the company's material topics, including climate change. DMPL will continue to benchmark with the best practices of leading organizations, engage experts on climate change, and include climate-related challenges in decision making on strategy and performance objectives.

STRATEGY AND RISK MANAGEMENT

Scenario Analysis

Part of strategy development is to use scenario analysis of possible outcomes brought about by climate change. Scenario analysis can aid companies as a tool for strategic planning and risk management. The Company engaged an external firm to conduct a climate scenario analysis of our operations in Mindanao, Philippines. The results will form part of the Group's climate-related risks and opportunities which we will report on next fiscal year.

Task Force on Climate-Related Financial Disclosures (TCFD) requires companies to assess their resilience under different external conditions. Companies can use the Intergovernmental Panel on Climate Change (IPCC) and the Representative Concentration Pathway (RCP) on greenhouse gas emissions using climate model simulations to

Pineapple operations certified carbon negative project their consequences. The information published by the IPCC assessment report on the scientific, technological, environmental, economic and social aspects of mitigation of climate change can be used.

Risks are classified as physical or transition risks. Physical risks relate to the physical impact of climate change such as extreme weather conditions, e.g. drought, heat waves, extreme heavy rainfall and water stress, and chronic longer-term climate shifts, e.g. rising sea levels and sustained high temperatures. Transition risks relate to shifts in the policy, technology, social and economic landscape that are likely to occur in the transition to a low carbon economy. Companies need to assess the potential impact of these risks, and the strategies and timeline to mitigate these risks.

Climate-related Risks in the US

Del Monte Foods, Inc. (DMFI), a subsidiary of DMPL, operates eight manufacturing facilities in North America focused on the canning of vegetables and fruits. Vegetable plants are located in Washington and Wisconsin, while fruit plants are located in California, Washington, and Mexico, and one tomato plant is located in California.

DMFI has a seasonal production cycle that generally runs between the months of June and October. This seasonal production primarily relates to the majority of processed vegetable, fruit and tomato products. The seasonal nature of DMFI's fresh harvest leaves the company vulnerable to extreme weather events that could affect crop development or crop harvest as there is only one main season per year that we are able to source our raw materials.

Climate change poses a risk to the business as weather patterns across the United States and Mexico have changed since the company started its operations in its growing areas. Wind storms, droughts, extreme heat, and extreme rainfall are increasing in these areas, which may affect agricultural output and the operations of production facilities.

Pear Orchard Bloom in the US

DMFI has been adapting its agricultural procurement practices to address potential disruptions caused by changing weather conditions, which may result in higher cost of operations, decreased production output and profitability. The Company has implemented various measures to protect itself from the business impacts of climate change.

While DMFI implements these measures, monitors situations of weather disturbances and executes its mitigating plans accordingly, the Company is not able to eliminate the risks relating to the exposure of the agricultural sector to fluctuations in weather conditions.

DMFI Mitigating Measures against Climate Change
Breed seeds for peas, beans, corn, and spinach to exhibit beneficial characteristics such as high yield, hardiness, and pest-resistance which increases their resilience to chronic climate-related events and changing climatic zones, such as drought and increasing pest pressures.
Issue monthly crop reports monthly during planting and harvesting seasons detailing how weather events affect the quality and recovery of contracted crops, and to manage raw product inventory.
Source raw materials from a number of regions instead of a single region and have back-up procurement on hand.
Embark on an irrigation optimization project with growers, other food processors, and the California Tomato Growers Association to optimize water use while maintaining crop productivity, thus lessening the strain of drought.
Install a combined heat and power system, selective catalytic reduction unit, condensing economizer, and backpressure turbine generator in the boiler system of its Modesto, California facility that cut natural gas use by 20%.
Implement lighting, compressed air, and other electric efficiency upgrades that reduced energy use by 12%.
Purchase a previously leased solar power generation installation in Hanford, California to reduce our energy bills and emissions.
Work with growers to mitigate their GHG emissions and manage their water use.

Climate-related Risks in the Philippines

DMPI, a subsidiary of Del Monte Pacific Limited, operates a 28,000-hectare pineapple plantation in Bukidnon and Misamis Oriental, Philippines and a Processing Plant in Bugo, Cagayan de Oro City. Pineapple-related products account for a large component of the Company's total production and revenue, and pineapples comprise the Company's main crop. About 66% of DMPI's total revenue is from the sale of pineapple-related products sourced from its Mindanao plantation.

DMPI's business is susceptible to natural phenomena, such as weather disturbances and other natural disasters. The Philippines, which is located along the Pacific Ring of Fire and a typhoon belt, experienced a number of major natural catastrophes over the past years, including typhoons, volcanic eruptions, earthquakes, tsunamis, mudslides, fires, droughts and floods related to El Niño and La Niña weather event, respectively. DMPI's plantations are located in northern Mindanao, which is outside the typhoon belt and earthquake faults. The plantations are located on a high elevation which minimizes the risk of flooding. However, there is no assurance that natural catastrophes will not materially disrupt the Company's business operations in the future.

Climate change poses a risk to the business as weather patterns in Mindanao have changed since the Company started its operations in the area. The occurrence of droughts, typhoons and flooding is increasing in Bukidnon and Cagayan de Oro, which may affect agricultural output and the operations of the Bugo Processing and Production Facility. DMPI has been adapting its agricultural and production practices to address disruptions caused by changing weather conditions, which may result in decreased production output, higher cost of operations, and lower profitability.

DMPI Mitigating Measures against Climate Change
Continuous enforcement of land preparation activities, soil management practices and reinforcing root health, among others.
Implement Seed-to-Mouth program and strictly comply with good agricultural and manufacturing practices.
Manage the potential impact from drought or heavy rainfall and floods by planting crops on various locations over a large area to minimize tonnage loss.
Use backhoes and wheel tractors as towing units for continuity of harvest during wet conditions.
Implement the Business Continuity and Disaster Recovery Plans to mitigate the effects of environmental incidents such as El Niño and La Niña.
Use Unmanned Aerial Vehicles (drones) to monitor crop health and enhance field design.
Employ proactive cost management across the plantation operations to reduce higher pineapple cost resulting form climate-related risks.
Insure potential damage and economic loss resulting from climate-related catastrophes through a business interruption insurance.

Pineapple field in the Philippines

CLIMATE-RELATED REPORT

RISK MANAGEMENT

IMPACT \ PROBABILITY	Low	Medium	High
High	Urgent	Critical	Critical
Medium	Pre-emptive	Urgent	Critical
Low	Pre-emptive	Pre-emptive	Urgent

While DMPI implements these measures, monitors weather disturbances and executes its mitigating plans accordingly, the Company is not able to eliminate the risks relating to the exposure of the plantation to fluctuations in climate conditions.

As a food and beverage company, climate change is a key risk that can impact our business. The Group has a Risk Management framework to assess all types of business risks.

Risk Management is a fundamental part of Del Monte Pacific Limited's processes and planning. Our risk management process is based on industry best practices and provides the principles and guidelines in managing risks.

The Board believes that risk management provides the framework for management to assess climate-related risks and embrace a mindset of resilience. The Group identifies and manages climate-related risks to reduce the uncertainty associated with executing our business strategies and to maximize opportunities that may arise. Climate risks can take various forms and can have material adverse impact on our operations, human resources and financial performance. Mitigating measures are implemented to address these risks.

DMPL's Risk Management framework helps in incorporating climate-related risks and opportunities into our business strategies efficiently. As more data, studies and insights become available, the Group will continue to refine our risk assessment framework.

METRICS AND TARGETS

Del Monte Pacific Limited has set environmental, social and governance goals for the Company. The Group strives toward its ambition to reduce its environmental impact. Our focus is on safeguarding the environment by mitigating the risk of climate change, managing water use and reducing waste. The Group measures and discloses these three focus areas, and other metrics and targets in our operations.

DMPL commits to net-zero emissions goals by 2050. The goal is to reduce scopes 1, 2 and 3 carbon emissions and support the call to limit the rising of the global temperature.

The Group will continue to enhance its metrics and targets and develop a roadmap to our net-zero emissions target by 2050. DMPL will work closely with key stakeholders to identify and measure emissions, and explore best practices in using analytics and digitalization to enhance accountability, transparency and decision-making.

DMPL is committed to setting climate goals for a *healthier planet, healthier produce and healthier people*. The Group's business depends on responsible stewardship of nature, the source of our produce. Part of this responsibility is to ensure we reduce our net carbon emissions. Del Monte continues to invest in the present to sustain our future.

Tomato field in California, USA

CORPORATE GOVERNANCE REPORT

SUMMARY OF DISCLOSURE

Pursuant to Rule 710 of the Listing Manual, the table on Summary of Disclosures below describes our corporate governance practices with specific reference to the principles and provisions of the Code.

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Del Monte Pacific Limited (Company or DMPL) is committed to the highest standards of corporate governance and supports the principles of openness, integrity and accountability promoted by the Singapore Exchange Securities Trading Limited (SGX-ST), and similarly upheld by The Philippine Stock Exchange, Inc. (PSE) and the Philippine Securities and Exchange Commission (SEC).

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

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

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

BOARD MATTERS

Principle 1
The Board's Conduct of Affairs

The Board oversees Management and ensures that the long-term interests of the Company's shareholders are served.

The Board provides entrepreneurial leadership and sets the strategic direction for the Company which includes sustainability matters. A section of the Company's Sustainability Report can be found in the "Sustainability" section of this Annual Report. (The complete Sustainability Report is available for download from www.delmontepacific.com and upon request starting August 2023).

The Board is responsible for the overall policies and integrity of the Group to ensure success. The Board, among other things, reviews on an annual basis: (i) the vision and mission of the Company; and (ii) Management's performance. The Board had, on 20 June 2023, reviewed and confirmed the Company's vision and mission.

The Board has adopted a set of internal guidelines specifying matters requiring the Board's approval. These include approval of the Group's strategic plans, appointment of Directors and Key Management Personnel, annual budgets, major investment proposals, and review of the financial performance of the Group. Key Management Personnel refers to the CEO and other persons having authority and responsibility for planning, directing, and controlling the Group's activities. The Board, on the Remuneration and Share Option Committee's (RSOC) recommendation, also approves all remuneration matters involving Directors and Key Management Personnel.

Management is also given clear directions on matters (including set thresholds for certain operational matters relating to subsidiaries) that require the Board's approval.

Certain material corporate actions or material transactions that require the Board's approval include:

- the Group's strategic plans;
- the Group's annual operating plans (AOP);
- quarterly results announcements;
- annual results and financial statements;
- issuance of shares or securities, and grant of share awards or options;
- remuneration and HR matters;
- declaration of dividends;
- convening of shareholders' meetings;

- merger and acquisition transactions;
- certain interested person transactions;
- major transactions and investments exceeding certain thresholds;
- capital expenditure exceeding certain material limits;
- gearing levels and financial risk appetite of the Group; and
- succession plans for Directors and Key Management Personnel, including appointments and the appropriate level of compensation.

The Company's Memorandum of Association and Articles of Association require Directors to abstain from participating in Board discussions on any agenda item in which they are conflicted. All Directors are required to declare if they have a conflict of interest in any matter including corporate transactions, and to voluntarily recuse themselves from all discussions and decisions pertaining to such matters.

The Board likewise reviews and approves all corporate actions for which shareholders' approvals are required.

To facilitate effective management, certain functions have been delegated to various Board Committees, each of which has its own written terms of reference (TOR) and whose actions are reported to, and monitored by, the Board.

The Board Committees, namely, the Audit and Risk Committee (ARC), the Nominating and Governance Committee (NGC), and the RSOC support the Board in discharging its responsibilities. The role and responsibilities of each of the Board Committees are set out separately in this Report. Each committee has been constituted with clearly written TOR that set out its duties, authorities and accountabilities. The TOR are reviewed on a regular basis, at least once annually, to ensure continued relevance and consistency with the 2018 Code and the SEC CG Code.

To achieve its goals, the Board ensures that the Company is equipped with the necessary financial, operational and human resources. The Board, together with Management, shapes the Company's values and standards to be more strategic, innovative, and global in its mindset and outlook.

The Board works closely with Management to drive the Group's business to a higher level of success. Management is accountable to the Board and the performance of Key Management Personnel is reviewed by the Board annually. The Board approves the AOP with key performance metrics. The Board then sanctions and works with the Del Monte Performance Management System as a tool for alignment on annual key result areas (key results performance objectives, with assigned weightage and ratings).

The Board has also put in place a framework of prudent and effective controls that allows risks to be assessed and managed, including the safeguarding of shareholders' interests and the Company's assets.

The Board ensures that obligations to shareholders and other stakeholders are understood and complied with. Stakeholders include shareholders, employees, business partners, suppliers, communities (in areas where the Group has presence), customers and government regulators. With the Company Secretary's assistance, the Board and Management are kept continually apprised of their compliance obligations and responsibilities arising from various regulatory requirements and changes.

The Board meets at least quarterly, or more frequently when required, to review and evaluate the Group's business results and performance, major initiatives and any issues affecting these, and to address key policy matters.

Board meetings are scheduled in advance to enable all Directors to attend and perform their duties. An annual calendar of meetings is prepared and circulated before the start of each financial year. For these meetings or any matter for which the Board's guidance and approval are sought, Management has an obligation to supply the Board with complete, adequate information, in a timely manner. Management endeavors to provide the Board papers and related materials, background, or explanatory information, relating to matters to be brought before the Board, at least five business days before the date of meetings.

The Board and the Board Committees can request further clarification and information from Management on all matters within their purview.

CORPORATE GOVERNANCE REPORT

During the year under review, the Board held four meetings. The Company's Articles of Association allow for tele-conference and video-conference meetings to facilitate participation by Board members and Management. In addition, typically during a financial year, Board meetings are held twice in the United States and once in the Philippines, where the Company's key subsidiaries, Del Monte Foods, Inc. and Del Monte Philippines, Inc., respectively operate. This allows the Board to develop a good understanding of the Group's businesses and to promote active engagement with the Group's Key Management Personnel in these subsidiaries.

Attendance for FY2023
(from 1 May 2022 to 30 April 2023)

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

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

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

DIRECTORS AND OFFICERS TRAINING AND SEMINARS ATTENDED IN FY2023 (MAY 2022 – APRIL 2023)

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

Date	Location	No. of hours	Training/Seminar/Conference	Organizer	Attendees
2 Aug 2022	Online	4.0	Environmental, Social and Governance Essentials	Singapore Institute of Directors	Emil Javier
25 Aug 2022	Online	2.5	CSO Sustainability Leaders Network in Singapore	SGX	Ignacio Sison
13-14 Sep 2022	Online	4.0	2022 HR BEAT Virtual Conference	Willis Towers Watson	Ruiz Salazar
10 Oct 2022	Online	2.0	Corporate Governance Webinar	SIAS	Ignacio Sison
11 Oct 2022	Online	1.0	ESGenome Onboarding Seminar	SGX	Ignacio Sison
11 Nov 2022	Online	3.0	The Corporate Board's Roadmap to ESG-Driven Sustainability Strategy and Reporting The Business Case for Integrity	Center for Global Best Practices	Joselito Campos, Jr.
21 Nov 2022	Online	1.0	ESG Data and Ratings	Standard Chartered Bank and SGX	Ignacio Sison
9 Dec 2022	Online	4.0	Sustainability E-Training for Directors	Institute of Singapore Chartered Accountants and SAC Capital	Godfrey Scotchbrook
5 Jan 2023	Online	4.0	Sustainability E-Training for Directors	Institute of Singapore Chartered Accountants and SAC Capital	Ignacio Sison
1 Feb 2023	Online	1.5	Enabling Sustainable Supply Chains	SCMAP	Ignacio Sison
3 Feb 2023	Online	1.5	Economic Briefing	Credit Suisse and BDO	Ignacio Sison
3 Mar 2023	Online	7.0	Validation of GHG Inventory Management Plan	Synchronized Macro Solutions	Ignacio Sison
29 Mar 2023	Online	1.0	Setting the Pace of Sustainability Reporting	GRI	Ignacio Sison
3-26 April 2023	Online	8.0	Willis Towers Watson's Driving Value in an Age of Disruption	Willis Towers Watson	Ruiz Salazar
17 Apr 2023	Online	1.5	AAF ASEAN Launch Event Empowering Sustainable Agriculture, Aquaculture, and Fishing in Southeast Asia	GRI	Ignacio Sison

All seven Directors had also registered for ESG courses in FY2023, based on the list provided by the SGX, as part of their sustainability training as Board members. Among others, the courses include the Board's roles and responsibilities with respect to sustainability, ESG developments, value creation through ESG, sustainability reporting and climate-related risks reporting.

The NGC had formalized procedures for the selection, appointment and re-appointment of Directors. Letters of appointment are issued to new Directors setting out their duties, obligations, and terms of appointment, as appropriate.

The Board is of the view that all Directors had objectively discharged their duties and responsibilities at all times as fiduciaries, in the Company's best interest.

The Board had received the Best Managed Board (Gold) Award twice from the Singapore Corporate Awards (for companies with a market capitalization of between S$300 million to less than S$1 billion), and it will continue to uphold the Company's high corporate governance standards.

Principle 2
Board Composition and Guidance

The Board comprises seven Directors, three of whom are Executive Directors. The four Non-Executive Directors are Independent Directors. The composition of the Board is as follows:

Mr. Rolando C. Gapud	Executive Chairman
Mr. Joselito D. Campos, Jr.	Executive Director (also Managing Director and CEO)
Mr. Edgardo M. Cruz, Jr.	Executive Director
Mr. Benedict Kwek Gim Song	Lead Independent Director
Mr. Godfrey E. Scotchbrook	Independent Director
Dr. Emil Q. Javier	Independent Director
Mrs. Yvonne Goh	Independent Director

The profiles of the Directors, including information on their appointments and re-appointments, are set out in the "Board of Directors" section of this Report.

The Board is of the view that a strong element of independence is present in the Board with Independent Directors making up a majority of the Board. The Board exercises objective and independent judgment on the Group's corporate affairs. No individual or group of individuals dominates the Board's decision-making.

The Non-Executive Directors contribute to the Board process by monitoring and reviewing Management's performance against pre-determined goals and objectives. Their views and opinions provide an alternative and objective perspective to the Group's business. The Directors exercise independent judgment and discretion on the Group's business activities and transactions, in particular, in situations involving conflicts of interest and other complexities.

The NGC, on an annual basis, determines whether or not a Director is independent, taking into account the 2018 Code's definition and Rule 210(5)(d) of the Listing Manual.

Independence is taken to mean that Directors are independent in conduct, character and judgment, and have no relationship with the Company, or its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interest of the Company. Disclosures of Directors' interests and their interest in transactions are standing agenda items in all Board meetings, and such disclosures would be circulated and tabled for Board members' information, as appropriate.

The Board considers the existence of relationships or circumstances, including those identified by the listing rules of the SGX-ST and the Practice Guidance, that are relevant in its determination as to whether a Director is independent. Such relationships or circumstances include the employment of a Director by the Company or any of its related corporations during the financial year or in any of the past three financial years; a Director who has an immediate family member who is, or has been in any of the past three financial years, employed by the Company or any of its related corporations and whose remuneration is determined by the RSOC; a Director who has been on the Board for an aggregate period of nine years.

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

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

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

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

During the Annual General Meeting (AGM) held on 26 August 2022, the shareholders of the Company had approved the continued appointments of Messrs. Benedict Kwek Gim Song, Emil Q. Javier and Godfrey E. Scotchbrook as Independent Directors, via a two-tier voting, and their appointment will remain in force until the earlier of their retirement, or resignation, or the conclusion of the third AGM.

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

On 11 January 2023, the SGX announced that it would limit the tenure of Independent Directors to nine years and would remove with immediate effect, the two-tier voting mechanism to retain long tenured Independent Directors. Companies listed on the SGX were given until their AGM for the financial year ending on or after 31 December 2023 to comply with this new regulation. Hence the Company will comply not later than its AGM in August 2024 to nominate new Independent Directors to form the majority of Directors in its Board.

The current Directors bring invaluable experience, extensive business network and expertise in specialized fields, such as strategic planning, mergers and acquisitions, corporate finance and restructuring, accounting, marketing and business development, risk and crisis management, corporate communications, investor relations, corporate governance and agronomy.

The size, composition, range of experience and the varied expertise of the current Board allow discussions on policy, strategy, and performance to be critical, informed and effective.

The Board has adopted a Board Diversity Policy which recognizes the importance of diversity. The Board firmly believes that its effectiveness and decision-making will be enhanced as it harnesses the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of its own diverse Board.

The NGC is responsible for administering this policy and for evaluating it annually.

During the year under review, the Independent Directors had met at least once without the presence of the Executive Directors and Management, led by the Lead Independent Director (Lead ID), and the Lead ID provides feedback to the Chairman of the Board and the CEO.

Principle 3
Chairman and Chief Executive Officer

There is a clear division of executive duties and responsibilities in the Company, providing checks and balances to ensure that there is no concentration of power in any one individual and that accountability is increased. The Company's business is managed and administered by the Managing Director and CEO, Mr. Joselito D. Campos Jr., while the Board is headed by Mr. Rolando C. Gapud as Executive Chairman. The Chairman of the Board and the CEO are not related to each other.

The duties of the Executive Chairman include, among other things, providing leadership to the Board and ensuring the Board's effectiveness in all aspects, leading the Company in its relationships with stakeholders and setting the course for the Company to reach greater heights. He works closely with the CEO, as well as the business unit heads on strategic planning. The Executive Chairman leads the Board in charting the Company's strategic roadmap including setting the vision and the key initiatives to achieve it. He is in the forefront of any acquisitions, joint ventures, and strategic alliances of the Company.

The Executive Chairman also sets the tone in Board meetings to encourage proactive participation and constructive discussions on agenda topics. At Board meetings, he ensures that adequate time is allocated for discussion of all agenda items, in particular, discussions on strategic matters and issues. Constructive discussions between the Board and Management are encouraged, as with Executive Directors and Non-Executive Directors. The Executive Chairman ensures that Directors and shareholders alike, receive clear, timely and accurate information from Management, thus maintaining the Company's high standards of corporate governance.

The duties of the CEO include, among other things, determining the Company's strategic direction, formulating, executing and implementing the strategic plan together with its Key Management Personnel. He communicates and implements the Company's vision, mission, values and overall strategy, and promotes any organization change in relation to the same. He oversees the Group's operations and manages its human and financial resources in accordance with its strategic plan. The CEO ensures that he has an in-depth working knowledge of the Group's industry and markets and keeps up to date with developments in both. He also directs, evaluates and guides the work of the Company's Key Management Personnel, provides the Board with timely information, and interfaces between the Board and Management. He builds the corporate culture and motivates the Company's employees and serves as the link between the Company and its stakeholders.

Lead Independent Director

Mr. Benedict Kwek Gim Song acts as the Lead ID and is the principal liaison to address shareholders' concerns, which for any reason direct contact through normal channels to the Chairman, CEO or Management may have failed to resolve, or for which such contact through normal channels may be inappropriate. Questions or feedback may be submitted via email to the Lead ID at ben.kwek@delmontepacific.com.

His role as Lead Independent Director includes the following:

- Acting as liaison between the Independent Directors and the Chairman of the Board, and lead the Independent Directors to provide a non-executive perspective in circumstances where it would be inappropriate for the Chairman to serve in such capacity, and contribute a balanced viewpoint to the Board;

- Advising the Chairman of the Board as to the quality, quantity and timeliness of information submitted by Management that is necessary or appropriate for the Independent Directors to perform their duties effectively and responsibly;

- Assisting the Board in ensuring compliance with and implementing governance guidelines; and

- Serving as a liaison for consultation and communication with shareholders.

During the year under review, the Lead ID met with the other Independent Directors separately from the other Directors.

Principle 4
Board Membership and the Nominating and Governance Committee

The Nominating Committee was set up on 7 February 2003 and renamed on 29 June 2017 as the Nominating and Governance Committee to include corporate governance matters in its functions. It currently comprises the following six members, a majority of whom, including the Chairperson, are Independent Directors:

Mrs. Yvonne Goh	NGC Chairperson
Mr. Benedict Kwek Gim Song	Member
Mr. Godfrey E. Scotchbrook	Member
Dr. Emil Q. Javier	Member
Mr. Rolando C. Gapud	Member
Mr. Edgardo M. Cruz, Jr.	Member

The NGC's main activities are outlined in the commentaries on "Board Composition and Guideline", "Board Membership" and "Board Performance" of this Report.

Under its TOR, the NGC is responsible for reviewing the Board's composition and effectiveness, determining whether Directors possess the requisite qualifications, skills, experience and expertise to meet the Company's needs, and whether their independence is compromised. The NGC also oversees succession planning for Directors, the CEO and Key Management Personnel of the Group. The NGC is also tasked with ensuring compliance with, and proper observance of, corporate governance principles and practices recommended by the 2018 Code and principles and recommendations of the SEC CG Code.

All appointments and re-appointments of Directors are first reviewed and considered by the NGC before recommending them to the Board for approval. The NGC has formalized and adopted procedures for the selection, appointment and re-appointment of Directors in order to increase the rigor and transparency of the nominating process.

The NGC evaluates the balance of skills and competencies in the Board and, in consultation with the Chairman of the Board determines the qualifications and expertise required for a particular appointment.

The NGC does not usually but may consider engaging the services of search consultants to identify prospective Board candidates if the need so arises. The NGC currently considers recommendations and referrals from other sources, provided the prospective candidates meet the qualification criteria established for the particular appointment.

The NGC undertakes the process of identifying the caliber of Directors aligned with the Company's strategic directions. The NGC evaluates the suitability of a prospective candidate based on his/her qualifications and experience, ability to commit time and effort in the effective discharge of duties and responsibilities, independence, past business and related experience, and track record. The NGC also identifies any core competencies that will complement those of current Directors on the Board.

There are no alternate Directors appointed in the Company's Board.

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

The NGC reviews and determines the independence of each Director on an annual basis. The NGC considers an "Independent Director" as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment, in the best interests of the Company.

In accordance with SGX Listing Rule 210(5)(d), none of the Independent Directors is currently employed, or have been employed by the Company, or any of its related corporations, for the current or any of the past three financial years. None of the Independent Directors have immediate family members who are currently employed, or have been employed by the Company, or any of its related corporations, for the past three financial years, and whose remuneration is determined by the RSOC. For purposes of determining independence, the Independent Directors have also provided confirmation that they are not related to the Directors and/or substantial shareholders of the Company. The NGC is satisfied that there are no other relationships which can affect their independence. The Board concurred with the NGC's determination of the independence of the Independent Directors.

Details of each Director's academic and professional qualifications, directorships or chairmanships in other companies, and other principal commitments (where applicable) are presented in the "Board of Directors" section of this Annual Report.

DMPL's policy on Directors' conflict of interest states that Directors should consult the Chairman of the Board and the Chairperson of the NGC prior to accepting any appointments to the Board of Directors or advisory Board of another listed company or its principal subsidiaries, or any other principal commitments so that such appointments may be considered by the Board in accordance with corporate guidelines and the said policy.

In cases where a Director has multiple Board representations, the NGC also assesses whether such Director has been adequately carrying out his duties as a Director of the Company.

To address competing time commitments when Directors serve on multiple boards, the Board had set a maximum limit of four directorships and/or chairmanships that Executive Directors may hold concurrently in listed companies, and a maximum limit of five directorships and/or chairmanship in listed companies for Independent and Non-Executive Directors. None of the Directors hold more than one board seat in other listed companies.

Under Article 88 of the Company's Articles of Association, all Directors hold office for a maximum period of three years whereupon they shall retire but would be eligible for re-appointment. In addition, effective 1 January 2019, all Directors must submit themselves for re-nomination and re-appointment at least once every three years pursuant to Rule 720(5) of the Listing Manual of the SGX-ST.

Directors Retiring Under Article 88 and/or Rule 720(5) of the Listing Manual of the SGX-ST

Mr. Rolando C. Gapud
Executive Chairman
Appointed on 20 January 2006
Last elected on 17 September 2020

Mr. Benedict Kwek Gim Song
Lead Independent Director
Appointed on 30 April 2007
Last re-appointed on 17 September 2020

In reviewing the nomination for the re-appointment of Directors retiring under Article 88 of the Company's Articles of Association and/or Rule 720(5) of the Listing Manual of the SGX-ST, the NGC had considered the contributions and performance of each Director, taking into account his or her attendance and participation at Board and Board Committee meetings, as well as his or her independence.

All Directors retiring have consented to continue in office and have offered themselves for re-appointment at the Company's Annual General Meeting (AGM).

Neither Mr. Gapud nor Mr. Kwek nor their immediate family member had provided to or received from the Group any significant payments or material services other than their compensation for service on the Board and Board Committees. Neither Mr. Gapud nor Mr. Kwek nor any of their immediate family member is or was a substantial shareholder of or a partner in or executive officer or Director of any organization which had provided to or received from the Group any significant payments or material services. Please refer to the "Board of Directors" section of this Annual Report for more information on Mr. Gapud's and Mr. Kwek's other principal commitments. Both are not directors of other listed companies.

Accordingly, the NGC supports the nomination of Mr. Gapud and Mr. Kwek for re-appointment as Directors of the Company.

In its long-term drive towards excellence, the Company recognizes the importance of sustainable leadership. To support this, a Succession Planning Program was established where a leadership talent bench would be continuously developed. DMPL is committed to building and sustaining leadership capabilities by strengthening the talent pipeline, rolling out a program that identifies and sets out plans to develop expected leadership competencies, identifying high performers, and executing development and retention plans for these high performers. The Company further drives functional excellence via an integrated employee development program which includes training, on-the-job learning, coaching and mentoring.

There is a set retirement age for Key Management Personnel.

The NGC conducts a regular review of the succession plan for Board members, the CEO and Key Management Personnel of the Company.

The NGC implements an annual evaluation process to assess its effectiveness as a whole. The evaluation process is undertaken as an internal exercise and involves NGC members completing a questionnaire covering areas relating to:

- Memberships and appointments
- Conduct of NGC meetings
- Training and resources available
- Reporting to the Board
- Process for selection and appointment of new Directors
- Nomination of Directors for re-appointment
- Independence of Directors
- Board performance evaluation
- Succession planning
- Multiple Board representations
- Standards of conduct
- Communication with shareholders

The evaluation process takes into account the views of each NGC member and provides an opportunity for members to give constructive feedback on the workings of the NGC, including procedures and processes adopted, and if these may be improved upon.

During the year under review, the NGC held four meetings.

Principle 5
Board Performance

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

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

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

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

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

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

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

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

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

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

REMUNERATION MATTERS

Principle 6
Procedures for Developing Remuneration Policies

The RSOC was set up on 7 February 2003 and for the year under review, the RSOC comprises the following members who are all Independent Non-Executive Directors:

Mr. Godfrey E. Scotchbrook	RSOC Chairman
Mr. Benedict Kwek Gim Song	Member
Dr. Emil Q. Javier	Member
Mrs. Yvonne Goh	Member

The main activities of the RSOC are outlined in the commentaries on "Procedures for Developing Remuneration Policies", "Level and Mix of Remuneration" and "Disclosure of Remuneration" of this Report.

The RSOC's principal function is to ensure that a formal and transparent procedure is in place for fixing the remuneration packages of the Directors as well as the Key Management Personnel of the Group. It is at liberty to seek independent professional advice as appropriate and has periodically sought the advice of remuneration consultants on remuneration matters for certain Directors and Key Management Personnel. For the year under review, the RSOC did not enter into any formal engagement with remuneration consultants but had consulted with them based on ongoing partnership.

Under its TOR, the RSOC is responsible for reviewing and recommending a remuneration framework and specific remuneration packages (where applicable) for the Directors and Key Management Personnel. The RSOC considers all aspects of remuneration such as Director's fees, salaries, allowances, bonuses, options, share awards and other benefits-in-kind. All remuneration matters are ultimately approved by the Board.

In conjunction with the review of remuneration matters of the Key Management Personnel, the RSOC reviews individual performance appraisal reports and benchmark studies conducted by Management.

The RSOC's recommendation for Directors' fees had been made in consultation with the Chairman of the Board and endorsed by the entire Board, following which the recommendation is tabled for shareholders' approval at the Company's AGM. No member of the RSOC or the Board participated in the deliberation of his/her own remuneration.

The RSOC implements an annual evaluation process to assess its effectiveness as a whole. The evaluation process is facilitated by Boardroom and involves RSOC members completing a questionnaire covering mainly the following areas of assessment:

- Memberships and appointments
- Conduct of the RSOC meetings
- Training and resources
- Scope of remuneration matters reviewed
- Reporting to the Board
- Standards of conduct
- Communication with shareholders

The evaluation process took into account the views of each RSOC member and provided an opportunity for members to give constructive feedback on the workings of the RSOC, including procedures and processes adopted and if these may be improved upon.

During the year under review, the RSOC held two meetings.

Principle 7
Level and Mix of Remuneration

The remuneration of the Company's Directors and Key Management Personnel has been formulated to attract, retain, and motivate these individuals to steer the Group to deliver the highest level of performance. The Board and the RSOC assure that the level and structure of remuneration are aligned with the long-term interests and risk management policies of the Company. Relative to industry practice, trends and norms, the Company has measurable standards to align the performance-based remuneration of the Executive Directors and Key Management Personnel with the long-term interests of the Company.

Where appropriate, the RSOC reviews the service contracts of the Company's Executive Directors and Key Management Personnel.

In reviewing the recommendation for Non-Executive Directors' remuneration for FY2023, the RSOC continued to adopt a framework based on guidelines of the Singapore Institute of Directors, which comprises a base fee, fees for membership on Board Committees, as well as fees for chairing Board Committees. The fees take into consideration the amount of time, responsibilities and effort that each Board member is required to devote to their role.

Directors' Fee Structure

- Board Chairman: US$99,000 per annum
- Directors: US$54,000 per annum
- ARC Chairman: US$24,750 per annum
- RSOC Chairman: US$12,375 per annum
- NGC Chairperson: US$12,375 per annum
- ARC Members: US$13,500 per annum
- RSOC Members: US$6,750 per annum
- NGC Members: US$6,750 per annum

The compensation structure for Key Management Personnel of the Company's subsidiaries consists of two key components – fixed cash and a short-term variable bonus. The fixed component includes salary, pension fund contributions and other allowances. The variable component comprises a performance-based bonus which is payable upon the achievement of individual and corporate performance targets such as revenue and net profit.

Principle 8
Disclosure on Remuneration

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

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

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

Employee who is a substantial shareholder of the Company, or an immediate family member of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeds S$100,000 during the year

Ms. Jeanette Beatrice Campos Naughton is Vice President, Strategic Planning of the Company's USA subsidiary, Del Monte Foods, Inc. (DMFI). She is the daughter of Mr. Joselito D. Campos, Jr., DMPL's Managing Director and CEO, and a substantial shareholder of the Company, and DMFI's Vice Chairman and Director. Ms. Naughton is responsible for spearheading DMFI's strategic planning function, with principal involvement in DMFI's mid-to-long term corporate vision, financial goals and key measures, business strategies and resources requirements. Her remuneration for the period under review was S$1,000,000-S$1,150,000. Ms. Naughton formerly held management positions at Google in their Mountain View, California headquarters. She has an MBA from the Sloan School of Management of the Massachusetts Institute of Technology.

DISCLOSURE ON REMUNERATION OF DIRECTORS FOR FY2023

REMUNERATION BANDS AND NAMES OF DIRECTORS	FIXED SALARY/ CONSULTANCY FEES %	DIRECTOR FEES %	VARIABLE INCOME / BONUS %	BENEFITS IN KIND %
EXECUTIVE DIRECTORS				
Above S$500,000				
Mr. Joselito D. Campos, Jr.	41	1	58	–
Mr. Rolando C. Gapud	34	9	57	–
Mr. Edgardo M. Cruz, Jr.	68	24	8	–
NON-EXECUTIVE DIRECTORS				
Below S$250,000				
Mrs. Yvonne Goh	–	100	–	–
Dr. Emil Q. Javier	54[1]	41	5	–
Mr. Benedict Kwek Gim Song	–	100	–	–
Mr. Godfrey E. Scotchbrook	–	100	–	–

Notes:
1 Refers to consultancy fees

DISCLOSURE ON REMUNERATION OF TOP FIVE KEY EXECUTIVES[1] FOR FY2023

REMUNERATION BANDS AND NUMBER OF KEY EXECUTIVES	FIXED SALARY %	VARIABLE INCOME / BONUS %	BENEFITS IN KIND %
Above S$500,000			
1	41	58	1
1	59	36	5
1	87	12	1
1	87	12	1
S$250,000 to below S$500,000			
1	93	6	1

Notes:
1 Key Executives who are not Directors

Share Option Plan

The Company also has the Del Monte Pacific Executive Share Option Plan 2016 (ESOP 2016), which was approved by shareholders at the general meeting held on 30 August 2016. The ESOP 2016 aims to provide an opportunity for Group executives and Directors to participate in the equity of the Company in order to motivate them to excel in their performance. The ESOP 2016 is valid for a period of ten years; however, no options have been granted to date under this plan.

ACCOUNTABILITY AND AUDIT

Principle 9
Risk Management and Internal Controls

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

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

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

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

Cybersecurity and IT general controls had remained focus areas in FY2023. The Group had invested in several improvements including Next Generation firewall systems and SDWAN network systems for enhanced security. Optimization is ongoing to achieve the best configuration and utilization of new firewall systems. The Group had also conducted vulnerability assessment and penetration testing (VAPT) on select company websites as it had been doing regularly in the past years. The Group had also conducted user training and awareness campaigns on cyber threats and had issued tips and reminders based on best practices in order to avoid breaches.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, assurances by the CEO, Chief Operating Officer, Chief Corporate Officer, Chief Financial Officer (CFO) and Chief Compliance Officer, and reviews performed by Management and various Board Committees, the Board is of the opinion, and the ARC concurs, that the Group's internal controls, addressing financial, operational, compliance and IT risks, and its risk management systems were adequate and effective as at 30 April 2023.

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

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

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

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

Principle 10
Audit and Risk Committee

The Audit Committee was set up on 9 July 1999 and renamed Audit and Risk Committee (ARC) on 25 June 2015 as it had always served the function of overseeing the Company's risk management framework and policies. The ARC comprises the following four members who are all Independent Non-Executive Directors:

Mr. Benedict Kwek Gim Song	ARC Chairman
Mr. Godfrey E. Scotchbrook	Member
Dr. Emil Q. Javier	Member
Mrs. Yvonne Goh	Member

The members of the ARC are highly qualified with two members having the requisite financial management experience and expertise.

The ARC does not comprise any former partners or Directors of the Company's current auditing firm.

The main activities of the ARC are outlined in the commentaries on "Accountability and Audit" and "Audit and Risk Committee" of the Report.

The ARC implements an annual evaluation process to assess its effectiveness as a whole. The evaluation process is undertaken as an internal exercise and involves ARC members completing a questionnaire covering areas relating to:

- Membership and appointments
- Conduct of the ARC meetings
- Training and resources available
- Financial reporting processes
- Financial and operational internal controls
- Risk management systems
- Internal and external audit processes
- Whistleblowing reporting processes
- ARC's relationship with the Board
- Communication with shareholders

The evaluation process takes into account the views of each ARC member and provides an opportunity for members to give constructive feedback on the workings of the ARC including procedures and processes adopted and if these may be improved upon.

Led by the ARC Chairman, a summary of findings prepared based on responses from the completed questionnaires was discussed with feedback noted.

Under its TOR, the ARC reviews the adequacy, scope and results of the Company's annual audit and its cost effectiveness. The ARC also ensures the independence and objectivity of the external auditors and internal auditors. Likewise, it reviews the non-audit services provided by the Company's external auditors.

For FY2023, the ARC had reviewed the audit and non-audit services of the external auditors and was satisfied that the auditors continue to be independent, adequately resourced and effective. Non-audit fees include services related to business advisory and outsourcing of internal audit. A breakdown of the aggregate fees paid for audit and non-audit services is set out below:

	Year ended 30 April 2023
	(US$'000)
Audit fees	
– paid to auditors of the Company	172
– paid to other auditors	1,154
Non-audit fees	
– paid to auditors of the Company	–
– paid to other auditors	80

The ARC also reviews significant financial reporting issues to ensure the integrity of the Company's financial statements and any announcements relating to the Company's financial performance. The ARC further conducts periodic reviews of all interested persons transactions. The ARC also reviews the assurance from the CEO and the CFO on the Company's financial records and the Group's financial statements.

The ARC reviewed the external auditor's audit plan for the financial year ended 30 April 2023 and agreed with the auditor's proposed significant areas of focus and assumptions that would have an impact on the financial statements. In the ARC's review of the financial statements as at 30 April 2023, it had discussed with Management the accounting principles applied and their judgement of items that could affect the integrity of the statements, and it had also considered the clarity of key disclosures in the statements. The ARC also reviewed and addressed among other matters, the following key audit matters (KAMs) as reported by the external auditor for the financial year ended 30 April 2023:

Fair Value of Biological Assets	The ARC was provided with an understanding of the relevant processes the Group undertook in separating bearer plants from the agriculture produce. The ARC considered the reasonableness of the approach and methodology applied to the fair value of biological assets (fruits growing on bearer plants and fruits harvested), and reviewed Management's estimates and assumptions as well as the adequacy of disclosures related to this matter. Additionally, the ARC also considered the external auditor's assessment of the valuation methodology and assumptions adopted by Management in valuing the biological assets. The ARC was satisfied with the valuation process and the methodology adopted.

Recoverability of Goodwill and Indefinite Life Trademarks	The ARC considered the approach and methodology applied to the valuation model in the goodwill impairment assessment. The ARC reviewed the reasonableness of cash flow forecasts, long term growth rate and discount rate as well as the independence and competency of the valuer appointed to perform the valuations. The Group has assessed the following trademarks as having indefinite useful lives: "Del Monte" in the United States, South America, Philippines, Indian subcontinent and Myanmar; "College Inn" in the United States, Australia, Canada and Mexico; "Today's" in the Philippines; "S&W" in Asia (excluding Australia and New Zealand), Middle East, Western Europe, Eastern Europe and Africa, and the newly acquired "Kitchen Basics" trademark in the United States and Canada. The ARC reviewed the data, estimates and assumptions used in each valuation model as well as the independence and competency of the valuer appointed to perform the valuations. The ARC considered the findings of the external auditors with regard to the appropriateness of the assumptions used. The ARC was satisfied that there are no impairments required on the goodwill and indefinite life trademarks for the financial year.
Recoverability of Deferred Tax Assets	The ARC considered the methodology and assumptions applied to the recoverability or non-recoverability of deferred assets. The ARC reviewed the reasonableness of cash flow, forecasts, past performance and future plans associated with the Group's operations. The ARC also considered the external auditor's findings including their assessment of the key assumptions used and the procedures applied to test these assumptions. The ARC is satisfied with the methodology and assumptions used. The Group has recognized US$118.1 million of net deferred tax assets, which includes net deferred tax assets recognized by Del Monte Foods, Inc., a subsidiary in the USA, amounting to US$112.8 million.

The ARC concluded that the Group's accounting treatment in each of the significant matters was appropriate. All the KAMs that were raised by the external auditors for the financial year ended 30 April 2023 have been addressed by the ARC and covered in the above commentary. The KAMs in the auditors' report can be found on pages 106-108 of this Annual Report.

Except as disclosed, the Company did not enter into any other material contracts involving the interests of its CEO, Directors or controlling shareholders for FY2023.

The ARC keeps abreast of changes in accounting standards by requiring on a continuing basis Management and the external auditors to look into and present these changes as well as their implications on the Group's financial statements. The ARC monitors these changes and provides guidance on concomitant issues on financial reporting. These matters are taken up in ARC meetings, in ARC's separate meetings with the external auditors and their periodic meetings with the CFO.

The ARC has the authority to investigate any matter within its TOR, unrestricted access to Management and the Head of the Internal Audit department, and full discretion to invite any Director, Key Management Personnel or executive officer to attend its meetings.

The ARC monitors the adequacy and effectiveness of the Group's internal control system and internal audit function. It has set in place arrangements to ensure independent investigation of matters such as improprieties in financial reporting.

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

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

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

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

For legal compliance: +632 8856 2557, +63 917 534 1680, or email legalcompliance@delmonte-phil.com

For other matters: +632 8856 2888, +63 917 712 0311, or email othercompliance@delmonte-phil.com

The ARC also makes recommendations to the Board on the appointment, re-appointment and removal of the external auditors, including their remuneration and terms of engagement. Such recommendation, once approved by the Board, is then ratified by shareholders at a general meeting (GM). For any change in the external auditor, the Company provides the reason for the change in its disclosure to the regulators.

In appointing the external auditors for the Company and its subsidiaries, the Group has complied with Rule 712 of the Listing Manual of the SGX-ST in having appointed a suitable auditing firm to meet its audit obligations, and one that is registered with the Accounting and Corporate Regulatory Authority of Singapore (ACRA). The Group has also complied with Rule 715 of the Listing Manual of the SGX-ST in having engaged the same auditing firm based in Singapore to audit its Singapore-incorporated subsidiaries and significant associated companies, and for having appointed suitable auditing firms for its significant foreign-incorporated subsidiaries and associated companies. The Group has also complied with the requirements of SRC Rule 68 in selecting an SEC-accredited auditing firm in the Philippines.

Consistent with the Company's rotation policy, the ARC and the Board undertake to conduct a comprehensive review of the external auditors at least every five years.

The ARC meets with the Group's external auditors and with the Head of Internal Audit department without the presence of Management at least once a year. During the year under review, the ARC had met with the Group's external auditors without the presence of Management and with the Head of Internal Audit without the presence of Management more than once.

The Group's Internal Audit department is staffed by qualified, experienced and trained personnel who are members of the Institute of Internal Auditors. The team comprises auditors with diverse backgrounds: accounting, industrial engineering and applied mathematics. They have internal audit experience ranging from 10 to 25 years. Team members also possess various certifications: Certified Internal Auditor, Certified Information Systems Auditor, Certified Internal Control Auditor and Certified Risk Analyst. Their duties are appropriately segregated.

This department commands a respectable standing within the Company and is responsible for reviewing the risk management, internal controls and governance processes of the Group to ensure these are adequate and effectively implemented.

The Head of Internal Audit is Mr. Gil Ramon S. Veloso who reports functionally to the ARC and administratively to the CEO. Mr. Gil Veloso is a Certified Public Accountant and a Certified Internal Control Auditor. He has completed an Executive Education Program at the Asian Institute of Management. He is also a member of the Institute of Internal Auditors with 25 years internal audit experience covering financial, operational, compliance and IT audits. He has audited various entities in the Philippines, Singapore, the US, China and India. The Internal Audit Head or the Internal Audit Department has access and may reach out to the ARC or any of its members at any time.

It is the Group's policy to support the Internal Audit department in complying with the International Professional Practices Framework set by The Institute of Internal Auditors. Training and development opportunities are provided for staff of the Internal Audit department to upgrade their technical knowledge and skill sets to ensure they remain current and relevant.

In order to effectively carry out its functions, the Internal Audit department has unfettered access to all company personnel, documents, records and properties.

The ARC approves the hiring, removal, evaluation and compensation of the Head of Internal Audit. The ARC annually reviews the adequacy, effectiveness and independence of the internal audit function, and it is of the view that the Company's internal audit function is adequately resourced, effective and independent.

During the year under review, the ARC held four meetings.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11
Shareholder Rights and Conduct of General Meetings

The Company treats all shareholders fairly and equitably, and recognizes, protects and facilitates the exercise of shareholders' rights. Moreover, the Company continually reviews and updates such governance arrangements.

Shareholders are informed of changes in the Group's business that are likely to materially affect the value of the Company's shares.

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

In view of the COVID-19 situation, the AGM held in respect of FY2022 was convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM were put in place: via electronically accessed live audio-visual webcast, or live audio-only stream; submission of questions to the Chairman of the Meeting in advance of the AGM; addressing of substantial and relevant questions at, or prior to, the AGM (the Company conducted a live online Q&A); and voting by appointing the Chairman of the Meeting as proxy at the AGM. Proxy forms were required to be submitted ahead of the meeting and votes were tabulated before the AGM.

The Company had appointed independent scrutineers, Reliance 3P Advisory Pte. Ltd. in Singapore and Ortega Law Office in the Philippines, to validate the votes submitted for the said meeting held on 26 August 2022.

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

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

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

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

Before the pandemic, shareholders were given the opportunity to communicate their views and direct questions in person to Directors and Senior Management regarding the Company. At the FY2023 AGM in August 2023, the Company will revert to an onsite meeting and shareholders will then be able to ask questions in person.

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

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

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

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

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

Principle 12
Engagement with Shareholders

The Company is committed to engaging with its stakeholders including its shareholders, and providing easy and regular access to timely, effective, fair, pertinent and accurate information about the Company. The Company has an Investor Relations (IR) policy that clearly articulates and promotes this.

The Company's IR is handled in-house. It has a dedicated Investor Relations team comprising the Chief Corporate Officer and Investor Relations Manager who regularly engage and communicate with the investing community. Various IR and communication modes are employed by the Company to provide information, gather feedback, and address questions and concerns. Insights and feedback gathered are taken and, where appropriate, acted upon.

CORPORATE GOVERNANCE REPORT

The Company strengthens its relationships with the investing community (shareholders, potential investors and stock brokers) and solicits their views through one-on-one meetings, participation in conferences, forums and road shows organized by stock broking and investing companies. For the quarterly results in FY2023, DMPL had on average 26 attendees per meeting.

To maintain an open channel of communication, the Company also has an email alert system whereby emails on material developments and updates concerning the Company are sent out to investors. Such information, and other material information about the Company, including its financial position, performance, ownership, strategies, activities and governance, are disclosed to all shareholders and the investing community via the SGX-ST and PSE portals.

In the past, the Company had organized visits to its plantation and cannery, as well as trade checks, for the investing community, providing them with first-hand appreciation and understanding of the Group's operations and markets.

The Company provides descriptive and detailed disclosures whenever possible and avoids boilerplate disclosures, and immediately announces any material information on the Company or any of its subsidiaries or associated companies.

The Company observes a closed-window period of two weeks prior to the announcement of its quarterly results and one month prior to the announcement of its full year results. During this period, the Company does not meet or communicate with the investing community to avoid any selective disclosure.

The Company announces its financial results on a quarterly basis within the prescribed timeframe and holds joint briefings or conference calls with the investing community. Pre-pandemic, the briefings were held in an accessible central location, and broadcast via webcast to global viewers, with a recording available for six months. In the past year, the briefings were held virtually and these were also recorded. Key Management Personnel were present during the briefings. The Company uploads on its website the materials for media briefings and press conferences.

The Management Discussion and Analysis (MDA) report, press release and presentation on the Company's financial results are disseminated through the SGX-ST and PSE portals, and the Company's email alerts and website all on the same day.

The Company's corporate website (www.delmontepacific.com) has an international design to promote DMPL as a global food and beverage player, while the structure and sitemap allow for easy navigation and access to key investor information. The website features the Company's four key brands (Del Monte, S&W, Contadina and College Inn), its domestic and international businesses, as well as awards received. It also has links to the websites of its other subsidiaries and brands, and includes social media links to DMPL's subsidiaries' Facebook, Instagram, Twitter, Pinterest and LinkedIn pages.

The corporate website has a dedicated and comprehensive IR section that is user-friendly with easily downloadable and updated press releases, announcements, quarterly reports, presentations, annual reports and analyst reports. Announcements are uploaded as soon as they are released to the SGX-ST and PSE portals, including other disclosures and reports submitted to the Philippine SEC.

The following are also included in the IR site: IR policy, IR calendar, AGM and GM Minutes, dividend policy and payment details, share information, and the Company's top 20 shareholders. The following are also available on the website: Sustainability, Corporate Governance, profile of Directors and Senior Management, Memorandum and Articles of Association, Code of Business Ethics and other policies.

The IR email address (jluy@delmontepacific.com) and telephone number (+65 6594 0980) are listed prominently on the IR homepage and in the annual report, making DMPL's IR Manager accessible. The IR team endeavors to reply to emails and requests within a day.

The Company is guided by strong principles and provisions grounded on the 2018 Code, the SEC CG Code, the SGX Listing Manual, the SGTI and the ACGS to strengthen stakeholder relations. DMPL's IR is guided by principles of trust; good corporate governance; transparency, openness and quality of disclosure; fairness; timeliness; pro-activeness and engagement; accessibility; employment of IT; and continuous improvement.

The Company had received the Best Investor Relations (Gold) Award in 2017 and the Best Annual Report (Gold) Award in 2019 from the Singapore Corporate Awards (SCA).

Since the SCA began in 2006, DMPL has won two Gold awards each for the Best Managed Board and Best Investor Relations. DMPL is one of less than 10 companies from 643 companies listed in Singapore to have achieved this.

The Company has also received four distinct awards including that for the Best CFO and is one of only 21 companies to have achieved this.

The Company has won a total of 15 awards for 11 years from 2010 to 2019 and 2022. No awards were given out by the SCA in 2020 due to the pandemic, while 2021 was a special edition with a different recognition, Corporate Excellence and Resilience Awards.

Del Monte Pacific also won the Singapore Corporate Governance Award from the Securities Investors Association (Singapore) or SIAS in October 2022. It has received a total of 9 awards from SIAS since 2001 including 4 corporate governance awards.

The Company was ranked 12th, within the top 2.5 percentile, among 489 Singapore-listed companies evaluated in the August 2022 SGTI.

As part of the Company's ongoing efforts to improve investor relations, it will continue to review and update governance arrangements with stakeholders. The Company also benchmarks against peers and industry best practices by having its relevant executives attend seminars and forums, joining IR organizations, and keeping abreast of updates to the 2018 Code and similar guidelines and recommendations.

Principle 13
Engagement with Stakeholders

The Company actively engages with its stakeholders through various media and channels to ensure that its business interests are aligned with those of its stakeholders.

The Company has identified its stakeholder groups through an assessment of their connection to and to the impact of the Group's operations to them, namely, consumers, business partners, creditors, host communities, employees, and shareholders.

The Company's strategy and key areas of focus in relation to the management of stakeholder relationship for FY2023 will be addressed in its Sustainability Report to be published on the Company's corporate website.

Stakeholders can communicate and engage with the Company through the Company's website at www.delmontepacific.com or contact the IR team via email at jluy@delmontepacific.com and/or telephone at +65 6594 0980.

CREDITORS' RIGHTS

DMPL protects creditors' rights through the presence of debt covenants in some of its loans including maintaining debt to equity, debt service coverage, interest coverage and fixed charge coverage ratios. For instance, in the US, the Company's subsidiary has engaged in transactions that are within the limits of certain incurrence thresholds such as Debt/EBITDA and EBITDA/interest ratios.

The Group also diversifies its funding sources to improve its financial flexibility, optimize its capital structure and minimize financing costs. It secures funding from a number of banks across Asia and the USA (please refer to Corporate Information for DMPL's bankers) to minimize extensive exposure to one creditor. The Group also considers bond and equity financing to the extent that the latter strengthens the balance sheet. DMPL monitors and maintains a level of cash and cash equivalents and enough standby credit lines. Above all these, the key objective has been to have a solid business plan and execution to generate consistent profit and growth to service loan and interest requirements.

DEALINGS IN SECURITIES

The Company adopted in 2013 a Securities Dealings Policy to govern dealings in the Company's shares by its Directors, Key Management Personnel and certain designated employees having access to price sensitive information. With this policy, these individuals are required to seek the approval of the Chairman or the Board before dealing in the Company's shares. Directors are also required to report their dealings in the Company's shares within two business days from the date of transaction.

Directors, Key Management Personnel and certain designated employees had been advised that it is an offence to deal in the Company's securities when they are in possession of unpublished material price-sensitive information. They are also discouraged from dealing in the Company's securities on short-term considerations.

They are not allowed to deal in the Company's securities during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year, and one month before the announcement of the Company's full-year financial results. For the year under review, these individuals had been compliant with the Securities Dealings Policy.

DIRECTORS' STATEMENT

The Directors are pleased to present their report to the shareholders together with the audited financial statements of Del Monte Pacific Limited (the Company) and its subsidiaries (collectively, the Group) comprising the statements of financial position, income statements, statements of comprehensive income, statements of changes in equity and the statements of cash flow of the Group and Company for the financial year ended 30 April 2023.

OPINION OF THE DIRECTORS

In the Directors' opinion,

(a) the financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 30 April 2023 and the financial performance, changes in equity and cash flows of the Group and the Company for the year then ended in accordance with International Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due. The Group has sufficient credit lines available for drawdown and the Company also expects to receive dividend payment from its subsidiaries in the next 12 months.

DIRECTORS

The Directors in office as at the date of this report are as follows:

Mr. Rolando C. Gapud	(Executive Chairman)
Mr. Joselito D. Campos, Jr.	(Executive Director, Managing Director and Chief Executive Officer)
Mr. Edgardo M. Cruz, Jr.	(Executive Director)
Mr. Benedict Kwek Gim Song	(Lead Independent Director)
Mr. Godfrey E. Scotchbrook	(Independent Director)
Dr. Emil Q. Javier	(Independent Director)
Mrs. Yvonne Goh	(Independent Director)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company, its subsidiaries or any other body corporate.

DIRECTORS' STATEMENT

DIRECTORS' INTERESTS

According to the registers kept by the Company, particulars of interests of Directors in shares and share options in the Company who held office at the end of the financial year (including those held by their spouses and children) are as follows:

Directors' Interest in Shares:

	Direct interests			Deemed interests		
	As at beginning of the year 1 May 2022	As at end of the year 30 April 2023	As at 21 May 2023	As at beginning of the year 1 May 2022	As at end of the year 30 April 2023	As at 21 May 2023
The Company						
Ordinary shares of US$0.01 each						
Mr. Rolando C. Gapud	2,651,203	2,651,203	2,651,203	–	–	–
Mr. Joselito D. Campos, Jr.	7,621,466	7,621,466	7,621,466	1,386,276,498	1,386,276,498	1,386,276,498
Mr. Edgardo M. Cruz, Jr.	2,984,632	2,984,632	2,984,632	–	–	–
Dr. Emil Q. Javier	611,828	611,828	611,828	–	–	–
Mr. Benedict Kwek Gim Song	117,092	117,092	117,092	–	–	–
Mr. Godfrey E. Scotchbrook	117,092	117,092	117,092	–	–	–

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

DIRECTORS' CONTRACTUAL BENEFITS

Except for salaries, bonuses and fees, and those benefits that are disclosed in this report and in Note 37 to the financial statements, since the end of the last financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

SHARE OPTION AND INCENTIVE PLANS

The Company has in place the Del Monte Pacific Executive Share Option Plan 2016 (ESOP 2016) which was approved by shareholders at the general meeting held on 30 August 2016. The ESOP 2016 aims to provide an opportunity for Group executives and Directors to participate in the equity of the Company in order to motivate them to excel in their performance. The ESOP 2016 is valid for a period of ten years; however, no options had been granted to date.

The ESOP 2016 is administered by the Remuneration and Share Option Committee (RSOC) which comprises the following members:

Mr. Godfrey E. Scotchbrook	(RSOC Chairman)
Mr. Benedict Kwek Gim Song	(Member)
Dr. Emil Q. Javier	(Member)
Mrs. Yvonne Goh	(Member)

No options or share awards have been granted to the controlling shareholders of the Company or their associates, or to Directors of the Company or employees of the Group, either at the beginning or at the end of the financial year.

DIRECTORS' STATEMENT

AUDIT AND RISK COMMITTEE

For the financial year ended 30 April 2023, the Audit and Risk Committee (ARC) comprised the following members:

Mr. Benedict Kwek Gim Song	(ARC Chairman)
Mr. Godfrey E. Scotchbrook	(Member)
Dr. Emil Q. Javier	(Member)
Mrs. Yvonne Goh	(Member)

From 1 May 2022 to 30 April 2023, the ARC held four meetings. The ARC reviews the effectiveness of the systems of internal controls of the Group, its accounting policies, annual financial statements and quarterly reports, the adequacy and effectiveness of the internal audit function, and the findings of both the external and internal auditors. The ARC may also examine whatever aspects it deems appropriate regarding the Group's financial affairs, its internal and external audits, and its exposure to risks of a regulatory or legal nature. Furthermore, all interested person transactions are subject to regular periodic reviews by the ARC to ensure that they are carried out on arm's length commercial terms, consistent with the Group's usual business practices and policies, and are not prejudicial to the Company's minority shareholders.

In performing its functions, the ARC reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. The ARC met with the internal and external auditors to discuss the results of their respective examinations and their evaluation of the Group's system of internal controls. The ARC also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial year ended 30 April 2023, as well as the external auditors' report thereon.

The ARC has full access to, and the cooperation of, Management and the internal auditors. It also has full discretion to invite any Director or executive officer to attend its meetings. The Chief Financial Officer attends all meetings of the ARC. The auditors have unrestricted access to the ARC. The ARC has reasonable resources to enable it to discharge its functions effectively.

INTERNAL CONTROLS

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, assurances by the Chief Executive Officer, Chief Operating Officer, Chief Corporate Officer, Chief Financial Officer and Chief Compliance Officer, and reviews performed by Management and various Board Committees, the Board is of the opinion, and the ARC concurs, that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and its risk management systems were adequate and effective as at 30 April 2023.

DIRECTORS' STATEMENT

AUDITORS

Ernst & Young LLP have indicated their willingness to accept their re-appointment as the Group's external auditors.

On behalf of the Board of Directors

Mr Rolando C. Gapud
Executive Chairman

Mr. Joselito D. Campos, Jr.
Executive Director

7 July 2023

INDEPENDENT AUDITORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Del Monte Pacific Limited (the Company) and its subsidiaries (collectively, the Group), which comprise the statements of financial position of the Group and the Company as at 30 April 2023, the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group and the Company present fairly, in all material respects, the financial position of the Group and the Company as at 30 April 2023, and their financial performance, their changes in equity, and their cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements, ACRA Code and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements

Key audit matter	**How our audit addressed the matter**
Fair value of biological assets	
As at 30 April 2023, the Group has biological assets amounting to US$47.9 million. The valuation of biological assets was significant to our audit as the estimation process is complex, involves significant management estimate, and is based on assumptions that could be affected by natural phenomena. The key assumptions in determining the fair value of harvested produce include expected selling prices and gross margins. The key assumptions for the fair value of produce prior to harvest include its expected selling prices, gross margin, estimated tonnage of harvests and future growing costs.	We obtained an understanding of management's fair value measurement methodology and their process in deriving the fair value of the biological assets. We assessed the appropriateness of the methodology used in estimating the fair value. We tested the key assumptions used in the valuation, which include expected selling prices and gross margin for harvested produce; and expected selling prices, gross margin, estimated tonnage of harvests and future growing costs for produce prior to harvest, by comparing them to external data such as selling prices in the principal market and historical information.
The Group's disclosures relating to biological assets and sources of estimation uncertainty are included in Notes 11 and 34 to the financial statements.	We also assessed the adequacy of the related disclosures on biological assets.

Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the matter
Impairment assessment of goodwill and indefinite life trademarks As at 30 April 2023, the Group carries goodwill of US$203.4 million and indefinite life trademarks of US$472.4 million, representing 12% and 28% of the total noncurrent assets, respectively. *(a) Goodwill and indefinite life trademarks allocated to Del Monte Foods, Inc. and its subsidiaries*	
The Group's goodwill is allocated to a Cash Generating Unit (CGU), Del Monte Foods, Inc. a subsidiary in the United States of America, and its subsidiaries (collectively, DMFI). Included within the CGU are the indefinite life America trademarks, "Del Monte", "College Inn", and "Kitchen Basics" amounting to US$458.3 million. The Group uses the value in use calculation to estimate the recoverable amount of the CGU for purposes of assessing whether there is any impairment to be recognised. The annual impairment test is significant to our audit because the assessment process is complex, involves significant management judgment and is dependent on certain key estimates such as expected cash flow covering a five-year period and the long-term growth rate and discount rate of the CGU. The Group's disclosures relating to the goodwill and indefinite life America trademarks allocated to DMFI, sources of estimation uncertainty and sensitivity of the recoverable amounts are included in Note 8 to the financial statements.	We obtained an understanding of the Group's impairment assessment process and the related controls. We tested the reasonableness of the key assumptions, which include revenue growth rate, gross margin, earnings before interest, taxation, depreciation and amortization (EBITDA) margin, discount rate and long-term growth rate against management plans, historical data and available market information in light of current market and economic conditions. We also performed independent sensitivity analysis on the key assumptions to consider the extent of reasonable change in these assumptions that individually or collectively would result in the impairment of these assets. We involved our internal specialist in evaluating certain key assumptions and methodology used. We also reviewed the Group's disclosures in Note 8 to the financial statements, about those assumptions to which the outcome of the impairment test was most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of the CGU.
(b) Other indefinite life trademarks	
As at 30 April 2023, other indefinite life trademarks, comprising of "Del Monte" in the Philippines and India, "S&W" in Asia, and "Todays" in the Philippines, are carried at US$14.1 million. The annual impairment test is significant to our audit because the assessment process is complex, involves significant management judgment and is dependent on certain estimates that can be affected by future market and economic conditions as well as trademark and royalty rates in the market.	We assessed the reasonableness of the forecasted revenue and royalty rates used to derive the recoverable amount of the brand and trademarks by comparing against available market and historical information. We also evaluated the significant assumptions used in the financial forecast of the CGU, which include revenue growth rates, EBITDA and long-term margins, terminal growth rates and discount rates, by comparing them against management plans, historical data and available market information in light of current market and economic conditions. We involved our internal specialist in evaluating certain key assumptions and methodologies used.

Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the matter
Impairment assessment of goodwill and indefinite life trademarks (cont'd)	
(b) Other indefinite life trademarks (cont'd)	
The Group used the Relief-from-Royalty methodology in valuing its Philippines and S&W Asia trademarks. This approach relies on the forecasted revenue for the related brand or trademark and applies the royalty rates observed in the market. For the India trademark, the Group used the discounted cash flows of the related CGU. This method relies on forecasted financial results which uses significant assumptions such as revenue growth rates, EBITDA and long-term margins, terminal growth rates and discount rates. The Group's disclosures relating to its indefinite life trademarks, sources of estimation uncertainty and sensitivity of the recoverable amounts are included in Notes 7 and 8 to the financial statements.	We performed independent sensitivity analysis on the key assumptions to consider the extent of reasonable change in these assumptions that individually or collectively would result in impairment of these assets. We also reviewed the Group's disclosures in Notes 7 and 8 to the financial statements, about those assumptions to which the outcomes of the impairment tests were most sensitive, that is, those that have the most significant effect on the determination of the recoverable amounts of the CGUs.
Recognition of deferred tax assets	
As at 30 April 2023, the Group has recognized net deferred tax assets of US$118.1 million, of which US$112.8 million was attributable to DMFI. The recognition of the deferred tax asset was significant to our audit because it entails estimation of the future taxable income which involves significant management judgment and is based on assumptions that are affected by future market or economic conditions. The key assumptions in the taxable income forecast include revenue growth rates and gross and EBITDA margins. The Group's disclosures relating to deferred tax and sources of estimation uncertainty are included in Note 9 to the financial statements.	We assessed the reasonableness of deferred tax assets recognised by comparing it to the taxable income forecast. We tested the key assumptions in estimating the taxable income forecast such as revenue growth rates and gross and EBITDA margins against available market information, management plans, historical performance and industry/market outlook in light of current market and economic conditions. We compared the consistency of management's taxable income forecasts with those included in the budget approved by the Board of Directors. We also evaluated the reasonableness of the timing of the reversal of future taxable and deductible temporary differences by considering the taxable income forecast and current tax laws. We assessed the robustness of management's forecasting process by comparing the actual results of the subsidiary against the prior year forecast. We involved our internal tax specialist in reviewing the deductibility of the temporary differences. We also reviewed Group's disclosures in Note 9 to the financial statements, relating to deferred tax and sources of estimation uncertainty.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Group's 2023 Annual Report, but does not include the financial statements and our auditor's report thereon. The Group's 2023 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Group's 2023 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with ISAs.

RESPONSIBILITIES OF MANAGEMENT AND DIRECTORS FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The partner in charge of the audit resulting in this independent auditor's report is Philip Ling.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

7 July 2023

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2023 AND 2022

(In US$'000)

	Note	Group 30 April 2023	Group 30 April 2022	Company 30 April 2023	Company 30 April 2022
Non current assets					
Property, plant and equipment – net	5	**658,991**	577,647	**–**	–
Right-of-use assets	23	**100,566**	123,539	**77**	132
Investments in subsidiaries	6	**–**	–	**967,159**	980,008
Investments in joint ventures	7	**20,161**	17,172	**2,623**	2,836
Intangible assets and goodwill	8	**753,841**	688,047	**–**	–
Deferred tax assets – net	9	**118,060**	116,745	**–**	–
Biological assets	11	**3,007**	2,735	**–**	–
Pension assets – net	20	**10,630**	9,799	**60**	–
Other noncurrent assets	10	**42,250**	30,411	**5,023**	49
		1,707,506	1,566,095	**974,942**	983,025
Current assets					
Biological assets	11	**44,852**	47,346	**–**	–
Inventories	12	**1,076,772**	685,958	**–**	–
Trade and other receivables	13	**231,036**	214,553	**26,406**	84,832
Prepaid expenses and other current assets	14	**59,667**	49,052	**94**	931
Cash and cash equivalents	15	**19,836**	21,853	**554**	2,129
		1,432,163	1,018,762	**27,054**	87,892
Total assets		**3,139,669**	2,584,857	**1,001,996**	1,070,917
Equity					
Share capital	16	**19,449**	29,449	**19,449**	29,449
Share premium	17	**208,339**	298,339	**208,478**	298,478
Retained earnings	17	**119,540**	140,320	**119,540**	140,320
Reserves	17	**(28,511)**	(42,541)	**(28,511)**	(42,541)
Equity attributable to owners of the Company	38	**318,817**	425,567	**318,956**	425,706
Non-controlling interests	38	**66,941**	69,138	–	–
Total equity		**385,758**	494,705	**318,956**	425,706
Noncurrent liabilities					
Loans and borrowings	18	**994,477**	1,088,012	**241,959**	434,587
Employee benefits	20	**21,294**	24,342	**–**	12
Environmental remediation liabilities	21	**–**	203	**–**	–
Lease liabilities	23	**72,204**	91,771	**–**	–
Deferred tax liabilities - net	9	**11,630**	12,421	**49**	8
Other noncurrent liabilities	19	**16,826**	23,023	**–**	–
		1,116,431	1,239,772	**242,008**	434,607
Current liabilities					
Loans and borrowings	18	**1,278,876**	479,354	**324,898**	170,571
Employee benefits	20	**24,280**	36,958	**–**	–
Trade payables and other current liabilities	22	**304,940**	302,833	**116,134**	40,029
Lease liabilities	23	**27,892**	29,549	**–**	–
Current tax liabilities		**1,492**	1,686	**–**	4
		1,637,480	850,380	**441,032**	210,604
Total liabilities		**2,753,911**	2,090,152	**683,040**	645,211
Total equity and liabilities		**3,139,669**	2,584,857	**1,001,996**	1,070,917

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

INCOME STATEMENTS

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Group			Company		
		Year ended 30 April 2023	**Year ended 30 April 2022**	**Year ended 30 April 2021**	**Year ended 30 April 2023**	**Year ended 30 April 2022**	**Year ended 30 April 2021**
Revenue	24, 29	**2,421,313**	2,342,086	2,162,709	–	–	–
Cost of sales		**(1,814,320)**	(1,719,429)	(1,606,746)	–	–	–
Gross profit		**606,993**	622,657	555,963	–	–	–
Distribution and selling expenses		**(229,272)**	(221,798)	(200,417)	–	–	–
General and administrative expenses		**(120,334)**	(129,311)	(144,053)	**(13,980)**	(12,983)	(13,158)
Other (expenses) income – net		**(11,789)**	(4,258)	357	**1,836**	1,674	1,714
Results from operating activities		**245,598**	267,290	211,850	**(12,144)**	(11,309)	(11,444)
Finance income	26	**14,293**	5,201	7,534	**177**	145	851
Finance expense	26	**(215,861)**	(112,707)	(114,110)	**(32,337)**	(13,238)	(13,134)
Net finance expense		**(201,568)**	(107,506)	(106,576)	**(32,160)**	(13,093)	(12,283)
Share in net (loss) income of joint ventures and subsidiaries	6, 7	**(1,486)**	(4,954)	(1,531)	**61,304**	124,437	86,990
Profit before taxation	25	**42,544**	154,830	103,743	**17,000**	100,035	63,263
Tax expense – net	27	**(17,167)**	(39,300)	(27,273)	**(51)**	(4)	(7)
Profit for the year		**25,377**	115,530	76,470	**16,949**	100,031	63,256
Profit attributable to:							
Owners of the Company	28	**16,949**	100,031	63,256	**16,949**	100,031	63,256
Non-controlling interests		**8,428**	15,499	13,214	**–**	–	–
		25,377	115,530	76,470	**16,949**	100,031	63,256
Earnings per share							
Basic earnings per share (US cents)	28	**0.66**	4.17	2.24	**–**	–	–
Diluted earnings per share (US cents)	28	**0.66**	4.17	2.24	**–**	–	–

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Year ended 30 April 2023	Year ended 30 April 2022	Year ended 30 April 2021
Group				
Profit for the year		**25,377**	115,530	76,470
Other comprehensive income (loss)				
Items that will or may be reclassified subsequently to profit or loss:				
Currency translation difference		**(11,146)**	(15,302)	6,900
Effective portion of changes in fair value of cash flow hedges		**9,095**	(8,805)	4,283
Tax impact on share in cash flow hedges		**(2,274)**	2,193	(1,049)
		(4,325)	(21,914)	10,134
Items that will not be reclassified to profit or loss:				
Remeasurement of retirement plans		**3,416**	12,760	54,580
Tax impact on remeasurement of retirement plans	9	**(821)**	(3,255)	(13,880)
Gain on property revaluation	5	**22,121**	–	–
Tax impact on revaluation reserve	9	**(5,828)**	–	629
		18,888	9,505	41,329
Other comprehensive income (loss) for the year, net of tax		**14,563**	(12,409)	51,463
Total comprehensive income for the year		**39,940**	103,121	127,933
Total comprehensive income attributable to:				
Owners of the Company		**30,979**	89,196	110,777
Non-controlling interests		**8,961**	13,925	17,156
		39,940	103,121	127,933

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Year ended 30 April 2023	Year ended 30 April 2022	Year ended 30 April 2021
Company			
Profit for the year	**16,949**	100,031	63,256
Other comprehensive income (loss)			
Items that will or may be reclassified subsequently to profit or loss:			
Currency translation difference	**(9,698)**	(13,351)	6,026
Effective portion of changes in fair value of cash flow hedges	**8,471**	(8,239)	4,008
Tax impact on share in cash flow hedges	**(2,118)**	2,052	(982)
	(3,345)	(19,538)	9,052
Items that will not be reclassified to profit or loss:			
Remeasurement of retirement plans	**3,027**	11,685	50,856
Tax impact on remeasurement of retirement plans	**(728)**	(2,982)	(12,934)
Gain on property revaluation	**20,493**	–	–
Derecognition (impact) of tax on revaluation reserve	**(5,417)**	–	547
	17,375	8,703	38,469
Other comprehensive income (loss) for the year, net of tax	**14,030**	(10,835)	47,521
Total comprehensive income for the year	**30,979**	89,196	110,777

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

STATEMENT OF CHANGES IN EQUITY

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

		Attributable to owners of the Company										
	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement retirement plans	Hedging reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
Group												
2023												
At 30 April 2022		29,449	298,339	(95,322)	14,278	43,752	(4,963)	(286)	140,320	425,567	69,138	494,705
Total comprehensive income for the year												
Profit for the year		–	–	–	–	–	–	–	16,949	16,949	8,428	25,377
Other comprehensive income (loss)												
Currency translation differences		–	–	(9,698)	–	–	–	–	–	(9,698)	(1,448)	(11,146)
Gain on property revaluation, net of tax		–	–	–	15,076	–	–	–	–	15,076	1,217	16,293
Remeasurement of retirement plans, net of tax	20	–	–	–	–	2,299	–	–	–	2,299	296	2,595
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	6,353	–	–	6,353	468	6,821
Total other comprehensive income (loss)		–	–	(9,698)	15,076	2,299	6,353	–	–	14,030	533	14,563
Total comprehensive income (loss) for the year		–	–	(9,698)	15,076	2,299	6,353	–	16,949	30,979	8,961	39,940
Transactions with owners of the Company recognized directly in equity												
Contributions by and distributions to owners of the Company												
Redemption of A-2 preference shares	16	(10,000)	(90,000)	–	–	–	–	–	–	(100,000)	–	(100,000)
Dividends	17	–	–	–	–	–	–	–	(37,729)	(37,729)	(11,158)	(48,887)
Total contributions by and distributions to owners		(10,000)	(90,000)	–	–	–	–	–	(37,729)	(137,729)	(11,158)	(148,887)
At 30 April 2023	**16,17**	**19,449**	**208,339**	**(105,020)**	**29,354**	**46,051**	**1,390**	**(286)**	**119,540**	**318,817**	**66,941**	**385,758**

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

STATEMENT OF CHANGES IN EQUITY

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to owners of the Company											
Group													
2022													
At 30 April 2021		49,449	478,339	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,184	61,312	642,496
Total comprehensive income for the year													
Profit for the year		–	–	–	–	–	–	–	–	100,031	100,031	15,499	115,530
Other comprehensive income (loss)													
Currency translation differences		–	–	(13,351)	–	–	–	–	–	–	(13,351)	(1,951)	(15,302)
Remeasurement of retirement plans, net of tax	20	–	–	–	–	8,703	–	–	–	–	8,703	802	9,505
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	(6,187)	–	–	–	(6,187)	(425)	(6,612)
Total other comprehensive income (loss)		–	–	(13,351)	–	8,703	(6,187)	–	–	–	(10,835)	(1,574)	(12,409)
Total comprehensive income (loss) for the year		–	–	(13,351)	–	8,703	(6,187)	–	–	100,031	89,196	13,925	103,121
Transactions with owners of the Company recognized directly in equity													
Contributions by and distributions to owners of the Company													
Redemption of A-1 preference shares	16	(20,000)	(180,000)	–	–	–	–	–	–	–	(200,000)	–	(200,000)
Cancelled options	31	–	–	–	–	–	–	(1,753)	–	–	(1,753)	(207)	(1,960)
Dividends	17	–	–	–	–	–	–	–	–	(43,060)	(43,060)	(5,892)	(48,952)
Total contributions by and distributions to owners		(20,000)	(180,000)	–	–	–	–	(1,753)	–	(43,060)	(244,813)	(6,099)	(250,912)
At 30 April 2022	**16,17**	**29,449**	**298,339**	**(95,322)**	**14,278**	**43,752**	**(4,963)**	**–**	**(286)**	**140,320**	**425,567**	**69,138**	**494,705**

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

STATEMENT OF CHANGES IN EQUITY

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Attributable to owners of the Company										Non-controlling interests	Total equity
		Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure-ment of retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total		
Group													
2021													
At 30 April 2020		49,449	478,339	(87,997)	13,731	(2,873)	(1,802)	1,753	(286)	60,763	511,077	54,820	565,897
Total comprehensive income for the year													
Profit for the year		–	–	–	–	–	–	–	–	63,256	63,256	13,214	76,470
Other comprehensive income													
Currency translation differences		–	–	6,026	–	–	–	–	–	–	6,026	874	6,900
Gain on property revaluation, net of tax		–	–	–	547	–	–	–	–	–	547	82	629
Remeasurement of retirement plans, net of tax	20	–	–	–	–	37,922	–	–	–	–	37,922	2,778	40,700
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	3,026	–	–	–	3,026	208	3,234
Total other comprehensive income		–	–	6,026	547	37,922	3,026	–	–	–	47,521	3,942	51,463
Total comprehensive income for the year		–	–	6,026	547	37,922	3,026	–	–	63,256	110,777	17,156	127,933
Transactions with owners of the Company recognized directly in equity													
Contributions by and distributions to owners of the Company													
Sale of shares of a subsidiary	6	–	–	–	–	–	–	–	–	9,135	9,135	2,201	11,336
Dividends	17	–	–	–	–	–	–	–	–	(49,805)	(49,805)	(12,865)	(62,670)
Total contributions by and distributions to owners		–	–	–	–	–	–	–	–	(40,670)	(40,670)	(10,664)	(51,334)
At 30 April 2021	**16, 17**	49,449	478,339	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,184	61,312	642,496

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

STATEMENT OF CHANGES IN EQUITY

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Reserve for own shares	Retained earnings	Total
Company										
2023										
At 30 April 2022		29,449	298,478	(95,322)	14,278	43,752	(4,963)	(286)	140,320	425,706
Total comprehensive income for the year										
Profit for the year		–	–	–	–	–	–	–	16,949	16,949
Other comprehensive income (loss)										
Currency translation differences		–	–	(9,698)	–	–	–	–	–	(9,698)
Gain on property revaluation, net of tax		–	–	–	15,076	–	–	–	–	15,076
Remeasurement of retirement plans, net of tax	20	–	–	–	–	2,299	–	–	–	2,299
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	6,353	–	–	6,353
Total other comprehensive income (loss)		–	–	(9,698)	15,076	2,299	6,353	–	–	14,030
Total comprehensive income (loss) for the year		–	–	(9,698)	15,076	2,299	6,353	–	16,949	30,979
Transactions with owners of the Company recognized directly in equity										
Contributions by and distributions to owners of the Company										
Redemption of A-2 preference shares	16	(10,000)	(90,000)	–	–	–	–	–	–	(100,000)
Dividends	17	–	–	–	–	–	–	–	(37,729)	(37,729)
Total contributions by and distributions to owners		(10,000)	(90,000)	–	–	–	–	–	(37,729)	(137,729)
At 30 April 2023	16, 17	**19,449**	**208,478**	**(105,020)**	**29,354**	**46,051**	**1,390**	**(286)**	**119,540**	**318,956**

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

STATEMENT OF CHANGES IN EQUITY

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total
Company											
2022											
At 30 April 2021		49,449	478,478	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,323
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	–	–	100,031	100,031
Other comprehensive income (loss)											
Currency translation differences		–	–	(13,351)	–	–	–	–	–	–	(13,351)
Remeasurement of retirement plans, net of tax	20	–	–	–	–	8,703	–	–	–	–	8,703
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	(6,187)	–	–	–	(6,187)
Total other comprehensive income (loss)		–	–	(13,351)	–	8,703	(6,187)	–	–	–	(10,835)
Total comprehensive income (loss) for the year		–	–	(13,351)	–	8,703	(6,187)	–	–	100,031	89,196
Transactions with owners of the Company recognized directly in equity											
Contributions by and distributions to owners of the Company											
Redemption of A-1 preference shares	16	(20,000)	(180,000)	–	–	–	–	–	–	–	(200,000)
Cancelled options	31	–	–	–	–	–	–	(1,753)	–	–	(1,753)
Dividends	17	–	–	–	–	–	–	–	–	(43,060)	(43,060)
Total contributions by and distributions to owners		(20,000)	(180,000)	–	–	–	–	(1,753)	–	(43,060)	(244,813)
At 30 April 2022	16, 17	29,449	298,478	(95,322)	14,278	43,752	(4,963)	–	(286)	140,320	425,706

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

STATEMENT OF CHANGES IN EQUITY

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total
Company											
2021											
At 30 April 2020		49,449	478,478	(87,997)	13,731	(2,873)	(1,802)	1,753	(286)	60,763	511,216
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	–	–	63,256	63,256
Other comprehensive income											
Currency translation differences		–	–	6,026	–	–	–	–	–	–	6,026
Gain on property revaluation, net of tax		–	–	–	547	–	–	–	–	–	547
Remeasurement of retirement plans, net of tax	20	–	–	–	–	37,922	–	–	–	–	37,922
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	3,026	–	–	–	3,026
Total other comprehensive income		–	–	6,026	547	37,922	3,026	–	–	–	47,521
Total comprehensive income for the year		–	–	6,026	547	37,922	3,026	–	–	63,256	110,777
Transactions with owners of the Company recognized directly in equity											
Contributions by and distributions to owners of the Company											
Sale of shares of a subsidiary	6	–	–	–	–	–	–	–	–	9,135	9,135
Dividends	17	–	–	–	–	–	–	–	–	(49,805)	(49,805)
Total contributions by and distributions to owners		–	–	–	–	–	–	–	–	(40,670)	(40,670)
At 30 April 2021	16, 17	49,449	478,478	(81,971)	14,278	35,049	1,224	1,753	(286)	83,349	581,323

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

STATEMENTS OF CASH FLOWS

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

		Group			Company		
	Note	**Year ended 30 April 2023**	**Year ended 30 April 2022**	**Year ended 30 April 2021**	**Year ended 30 April 2023**	**Year ended 30 April 2022**	**Year ended 30 April 2021**
Cash flows from operating activities							
Profit for the year		**25,377**	115,530	76,470	**16,949**	100,031	63,256
Adjustments to reconcile profit for the year to net cash flows:							
Depreciation of property, plant and equipment	25	**154,439**	146,480	139,950	**–**	–	–
Finance expense	26	**211,353**	111,986	113,615	**32,229**	12,977	13,116
Amortization of right-of-use assets	23	**32,972**	39,292	37,205	**93**	93	106
Tax expense – current	27	**26,759**	20,605	33,059	**71**	22	51
Tax credit – deferred	9, 27	**(9,592)**	18,695	(5,786)	**(19)**	(18)	(44)
Amortization of intangible assets	8	**6,967**	6,650	6,650	**–**	–	–
Share in losses (earnings) of joint ventures and subsidiaries	7	**1,486**	4,954	1,531	**(61,304)**	(124,437)	(86,990)
Allowance for inventory obsolescence	12	**9,542**	4,135	7,043		–	–
Finance income	26	**(13,751)**	(2,629)	(7,028)	**(177)**	(11)	(846)
Impairment loss in joint ventures	7	**–**	2,000	2,096	**–**	–	–
Equity-settled share-based payment transactions		**–**	(1,960)	–	**–**	–	–
Unrealized foreign exchange loss (gain)		**3,966**	(1,851)	(11)	**107**	127	13
Impairment (reversal) of trade and nontrade receivables	13	**(181)**	1,060	144	**–**	–	–
Loss (gain) on disposal of property, plant and equipment	25	**759**	789	(1,333)	**–**	–	–
		450,096	465,736	403,605	**(12,051)**	(11,216)	(11,338)
Changes in:							
Other assets		**(7,813)**	(9,039)	3,853	**–**	(49)	–
Inventories		**(396,413)**	(137,944)	(75,602)	**–**	–	–
Biological assets		**(632)**	(6,311)	18,716	**–**	–	–
Trade and other receivables		**(18,002)**	(40,020)	24,053	**(5,022)**	1	55
Prepaid expenses and other current assets		**(13,456)**	(9,334)	(3,161)	**920**	(110)	(868)
Employee benefits		**(15,902)**	1,809	18,345	**107**	192	90
Trade payables and other current liabilities		**20,695**	31,757	(43,071)	**(725)**	(494)	2,236
Operating cash flows		**18,573**	296,654	346,738	**(16,771)**	(11,676)	(9,825)
Taxes paid		**(21,336)**	(15,916)	(31,464)	**–**	(6)	(76)
Net cash flows generated from (used in) operating activities		**(2,763)**	280,738	315,274	**(16,771)**	(11,682)	(9,901)

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

STATEMENTS OF CASH FLOWS

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Group			Company		
		Year ended 30 April 2023	Year ended 30 April 2022	Year ended 30 April 2021	Year ended 30 April 2023	Year ended 30 April 2022	Year ended 30 April 2021
Cash flows from investing activities							
Acquisitions of property, plant and equipment		**(237,922)**	(202,659)	(163,974)	**–**	–	–
Interest received		**4,434**	1,169	514	**8**	11	14
Additions to investments in joint ventures	7	**(4,090)**	(1,001)	–	**–**	–	–
Additional advances to joint ventures		**(185)**	(595)	(840)	**(185)**	(595)	(840)
Proceeds from disposal of property, plant and equipment		**210**	231	11,705	**–**	–	–
Collection of receivable from prior year sale of shares of subsidiary and settlement of transaction costs		**–**	–	106,520	**–**	–	–
Proceeds from additional sale of shares of subsidiary		**–**	–	8,954	**–**	–	–
Investments in subsidiaries		**–**	–	–	**–**	–	(150,000)
Acquisition of intangible assets, net of transaction costs	8	**(71,761)**	–	–	**–**	–	–
Advances to related company		**–**	–	–	**(110,384)**	(67,874)	(33,505)
Dividend received		**–**	–	–	**88,503**	33,519	242,721
Net cash flows (used in) from investing activities		**(309,314)**	(202,855)	(37,121)	**(22,058)**	(34,939)	58,390
Cash flows from financing activities							
Proceeds from borrowings	39	**4,746,953**	2,848,113	4,299,181	**128,500**	333,000	157,300
Repayment of borrowings	39	**(4,032,573)**	(2,547,034)	(4,380,653)	**(168,071)**	(89,810)	(158,911)
Redemption of preference share capital	16	**(100,000)**	(200,000)	–	**(100,000)**	(200,000)	–
Interest paid		**(144,006)**	(89,359)	(77,349)	**(29,165)**	(11,004)	(11,686)
Dividends paid to equity holders of the parent	17	**(37,729)**	(43,060)	(49,805)	**(37,729)**	(43,060)	(49,805)
Payments of lease liability	23	**(42,685)**	(38,870)	(43,377)	**–**	(52)	(107)
Dividends paid to non-controlling interests		**(11,158)**	(5,892)	(12,865)	**–**	–	–
Payment of debt related costs	18	**(20,295)**	(2,383)	(20,551)	**(218)**	(2,383)	(1,948)
Redemption cost on Senior Secured Notes	26	**(44,530)**	–	–	–	–	–
Net collections (repayments) of advances from related companies		–	–	–	**38,412**	20,941	(238,611)
Advances from related companies		–	–	–	**205,697**	39,034	256,597
Net cash flows from (used in) financing activities		**313,977**	(78,485)	(285,419)	**37,426**	46,666	(47,171)

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

STATEMENTS OF CASH FLOWS

FOR FINANCIAL YEARS ENDED 30 APRIL 2023, 2022 AND 2021

(In US$'000)

	Note	Group			Company		
		Year ended 30 April 2023	**Year ended 30 April 2022**	**Year ended 30 April 2021**	**Year ended 30 April 2023**	**Year ended 30 April 2022**	**Year ended 30 April 2021**
Net increase (decrease) in cash and cash equivalents		**1,900**	(602)	(7,266)	**(1,403)**	45	1,318
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		**(3,917)**	(6,980)	3,236	**(172)**	(20)	20
Cash and cash equivalents at beginning of year		**21,853**	29,435	33,465	**2,129**	2,104	766
Cash and cash equivalents at end of year		**19,836**	21,853	29,435	**554**	2,129	2,104

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

These notes form an integral part of the financial statements.

The accompanying financial statements were approved and authorized for issuance by the Board of Directors (the "Board") on 7 July 2023.

1. DOMICILE AND ACTIVITIES

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

The registered office of the Company is located at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

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

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

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

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

The financial statements of the Group as at 30 April 2023 and 2022 and for the three financial years ended 30 April 2023, 2022 and 2021 comprise the Company and its subsidiaries (collectively referred to as the "Group", and individually as "Group entities"), and the Group's interests in joint ventures.

2. GOING CONCERN

As of 30 April 2023, the Group's and the Company's current liabilities exceeded its current assets by US$205.3 million and US$414.0 million, respectively (2022: the Company's current liabilities exceeded its current assets by US$122.7 million). The negative working capital is attributable to the early redemption of preference shares in April and December 2022, and the maturity of long-term loans due within the next 12 months in the Company.

2. GOING CONCERN (CONT'D)

Management believes that the Company will be able to pay or refinance its liabilities as and when they fall due. Accordingly, the use of going concern assumption is appropriate taking into account the following:

- The Group continues to find new sources of funding to improve cash management:

  a. In 16 May 2022, Del Monte Foods, Inc. (DMFI) raised US$600 million through a 7-year Term Loan B facility maturing in 2029 at Adjusted Secured Overnight Financing Rate (SOFR), with a floor of 0.5%, plus 4.25% p.a. The proceeds were used to primarily redeem the US$500 million Senior Secured Notes plus redemption fees and accrued interest. The refinanced Notes had an interest rate of 11.875% p.a. and were due to mature in 2025. On 7 February 2023, DMFI obtained additional term loan commitments amounting to US$125.0 million, bearing the same interest and maturity date with initial term loans.

- The Group has sufficient credit lines available for drawdown and, as such, management believes that the Group will have sufficient working capital to enable the Group to meet its objectives and future financial obligations:

  a. On 11 May 2023, the Company refinanced its US$100 million facility with Bank of the Philippine Islands (BPI) that was due to mature on 15 May 2023 for an additional period of 18 months up to 15 November 2024.

  b. On 25 May 2023, the Company obtained a loan amounting to US$50.0 million from Union Bank of the Philippines. The loan matures on 25 May 2024.

  c. The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks. Currently, the Group excluding Del Monte Foods, Inc. (DMFI) is entitled to a total of US$1,639.9 million in credit lines, of which 17% remain available. The Group constantly maintain good relations with its banks, such that additional facilities, whether for short or long-term requirements, may be made available.

  d. The Group is able to increase the commitments under the ABL Facility, such that the aggregate principal amount of commitments dues do not exceed US$625.0 million. As at 30 April 2023, there were US$465.0 million of loans outstanding and US$24.3 million of letters of credit issued. The net availability to DMFI Group under the ABL Credit Agreement was US$135.7 million as at 30 April 2023.

- The Group generated net operating cash flows of US$280.7 million for the year ended 30 April 2022 and remains vigilant in managing its costs and protecting its margins amidst a high inflationary environment. During the year, the Group's inventory increased by US$390.8 million driven by increased costs due to high inflation experienced globally, an operational direction to enhance customer service levels through increased inventory and also normalized offtake in certain categories post COVID-19 pandemic. Management had undertaken various measures to improve operating profits such as packaging materials optimization, investments in the Philippine cannery and all plants in the US to improve efficiency, productivity and minimize wastage, increased efficiency in distribution centers, and the implementation of certain price increases that would have assisted in offsetting the inflationary impact across all market segments. In addition, lowering inventory will be a big focus for the Group in fiscal years 2024 and 2025 which is expected to further improve cash flow and lower debt.

- The Company had continued to receive dividend payments from its subsidiaries and expects the same in the next 12 months. As DMFI's performance continues to improve, the Group also expects to get regular dividends which will help enable the Company to meet its ongoing obligations.

3. BASIS OF PREPARATION

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs").

3.2 Basis of measurement

The financial statements have been prepared on historical cost basis except as otherwise described in the succeeding notes below.

3.3 Functional and presentation currency

The financial statements are presented in United States Dollars (US$) which is the Company's functional currency. All financial information presented in US Dollars has been rounded to the nearest thousand, unless otherwise stated.

3.4 Use of estimates and judgments

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements are included in the following notes:

Note 6	–	Recognition of Share Purchase Agreement as at 30 April 2020
Note 6	–	Equity classification
Note 6	–	Determination of control over subsidiaries
Note 6	–	Non-consolidation of Del Monte Andina C.A.
Note 7	–	Determination of joint control and the type of joint arrangement
Note 8	–	Assessment of useful life of intangible assets with indefinite useful life
Note 23	–	Determination of lease term of contracts with renewal options

Estimates and underlying assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment within the next financial year are included in the following notes:

Note 5	–	Useful lives of property, plant and equipment, revaluation of freehold land, estimate of harvest for bearer plant's depreciation
Note 5	–	Impairment of property, plant and equipment
Note 6	–	Obligation to deliver additional Redeemable and Convertible Preferred Shares ("RCPS")
Note 6	–	Obligation to purchase excess shares or sell shortfall shares
Note 6	–	Fair value of derivative liability on the call option
Note 6	–	Recoverability of investments in subsidiaries
Note 7	–	Recoverability of investments in joint ventures

3. BASIS OF PREPARATION (CONT'D)

3.4 Use of estimates and judgments (cont'd)

Estimates and underlying assumptions (cont'd)

Note 8	–	Impairment of goodwill and intangible assets
Note 8	–	Useful lives of intangible assets
Note 9	–	Recognition of deferred tax assets
Note 11	–	Fair value of harvested agricultural produce
Note 11	–	Future tonnage of harvests
Note 11	–	Fair value of unharvested agricultural produce
Note 12	–	Allowance for inventory obsolescence and net realizable value
Note 13	–	Impairment of trade and nontrade receivables
Note 20	–	Measurement of employee benefit obligations
Note 22	–	Estimation of trade promotion accruals
Note 23	–	Determination of incremental borrowing rate for lease liabilities
Note 27	–	Measurement of income tax
Note 34	–	Determination of fair values
Note 36	–	Contingencies

3.5 Measurement of fair value

Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the most advantageous market for the asset or liability.

The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

(iii) Level 3: unobservable inputs for the asset or liability.

3. BASIS OF PREPARATION (CONT'D)

3.5 Measurement of fair value (cont'd)

For assets and liabilities that are recognized in the financial statements or a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics, and risks of the asset or liability and the level of fair value hierarchy as explained above.

3.6 Adoption of New or Revised Standards, Amendments to Standards and Interpretations

The accounting policies adopted are consistent with those of the previous fiscal year, except that the Group has adopted the following new accounting pronouncements starting 1 May 2022. Unless otherwise indicated, adoption of these new standards did not have any significant impact on the Group's consolidated financial statements.

- Amendments to IFRS 3*, Business Combinations*, *Reference to the Conceptual Framework*

  The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2'gains or losses arising for liabilities and contingent liabilities that would be within the scope of International Accounting Standard (IAS) 37, *Provisions, Contingent Liabilities and Contingent Assets* or IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to IAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*

  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to IAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to IFRSs* 2018-2020 Cycle

  - Amendments to IFRS 1, *First-time Adoption of International Financial Reporting Standards, Subsidiary as a First-time Adopter*

    The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

3. BASIS OF PREPARATION (CONT'D)

3.6 Adoption of New or Revised Standards, Amendments to Standards and Interpretations (cont'd)

- *Annual Improvements to IFRSs* 2018-2020 Cycle (cont'd)

  - Amendments to IFRS 9, *Financial Instruments*, *Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*

    The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

  - Amendments to IAS 41, *Agriculture, Taxation in Fair Value Measurements*

    The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 3.6, which addresses the changes in accounting policies.

4.1 Basis of consolidation

(i) Business combination

Business combinations are accounted for using the acquisition method in accordance with IFRS 3, *Business Combinations,* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group's goodwill is initially measured at cost, measures goodwill at the acquisition date as:

- the fair value of consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree.

Over the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognized immediately in the income statement.

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

Any contingent consideration payable is recognized at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in the income statement.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(i) Business combination (cont'd)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other components of non-controlling interests are measured at acquisition-date fair value unless another measurement is required by another standard.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period it occurs, provisional amounts for the items for which the accounting is incomplete is reported in the financial statements. During the measurement period, which is not more than one year from acquisition date, the provisional amounts recognized are retrospectively adjusted, and any additional assets or liabilities recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Comparative information for prior periods are revised, as needed.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognized in the income statement. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

If the assets acquired are not a business, the Group shall account for the transaction or other event as an asset acquisition. The cost of the Group is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. These transactions or events do not give rise to goodwill.

(ii) Investments in subsidiaries

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

- power over the investee (i.e., existing rights that give the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Company has less than majority of the voting rights or similar rights to an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Company's voting rights and potential voting rights.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(ii) Investments in subsidiaries (cont'd)

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date control is transferred to the Company and cease to be consolidated from the date control is lost. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the income statement from the date the Company gains control until the date the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

(iii) Acquisition under common control

The formation of the Group in 1999 was accounted for as a reorganization of companies under common control using merger accounting. The financial statements therefore reflect the combined financial statements of all companies that form the Group as if they were a Group for all periods presented. The assets and liabilities of Del Monte Pacific Resources Limited and its subsidiaries contributed to the Company have been reflected at predecessor cost in these financial statements.

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in the income statement.

(v) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and goodwill. For the measurement of goodwill on initial recognition, see Note 8.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of the joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the joint ventures.

Impairment of goodwill is discussed in Note 4.11.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(vi) Investments in joint ventures

Joint ventures are those entities in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint control is the contractually sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

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

Subsequent to the initial recognition, the financial statements include the Group's share of profit or loss and other comprehensive income of the joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

When the Group's share of net losses exceeds its interest in joint ventures, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued, except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Impairment of investments in joint ventures is discussed in Note 4.11.

(vii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income or expenses arising from intra-group transactions, are eliminated in preparing the financial statements. Unrealized gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

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

Interest in subsidiaries and joint ventures are accounted for using the equity method. It is initially recognized at cost, which includes transactions costs. Subsequent to the initial recognition, the financial statements include the Company's share of profit or loss and other comprehensive income of the equity-accounted investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

When the Company's share of losses exceeds its interest in subsidiaries and joint ventures, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has an obligation to fund the investee's operations or has made payments on behalf of the investee.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognized in the income statement, except for differences which are recognized in OCI arising on the retranslation of qualifying cash flow hedges to the extent the hedge is effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to US Dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US Dollars using monthly average exchange rates.

Foreign currency differences are recognized in OCI and presented in the foreign currency translation reserve ("translation reserve") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, such that control, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the income statement.

When the settlement of a monetary item that is a receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in OCI, and presented in the translation reserve in equity.

4.3 Current versus Noncurrent Classification

The Group presents assets and liabilities in the statement of financial position based on current and noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within 12 months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.3 Current versus Noncurrent Classification (cont'd)

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and deferred tax liabilities are classified as noncurrent assets and liabilities, respectively.

4.4 Intangible assets

(i) Indefinite useful life intangible assets

Intangible assets are measured at cost less accumulated impairment losses.

The Group assess intangible assets as having indefinite useful life if there is no foreseeable limit to the period over which the assets are expected to generate cash inflows for the entity.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the income statement as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalized only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalized includes the cost of materials, direct labor, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalized borrowing costs. Other development expenditure is recognized in the income statement as incurred. Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment losses.

(iii) Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

(iv) *Subsequent expenditure*

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the income statement as incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Intangible assets (cont'd)

(v) Amortization

Amortization of intangible assets with finite lives is calculated based on the cost of the asset.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of these assets, other than goodwill and, from the date that they are available for use. The estimated useful lives for the current period and comparative years are as follows:

Trademarks	–	10 to 20 years
Customer relationships	–	20 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- Recognition and measurement

Financial instruments are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset, unless it is a trade receivable without a financing component, or financial liability is initially measured at fair value plus, for an item not at financial assets at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price determined under IFRS 15, *Revenue from Contracts with Customers*.

- Classification and subsequent measurement

Financial assets

On initial recognition, the Group classifies its financial assets into the following categories: financial assets at amortized cost, financial assets at FVTPL, and financial assets at financial assets through other comprehensive income ("FVOCI"). The classification depends on the Group's business model for managing financial instruments and the contractual cash flow characteristics of the financial instruments. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case, all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL: (1) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and (2) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated at FVTPL: (1) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (2) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

- Classification and subsequent measurement (cont'd)

The Group's financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group has investments in unquoted equity instruments and club shares that are classified and measured at FVOCI.

Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method and are subject to impairment. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Impairment losses on trade receivables are recognized under distribution and selling expenses. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at amortized cost comprise cash in banks and cash equivalents, trade and other receivables, due from a subsidiary, refundable deposits and note receivables recognized under "Other noncurrent assets".

Business model assessment

The Group's business model refers to how an entity manages its financial assets in order to generate cash flows. It determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group makes an assessment of the objective of the business model in which financial assets held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

(a) the policies and objectives in managing the Group's financial assets for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets; how the performance of the portfolio is evaluated and reported to the Group's management;

(b) the risks that affect the performance of the business model and how those risks are managed;

(c) how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

(d) the frequency, volume and timing of sales of financial assets in prior period, the reasons for such sales and expectations about future sales activity.

Assessment Whether Contractual Cash Flows are Solely Payments of Principal and Interest ("SPPI")

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

- Classification and subsequent measurement (cont'd)

  Assessment Whether Contractual Cash Flows are Solely Payments of Principal and Interest ("SPPI") (cont'd)

  In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

  (i) contingent events that would change the amount or timing of cash flows;

  (ii) terms that may adjust the contractual coupon rate, including variable-rate features;

  (iii) prepayment and extension features; and

  (iv) terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

  A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

  Financial liabilities

  Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

  Financial liabilities at amortized cost comprise bank loans, trade and other payables.

  Classification of Financial Instruments between Debt and Equity

  A financial instrument is classified as debt instrument if it provides for a contractual obligation to:

  - deliver cash or another financial asset to another entity;
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Group; or
  - satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

  If the Group does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

- Classification and subsequent measurement (cont'd)

  Classification of Financial Instruments between Debt and Equity (cont'd)

  Derecognition

  The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

  Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

  The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or has expired. Repurchases of a portion of a financial liability result in the allocation of the original carrying value of the financial liability between the portion that continues to be recognized and the portion that was repurchased based on the relative fair values on the date of the repurchase. Any unamortized debt issue costs are derecognized along with the financial liability. Redemption costs incurred on purchase of a financial liability is recognized in profit or loss when incurred.

- Exchange or modification of financial liabilities

  The Group considers both qualitative and quantitative factors in assessing whether a modification of financial liabilities is substantial or not. The terms are considered substantially different if the present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original EIR, is at least 10% different from the present value of the remaining cash flows of the original financial liability. However, under certain circumstances, modification or exchange of a financial liability may still be considered substantial, even where the present value of the cash flows under the new terms is less than 10% different from the present value of the remaining cash flows of the original financial liability. There may be situations where the modification of the financial liability is so fundamental that immediate derecognition of the original financial liability is appropriate (e.g., restructuring a financial liability to include an embedded equity component).

  When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the fair value of the new liability is recognized in profit or loss.

  When the exchange or modification of the existing financial liability is not considered as substantial, the Group recalculates the gross carrying amount of the financial liability as the present value of the renegotiated or modified contractual cash flows discounted at the original EIR and recognizes a modification gain or loss in profit or loss.

  If modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognized as part of the gain or loss on the extinguishment. If the modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the financial instrument and are amortized over the remaining term of the modified financial instrument.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

- Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Derivative financial instruments, including hedge accounting

The Group uses derivative financial instruments for the purpose of managing risks associated with interest rates, currencies, transportation and certain commodities. The Group does not trade or use instruments with the objective of earning financial gains on fluctuations in the derivative instrument alone, nor does it use instruments where there are no underlying exposures. All derivative instruments are recorded in the statement of financial position at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether the instrument has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. For those derivative instruments that are not designated as hedging instruments, changes in fair value subsequent to initial recognition are recognized in the income statement. For those derivative instruments that are designated and qualify as hedging instruments, the Group designates the hedging instrument as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation based upon the exposure being hedged.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are generally expected to offset each other. To qualify for hedge accounting, the hedging relationship has to meet the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship;
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item; and
- the hedged item and the hedging instrument are not intentionally weighted to create hedge ineffectiveness, whether recognized or not, to achieve an accounting outcome that would be inconsistent with the purpose of hedge accounting.

Derivatives are recognized initially at fair value; any directly attributable transaction costs are recognized in the income statement as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value. Changes therein are recognized in OCI, generally for derivatives designated as effective hedges, or the consolidated income statement, for other derivatives.

For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

- Offsetting (cont'd)

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the income statement.

The amount accumulated in equity is retained in OCI and reclassified to the consolidated income statement in the same period or periods during which the hedged item affects the income statement, except when a hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, in which case the amount retained in OCI is included directly in the initial cost of the non-financial item when it is recognized.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in OCI remains in equity until, for hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period or periods as the hedged expected future cash flows affect the income statement. If a hedged forecast transaction is no longer expected to occur, then the amount accumulated in equity is immediately reclassified to the income statement.

4.6 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses except for freehold land, which are stated at its revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated impairment losses. Revaluation is carried out by independent professional values regularly such that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in the revaluation amount is recognized in OCI and presented in the revaluation reserve in equity unless it offsets a previous decrease in value of the same asset that was recognized in the income statement. A decrease in value is recognized in the income statement where it exceeds the increase previously recognized in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from OCI to retained earnings.

Bearer plants are measured at cost less accumulated amortization based on actual volume of harvest over total estimated volume of harvest. Costs to grow include purchase cost of various chemicals and fertilizers, land preparation expenses and direct expenses during the cultivation of the primary ratoon and, if needed, re-ratoon crops.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, estimated costs of dismantling and removing the items and restoring the site on which they are located (when the Group has an obligation to remove the asset or restore the site), and capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

Construction in-progress represents plant and properties under construction or development and is stated at cost. This includes cost of construction, plant and equipment, borrowing costs directly attributable to such asset during the construction period and other direct costs. Construction in-progress is not depreciated until such time when the relevant assets are substantially completed and available for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item, and is recognized net within other income/ other expenses in the income statement.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the income statement as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation (except bearer plants) is recognized in the income statement on a straight-line basis over their estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Freehold land is not depreciated.

Depreciation is recognized from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current period and comparative years are as follows:

Buildings, land improvements and leasehold improvements	–	3 to 50 years or lease term, whichever is shorter
Machineries and equipment	–	3 to 30 years

For bearer plants, units of production method is used. Depreciation is charged according to the cost of fruits harvested at plant crop and ratoon crop harvest months.

Bearer plants are depreciated based on the ratio of actual quantity of harvest over the estimated yield for both plant crop and ratoon crop harvests. Plant crop harvest usually occurs within 16 to 18 months after planting while ratoon crop harvest occurs at the 32^{nd} to 34^{th} month after planting. Depreciation is determined on a per field basis.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Property, plant and equipment (cont'd)

(iv) Borrowing costs

Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds.

Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period.

Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when all the activities necessary to prepare the asset for its intended use or sale are substantially complete. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized.

4.7 Biological assets

The Group's biological assets include: (a) agricultural produce consisting of pineapple and papaya; (b) breeding and dairy herd; (c) growing herd; and (d) cattle for slaughter. Agricultural produce include: (a) harvested and unharvested pineapple and papaya fruits from the Group's bearer plants; and (b) cut meat from the cattle for slaughter.

The Group's biological assets are accounted for as follows:

Breeding and Dairy Herd

The breeding and dairy herd are measured at cost. The breeding and dairy herd have useful lives of 3 ½ to 6 years. The cost method was used since fair value cannot be measured reliably. The breeding and dairy herd have no active markets and no similar assets are available in the relevant markets. In addition, existing sector benchmarks are irrelevant and estimates necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result in a reliable basis for determining the fair value. Breeding and dairy herd are classified as noncurrent assets in the statement of financial position of the Group.

Growing Herd

Growing herd is measured at cost. The cost method was used since the fair value cannot be measured reliably. Growing herd has no defined active market since it has not yet been identified if this will be for breeding or for slaughter. Growing herd is classified as noncurrent assets in the statement of financial position of the Group.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.7 Biological assets (cont'd)

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

Agricultural Produce

The Group's growing or unharvested produce are measured at their fair value from the time of maturity of the bearer plant until harvest. The Group estimates the fair value of unharvested agricultural produce using estimated tonnage of harvest, estimated future selling prices and gross margin of finished goods less estimated future growing cost and adjusted for margin related to production. The fair value is multiplied to the estimated tonnage of harvested pineapple fruit at the end of the period based on the age of the crops after planting date. The Group's harvested produce are measured at fair value at the point of harvest based on the estimated selling prices reduced by cost to sell and adjusted for margin related to production. The fair value is multiplied to actual harvest for the period. Gains and losses arising from changes in fair values are included in profit or loss under "Changes in fair values of biological assets" in "Revenue" for the period in which they arise.

Cutmeat

Cutmeat is measured at each reporting date at their fair value less cost to sell. Gains and losses arising from changes in fair values are included in profit or loss under "changes in fair value of biological assets" in "Revenue" for the period in which they arise.

4.8 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date. The arrangement is assessed for whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Right-of-use assets and lease liabilities are presented separately in the consolidated statement of financial position.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liability to make lease payments and right-of-use asset representing the right to use the underlying asset.

Right-of-use Assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The right-of-use assets were measured at an amount equal to the lease liability, adjusted for initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Leases (cont'd)

Right-of-use Assets (cont'd)

The estimated useful lives are as follows:

Buildings, land improvements and	–	2 to 6 years
Leasehold improvements Land	–	2 to 26 years
Machineries and equipment	–	2 to 17 years

The right-of-use assets are presented separately in the statement of financial position.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate ("IBR"). After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases that are considered of low value (i.e., personal computers). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Sale and Leaseback

When the Group sells or transfers an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, the Group account for the sale or transfer contract and the lease by applying the requirements of IFRS 16. The Group first applies the requirements for determining when a performance obligation is satisfied in IFRS 15 to determine whether the sale or transfer of an asset is accounted for as a sale of that asset.

For sale or transfer of an asset that satisfies the requirements of IFRS 15 to be accounted for as a sale of the asset, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

If the sale or transfer of an asset does not satisfy the requirements of IFRS 15 to be accounted for as a sale of the asset, the Group continues to recognize the transferred asset and recognizes a financial liability equal to the proceeds from the sale or transfer. The Group accounts for the financial liability in accordance with the requirements of IFRS 9.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Leases (cont'd)

Sublease arrangements

The Group determines if the sublease arrangement qualifies as a finance or operating lease. The Group assesses and classifies a sublease as finance lease if it has transferred substantially all the risk and rewards incidental to the ownership of the leased asset. The Group compares the sublease term with the head lease term. If the sublease term accounts for the majority or 75% of the head lease term, same is classified as a finance lease, otherwise it is classified as an operating lease.

At the inception date, if the sublease qualifies as finance lease, the Group derecognizes the right-of-use asset on the head lease and continues to account for the original lease liability. The Group as a sublessor, recognizes a net investment in sublease and evaluate it for impairment. If classified as operating lease, the Group continues to account for the lease liability and right-of-use asset on the head lease like any other lease.

4.9 Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of raw materials, packaging materials, traded goods, cost of production materials and storeroom items is based on the FIFO (First-in First-out) method. Cost of processed inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of conversion include costs directly related to the units of production, and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

The allocation of fixed production overheads is based on the normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average for the periods or seasons under normal circumstances, taking into account the seasonal business cycle of the Group.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of growing crops transferred from biological assets is its fair value less cost to sell at the date of harvest.

4.10 Cash and cash equivalents

Cash and cash equivalents consist of cash and short-term, highly liquid investments that are readily convertible to known amount of cash with original maturities of three months or less that are subject to insignificant risk of change in value.

4.11 Impairment

(i) Non-derivative financial assets

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

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Impairment loss allowances are measured on either lifetime ECLs or 12-month ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date, or a shorter period if the expected life of the instrument is less than 12 months.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for debt securities that are determined to have low credit risk at the reporting date and other debt securities, non-trade and other receivables and bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Impairment loss allowances for trade receivables without a significant financing component are measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held), or when the financial asset is more than 90 days past due.

At each reporting date, the Group assesses whether financial assets at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired may include significant financial difficulty of the debtor, a breach of contract such as a default, the restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that the debtor or issuer will enter bankruptcy or other financial reorganization, the disappearance of an active market for that financial asset because of financial difficulties, adverse changes in the payment status of borrowers or issuers, or economic conditions that correlate with defaults.

Impairment loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets in the statement of financial position. The gross carrying amount of a financial asset is written-off when the Group has no realistic prospects of recovery of the asset.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Impairment (cont'd)

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value-in-use ("VIU") and its fair value less costs to sell. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in the income statement. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss recognized in prior periods for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Joint ventures and investments in subsidiaries

An impairment loss in respect of joint ventures is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in the income statement. An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

Goodwill

Goodwill that forms part of the carrying amount of an investment in a joint venture is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in a joint venture may be impaired.

When conducting the annual impairment test for goodwill, the Group compares the estimated fair value of the CGU containing goodwill to its recoverable amount.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

Goodwill (cont'd)

Goodwill is allocated to a CGU or group of CGUs that represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The recoverable amount is computed using two approaches: the VIU approach, which is the present value of expected cash flows, discounted at a risk adjusted weighted average cost of capital; and the fair value less cost to sell approach, which is based on the Income Approach, which indicates the recoverable amount of an asset based on the value of the cash flows that the asset can be expected to generate in the future.

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss in respect of goodwill attributable to acquisition of a subsidiary is not reversed.

Intangible assets with indefinite useful lives, are components of the CGU containing goodwill and the impairment assessment is as described above.

4.12 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

(ii) Defined benefit pension plan

A defined benefit pension plan requires contributions to be made to separately administered funds. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Employee benefits (cont'd)

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

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognizes them immediately in other comprehensive income and all expenses related to defined benefit plans in staff cost in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the income statement.

When the plan amendment or curtailment occurs, the Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement. In fiscal year 2020, there were amendments to the employee benefit plans, eliminating certain benefits in fiscal year 2020 and after fiscal year 2022 (see Note 20).

Multi-employer plans

The Group participates in several multi-employer pension plans, which provide defined benefits to certain union employees. The Group accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as a defined contribution plan. For certain union employee related retirement plans where sufficient information is not available to use defined benefit accounting, the Group accounts for these plans as if they were defined contribution plans.

(iii) Other plans

The Group has various other non-qualified retirement plans and supplemental retirement plans for executives, designed to provide benefits in excess of those otherwise permitted under the Group's qualified retirement plans. These plans are unfunded and comply with Internal Revenue Service (IRS) rules for non-qualified plans.

(iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognized in the income statement in the period in which they arise. Other long-term employee benefits include the Group's long-term executive cash incentive awards (see Note 31).

(v) Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits arising from involuntary termination are recognized as an expense once the Group has announced the plan to affected employees.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Employee benefits (cont'd)

(vi) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(vii) Share-based payment transactions

The Group grants share awards and share options to employees of the Group. The fair value of incentives granted is recognized as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and accounted for as described below.

Share awards

The fair value, measured at grant date, is recognized over the period during which the employees become unconditionally entitled to the shares.

Share options

The fair value, measured at grant date, is recognized over the vesting period during which the employees become unconditionally entitled to the options. At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates in employee benefit expense and as a corresponding adjustment to equity over the remaining vesting period.

4.13 Share capital and retained earnings

(i) Share capital

Ordinary shares

Ordinary shares are classified as equity. Holders of these shares are entitled to dividends as declared from time to time, and to one vote per share at general meetings of the Company.

Preference shares

Preference shares are classified as equity. Holders of these shares are entitled to cash dividends based on the issue price, at the dividend rate per annum from the issue date, payable every 7 October and 7 April of each year following the issue date, upon declaration by the Board.

The transaction costs directly attributable to the issue of ordinary and preference shares are accounted for as deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognized as an expense.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognized as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Share capital and retained earnings (cont'd)

(i) Share capital (cont'd)

Share premium

Share premium represents the excess of consideration received over the par value of ordinary and preference shares net of transaction costs from issuance of share capital, share options exercised and released of share awards granted.

(ii) Retained Earnings

Retained earnings include profit attributable to the equity holders of the Group and reduced by dividends declared on share capital.

Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

(iii) Dividends

Dividends are recognized as a liability and deducted from retained earnings when they are declared.

4.14 Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(i) Environment remediation liabilities

In accordance with the Group's environment policy and applicable legal requirements, a provision for environmental remediation obligations and the related expense is recognized when such losses are probable, and the amounts of such losses can be estimated reliably. Accruals for estimated losses for environmental remediation obligations are recognized no later than the completion of the remedial feasibility study. These accruals are adjusted as further information develops or circumstances change.

(ii) Retained insurance liabilities

The Group accrues for retained insurance risks associated with the deductible portion of any potential liabilities that might arise out of claims of employees, customers or other third parties for personal injury or property damage occurring in the course of the Group's operations.

A third-party actuary is engaged to assist the Group in estimating the ultimate cost of certain retained insurance risks. Additionally, the Group's estimate of retained insurance liabilities is subject to change as new events or circumstances develop which might materially impact the ultimate cost to settle these losses.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognized:

(i) Sales of goods

Revenue from the sale of goods is recognized at a point in time when control of the asset is transferred to the customer, generally on delivery and acceptance of the promised goods.

Each contract with a customer specifies minimum quantity, fixed prices and effective period and is not subject to change for the contractual period unless mutually agreed by the parties. Invoices are usually payable within 30 days from delivery.

The Group provides allowances under trade promotions to customers and coupons to end consumers which are reimbursable by the Group to customers when redeemed. Allowances and coupons are generally considered as reductions of the transaction price and recognized at the later of when the Group recognizes revenue for the transfer of the related goods and when the Group pays or promises to pay the allowances or coupons.

Variable amounts related to these allowances and coupons are estimated using the expected value method and included in the transaction price to the extent it is highly probable that a significant revenue reversal will not subsequently occur. Accruals for trade promotions are based on expected levels of performance. Settlement typically occurs in subsequent periods primarily through an off-invoice allowance at the time of sale or through an authorized process for deductions taken by a customer from amounts otherwise due to the Group. Evaluation of trade promotions are performed monthly and adjustments are made where appropriate to reflect changes in the Group's estimates. The Group accrues coupon redemption costs based on estimates of redemption rates that are developed by management. Management's estimates are based on recommendations from independent coupon redemption clearing-houses as well as historical information. Should actual redemption rates vary from amounts estimated, adjustments may be required.

(ii) Sales returns

The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. The amount of revenue and the receivable recognized is adjusted for expected returns, which are estimated based on the historical data. No right of return asset (and corresponding adjustment to cost of sales) is recognized for the right to recover products from a customer since Group's policy is to dispose all goods to be returned.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Revenue recognition (cont'd)

(iii) Contract balances arising from revenue with customer contracts

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

(iv) Bill-and-hold arrangements

Bill-and-hold arrangements pertain to sales of the Group wherein the customers are billed for goods that are ready for delivery, but the Group retains physical possession of the product until it is transferred to the customer at a future date. The Group assessed whether control has transferred to the customers, even though the customers do not have physical possession of the goods. The following criteria must all be met in order for the customers to have obtained control in bill-and-hold arrangements:

- the reason for the bill-and-hold arrangement must be substantive;
- the product must be identified separately as belonging to the customer;
- the product currently must be ready for physical transfer to the customer; and
- the entity cannot have the ability to use the product or to direct it to another customer.

Custodial services provided to the customers are identified as a separate performance obligation. A portion of the contract price should be allocated to the custodial services and separately recognized over the period of time the product is being held by the Group, along with the related costs of storing the product.

Penalty on the late payment of the invoices affects the estimate of the transaction price.

Other income:

(i) Finance income

Such income is recognized as the interest accrues taking into account the effective interest yield on the asset.

(ii) Other income

Other income is recognized when earned.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.16 Finance income and finance costs

Finance income comprises interest income earned mainly from bank deposits and amounts or balances due from related parties of the Group. Interest income is recognized as it accrues in the income statement, using the effective interest method.

Finance expense comprises interest expense on finance leases and borrowings. All finance lease borrowing costs are recognized using the Group's incremental borrowing rate. All borrowing costs are recognized in income statement using the effective interest method, except to the extent that they are capitalized as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

4.17 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in income statement except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

(a) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

(b) temporary differences related to investments in subsidiaries and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.17 Tax (cont'd)

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

4.18 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined in the same manner, adjusted for the effects of any dilutive potential ordinary shares, which comprise the restricted share plan and share options granted to employees.

4.19 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly of non-recurring expenses.

4.20 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognized because:

  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognized on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 New standards and interpretations issued but not yet effective

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Unless otherwise indicated, adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements.

Effective beginning on or after 1 January 2023

- Amendments to IAS 1 and IFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and

  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

  The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

- Amendments to IAS 8, *Definition of Accounting Estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 January 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

- Amendments to IAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after 1 January 2023.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 New standards and interpretations issued but not yet effective (cont'd)

Effective beginning on or after 1 January 2023 (cont'd)

- IFRS 17, *Insurance Contracts*

  IFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

  a. A specific adaptation for contracts with direct participation features (the variable fee approach)

  b. A simplified approach (the premium allocation approach) mainly for short-duration contracts

  IFRS 17 is effective for reporting periods beginning on or after 1 January 2023, with comparative figures required. Early application is permitted.

Effective beginning on or after 1 January 2024

- Amendments to IAS 1, *Classification of Liabilities as Current or Non-current*

  The amendments clarify:

  4.11 That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.

  4.12 That classification is unaffected by the likelihood that an entity will exercise its deferral right.

  4.13 That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

  The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

- Amendments to IFRS 16*, Lease liability in a Sale and Leaseback*

  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.periods.

  The amendments are effective for annual reporting beginning on or after 1 January 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.21 New standards and interpretations issued but not yet effective (cont'd)

Effective beginning on or after 1 January 2024 (cont'd)

- Amendments to IAS 1, *Non-current Liabilities with Covenants*

  The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.

  The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively.

Deferred effectivity

- Amendments to IFRS 10, *Consolidated Financial Statements*, and IAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.*

- The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

  On 13 January 2016, the FRSC deferred the original effective date of 1 January 2016 of the said amendments until the IASB completes its broader review of the research project o equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

5. PROPERTY, PLANT AND EQUIPMENT – NET

	At cost				At appraised value	
	Buildings, land improvements and leasehold improvements US$'000	Machineries and equipment US$'000	Construction -in-progress ("CIP") US$'000	Bearer plants US$'000	Freehold land US$'000	Total US$'000
Group						
Cost/Valuation						
At 1 May 2021	227,519	593,896	34,953	374,803	63,145	1,294,316
Additions	6,596	17,429	47,509	133,622	–	205,156
Disposals	(167)	(12,106)	–	–	–	(12,273)
Write off – closed fields	–	–	–	(95,754)	–	(95,754)
Reclassifications from CIP	1,942	21,871	(23,813)	–	–	–
Currency realignment	(5,990)	(18,691)	(1,265)	(29,889)	(1,267)	(57,102)
At 30 April 2022 and 1 May 2022	229,900	602,399	57,384	382,782	61,878	1,334,343
Additions	9,808	6,843	72,688	147,028	–	236,367
Disposals	(80)	(3,527)	–	–	–	(3,607)
Write off – closed fields	–	–	–	(136,468)	–	(136,468)
Reclassifications from CIP	5,235	30,710	(35,945)	–	–	–
Revaluation	–	–	–	–	22,121	22,121
Currency realignment	(4,198)	(13,180)	(1,378)	(21,782)	(1,000)	(41,538)
At 30 April 2023	240,665	623,245	92,749	371,560	82,999	1,411,218
Accumulated depreciation and impairment losses						
At 1 May 2021	110,782	415,584	–	214,638	8,536	749,540
Charge for the year	10,163	35,201	–	104,753	–	150,117
Disposals	(138)	(11,098)	–	–	–	(11,236)
Write off – closed fields	–	–	–	(95,754)	–	(95,754)
Other adjustments	–	62	–	–	–	62
Currency realignment	(3,185)	(14,930)	–	(17,918)	–	(36,033)
At 30 April 2022 and 1 May 2022	117,622	424,819	–	205,719	8,536	756,696
Charge for the year	10,090	34,152	–	113,571	–	157,813
Disposals	(37)	(2,621)	–	–	–	(2,658)
Write off – closed fields	–	–	–	(136,468)	–	(136,468)
Currency realignment	(2,095)	(10,191)	–	(10,870)	–	(23,156)
At 30 April 2023	125,580	446,159	–	171,952	8,536	752,227
Carrying amounts						
At 30 April 2022	112,278	177,580	57,384	177,063	53,342	577,647
At 30 April 2023	115,085	177,086	92,749	199,608	74,463	658,991

5. PROPERTY, PLANT AND EQUIPMENT – NET (CONT'D)

Depreciation recognized in the consolidated statements of cash flows is net of the amount capitalized in inventories.

The Group has property, plant and equipment acquisitions of US$3.9 million as of 30 April 2023 (2022: US$3.0 million) that are unpaid as at year-end and included under "Accrued operating expenses" in "Trade and other current liabilities". Down payments made by the Group for the acquisition of property, plant and equipment amounted to US$3.5 million for the year ended 30 April 2023 (2022: to US$4.2 million) recorded under "Advances to suppliers" in "Other noncurrent assets". In addition, the Group has reclassified certain prepaid and other current assets to property, plant and equipment which amounted to US$2.4 million in 2023 (2022: US$3.7 million). The cost of fields closed and written off in 2023 amounted to US$136.5 million, which have been fully depreciated during the year (2022: US$95.8 million).

Bearer Plants

	Group	
	30 April 2023	**30 April 2022**
Hectares planted with growing crops:		
– Pineapples	16,562	16,130
– Papaya	185	123
Fruits harvested from the growing crops: (in metric tons)		
– Pineapples	858,908	785,876
– Papaya	1,497	1,266

Bearer plants are stated at cost which comprises actual costs incurred in nurturing the crops reduced by depreciation. Depreciation represents the estimated cost of fruits harvested from the Group's plant crops. An estimated cost is necessary since the growth cycle of the plant crops is beyond twelve months, hence total growing costs are not yet known as of reporting date. The estimated cost is developed by allocating estimated growing costs for the estimated growth cycle of two to three years over the estimated harvests to be made during the life cycle of the plant crops. Estimated growing costs are affected by inflation and foreign exchange rates, volume and labor requirements. Estimated harvest is affected by natural phenomenon such as weather patterns and volume of rainfall. Field performance and market demand also affect the level of estimated harvests. The Group reviews and monitors the estimated cost of harvested fruits regularly.

Leasehold Improvements

As at 30 April 2023 and 2022, the Group has no significant legal or constructive obligation to dismantle any of its leasehold improvements as the lease contracts provide, among other things, that the improvements introduced on the leased assets shall become the property of the lessor upon termination of the lease.

5. PROPERTY, PLANT AND EQUIPMENT – NET (CONT'D)

Freehold Land

The table below summarizes the valuation of freehold land held by the Group as at 30 April 2023 and 2022 in various locations:

Located in	30 April 2023 US$'000	30 April 2022 US$'000	Date of Latest Valuation
The Philippines	18,697	10,799	2023 (Various)
United States of America	41,009	32,459	1 April 2023
Singapore	14,756	10,084	30 April 2023
	74,462	53,342	

The Group engaged independent appraisers to determine the fair values of its freehold land. Revaluations are performed at regular intervals to ensure that the fair value of the freehold land does not differ materially from its carrying amount. Management evaluated that the fair values of its freehold land at the respective valuation dates approximate their fair values as of the reporting date. The assumptions used in determining the fair value are disclosed in Note 34. Management believes that there are no events or changes in circumstances indicating a significant change in fair value of the land from the last appraisal made.

The carrying amount of the Group's freehold land as at 30 April 2023 would be US$34.4 million (2022: US$34.6 million) had the freehold land been carried at cost less impairment losses.

Construction-in-Progress ("CIP")

CIP includes on-going item expansion projects for the Group's operations.

Major items in CIP as of 30 April 2023 include plastic sleeveless cartoning for Modesto, additional Joyba production capacity for Mexico, installation of new fire roasting equipment and 4pk capability of 15oz, 8oz and 6oz tomato products for Hanford, warehouse management system roll out to manufacturing plants and distribution centers in the U. S., new tetra line in Cabuyao, installation of additional FDM 202 line at the cannery in Bugo, additional 307 cook room line, acquisition of tetra filler in Bugo, 307 Line 6 autocaser and JMC fresh fruit packing house line 4 are among the significant projects implemented in fiscal years 2023. These projects are expected to be completed by fiscal year 2024.

Major items in CIP as of 30 April 2022 include plastic sleeveless cartoning for Modesto, new labeling line for packaging club and retail items for Markesan, installation of corn cutters on the process line, higher capacity palletizer for Toppenish, installation of additional FDM 202 Line at the Bugo Cannery, construction of North DC warehouse in Marilao, Bulacan and purchase of Tetra Line for Cabuyao Plant, which are among the significant projects implemented in fiscal year 2022. These projects were expected to be completed by fiscal year 2023.

Capitalized borrowing costs for the year ended 30 April 2023 amounting to US$0.3 million pertains to an additional complete 307 cook room line, and the carry-over of both of the FDM 202 line and 307 line 6 auto caser. For the year ended 30 April 2022, capitalized borrowing costs amounting to US$0.01 million is related to the installation of an additional FDM 202 Line, Can Making Equipment, and the installation of an automated line for 2.3kg tidbits and an acquisition of a 307 line 6 auto caser.

The Group also capitalized interest expense arising from general borrowings and lease liabilities to bearer plants amounting to US$2.5 million and US$1.2 million for the years ended 30 April 2023 and 2022, respectively. Average capitalization rate used is 6.00% and 2.25% for the fiscal years ended 30 April 2023 and 2022, respectively.

5. PROPERTY, PLANT AND EQUIPMENT – NET (CONT'D)

Source of estimation uncertainty

The Group estimates the useful lives of its buildings, land improvements, leasehold improvements and machineries and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, the estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experiences with similar assets. It is possible, however, that future financial performance could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amount and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment would increase recorded depreciation expense and decrease non-current assets.

The depreciation of bearer plants requires estimation of future harvest which is affected by natural phenomena and weather patterns.

The valuation of freehold land is based on comparable transaction subject to adjustments. These adjustments require judgment.

6. INVESTMENTS IN SUBSIDIARIES

	30 April 2023 US$'000	**30 April 2022 US$'000**
Unquoted equity shares, at cost, at the beginning and end of the year	1,020,215	1,020,215
Amounts due from subsidiaries (nontrade)	237,516	237,516
	1,257,731	1,257,731
Accumulated share in losses at the beginning of the year	(277,723)	(356,274)
Dividends declared by subsidiaries	(88,503)	(33,519)
Share in net profit of subsidiaries	61,702	124,985
Share in other comprehensive income (losses) of subsidiaries, net of tax	13,952	(11,162)
Cancelled options of a subsidiary	–	(1,753)
	(290,572)	(277,723)
Interests in subsidiaries at the end of the year	967,159	980,008

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

On 15 May 2020, the Company invested US$150.0 million of additional paid-in capital to DMPLFL in exchange for 423.95 shares of preferred stock.

The amounts due from subsidiaries are unsecured and interest-free. Settlement of the balances are neither planned nor likely to occur in the foreseeable future as they are, in substance, a part of the Company's net investments in the subsidiaries.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

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

On 24 January 2020, the Company, Central American Resources, Inc ("CARI"), Del Monte Philippines, Inc. ("DMPI") and SEA Diner, a company incorporated in Singapore, entered into a Share Purchase Agreement and Shareholders' Agreement pursuant to which and subsequent arrangements, CARI agreed to sell 335,678,400 existing common shares equivalent to 12% ownership interest in DMPI to SEA Diner for a consideration of US$120.0 million, subject to fulfilment of certain conditions precedent. These common shares were convertible to voting, convertible, participating and redeemable convertible preferred shares ("RCPS") of DMPI.

The Board and the stockholders of DMPI approved the conversion of the convertible common shares to RCPS subject to the completion of the transaction and the Enabling Resolutions which further defined the terms of the RCPS on 3 March 2020. As at 30 April 2020, the Company, CARI and DMPI had fulfilled the conditions precedent under the Share Purchase Agreement. The private placement transaction closed on 20 May 2020.

Terms of the RCPS

The terms of the RCPS were as follows:

(i) The RCPS holders participate in the dividends on an as-converted basis, that is, if common shareholders are entitled to dividends, then the RCPS holders will correspondingly be entitled to dividends on an as-converted basis.

(ii) The investor as an RCPS holder will have proportional shareholder voting rights in DMPI on an as-converted basis. There will also be certain reserved matters (for example, matters not in the ordinary course of business) which the investor will have the right to approve.

(iii) SEA Diner, as long as it holds RCPS, may, at any time, exercise its right to convert the RCPS into common shares of DMPI at a ratio of one (1) RCPS to one (1) common share of DMPI. The RCPS is automatically converted into common share in the event of initial public offering (IPO) of DMPI.

(iv) Upon the occurrence of any of certain agreed "RCPS Default Events", SEA Diner may require the Company, CARI or DMPI to redeem all of the RCPS at the agreed redemption price, which is the amount of RCPS consideration plus the agreed rate of return (compounded on a per annum basis) calculated from 20 May 2020 up to the date of redemption.

(v) In case of "Other Redemption Events", redemption shall be subject to the mutual agreement of the parties. If DMPI does not consent to the RCPS holder's written redemption request, the internal rate of return would be increased annually by 3%, and this increased rate of return shall apply for each year that the RCPS remain outstanding and shall be compounded on a per annum basis. Other Redemption Events include but are not limited to, an exit not completed within five years from the closing date, the Group being in default on any of its indebtedness which is not cured within 30 business days from written notice thereof, or the Group suffers insolvency.

On 3 August 2020, the SEC approved the amendment of DMPI's Articles of Incorporation to reflect the conversion of 335,678,400 convertible common shares to RCPS and the removal of the conversion feature of the remaining convertible common shares.

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

On 1 March 2021, the SEC approved the amendment of DMPI's Articles of Incorporation to change DMPI's Php 3 billion authorized capital stock (previously comprising common shares and RCPS) to all common shares with a par value of Php 1 per share. Consequently, the 335,678,400 RCPS issued to SEA Diner were converted to 335,678,400 common shares.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Share Purchase Agreement and Shareholders' Agreement with SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner") (cont'd)

Share Purchase Agreement and Shareholders' Agreement with SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner") (cont'd) Included in the Shareholders' Agreement is a requirement for the Group to continuously maintain the following financial covenants for as long as SEA Diner is a significant minority:

(i) The ratio of the Group's total indebtedness to the Group's consolidated earnings before interest and taxes shall not exceed 3.75x at any time during each quarter; and

(ii) The ratio of the Group's total indebtedness to the Group's shareholder's equity shall not exceed 2.00x at any time during each quarter

In the case of a breach of the above financial covenants or Other Redemption Events, SEA Diner may require the Company, CARI or DMPI to redeem all of the RCPS at the agreed redemption price subject to the mutual consent of the Group and SEA Diner.

As of and for the year ended 30 April 2023, the Group did not meet the above financial covenants. However, the redemption of the RCPS is subject to mutual consent of the Group and SEA Diner. As of the date of these financial statements, the Group is in discussion with SEA Diner with regards to the resolution of this matter.

Call Option Agreement

On 24 January 2020, the Company, CARI, DMPI and SEA Diner entered into a call option agreement which gives SEA Diner the right to buy from CARI additional DMPI shares ("Option Shares"). The exercise price for each Option Share is US$0.357 (computed based on the DMPI equity valuation of US$1 billion / existing total issued share capital of the DMPI shares of 2,797,320,003 as at the date of the Agreement).

The call option is exercisable within the Option Period which means:

(A) commencing on:

- (i) in the event where an IPO of DMPI is consummated on or before 30 April 2022, and:

  - a. such IPO of DMPI is consummated at a price per DMPI share which implies an IPO pre-money market capitalization of US$2,000,000,000 or lower, the date on which such IPO of DMPI is consummated; or

  - b. such IPO of DMPI is consummated at a price per DMPI share which implies an IPO pre-money market capitalization of more than US$2,000,000,000 and following such IPO, SEA Diner sells any DMPI shares at a price per DMPI share which implies that DMPI's valuation is at or lower than an IPO pre-money market capitalization of US$2,000,000,000, the date on which the SEA Diner makes such sale of DMPI shares; or

- (ii) 30 April 2022, if DMPI does not consummate an IPO on or before 30 April 2022; and

(B) ending on the earliest of:

- (i) the date falling ten (10) years after the date of closing;

- (ii) the date falling five (5) years after the consummation of an IPO of DMPI; and

- (iii) the date on which the SEA Diner receives an amount in respect of a redemption of its DMPI shares pursuant to the Shareholders' Agreement that provides the SEA Diner with a rate of return of no less than eight (8) per cent.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Share Purchase Agreement and Shareholders' Agreement with SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner") (cont'd)

Impact on the Group

In relation to the above transaction, as at 30 April 2020, the Group recognized the gross consideration of US$120.0 million under "Trade and other receivables" (collected in fiscal year 2021), transaction costs of US$14.0 million (US$0.7 million of which was already paid as at 20 April 2020 and the outstanding balance of US$13.3 million as at 30 April 2020 is recorded as accrued operating expenses under "Trade payables and other current liabilities" (paid in fiscal year 2021), long-term derivative liability of US$2.6 million for the call option in accordance with the call option agreement, equity reserve under "Retained earnings" of US$77.0 million due to change in ownership interest in DMPI without loss of control (see Note 17) and "Non-controlling interests" of US$26.4 million representing investor's proportionate share in the net assets of DMPI (see Note 38).

In relation to the additional sale of DMPI shares in fiscal year 2021, the Group recognized an additional "Non-controlling interests" of US$2.2 million and paid transaction costs amounting to US$1.2 million. The resulting gain of US$6.6 million was recorded as equity reserve under retained earnings.

Management assessed that the fair value of derivative liability related to the call option is nil as at 30 April 2023 and 2022.

Impact on the Company

In fiscal year 2020, the Company recognized an increase in investment in subsidiary and retained earnings equal to its share in the net equity reserve amounting to US$77.0 million recognized by CARI, accrued transaction costs of US$1.3 million, and receivable from CARI amounting to US$2.1 million.

As a result of the additional sale of DMPI shares in fiscal year 2021, the Company recognized an increase in investment in subsidiary and equity reserve amounting to US$6.6 million, net of transaction costs of US$1.2 million. The equity reserve recognized in fiscal year 2021 was subsequently closed to retained earnings.

Significant judgments

1. Recognition of Share Purchase Agreement as at 30 April 2020

   The Share Purchase Agreement was subject to conditions precedent and closing conditions. The conditions precedent were completed as at 30 April 2020 while the parties agreed the closing date to be 20 May 2020. Management assessed that the closing conditions were administrative in nature and accounted for the transaction as at 30 April 2020.

   Moreover, management assessed that the actual conversion of the common shares to RCPS in records and the issuance of related stock certificates were administrative and procedural in nature. The Board and stockholders of DMPI also approved the conversion of the convertible common shares to RCPS in March 2020. Considering this, the Group had accounted for the instrument as RCPS in substance as at 30 April 2020.

2. Equity Classification

   a The Group has no contractual obligation to deliver cash or another financial asset to the investor as the "RCPS Default Events", among the other terms in Share Purchase Agreement, Shareholders' Agreement and Call Option Agreement, are assessed to be within the control of the Group and the redemption of the RCPS in case of "Other Redemption Events" is subject to the mutual consent of both parties; and based on its actual net income for the year ended 31 April 2021 which had exceeded the target. Also, on 5 February 2021, the Board and stockholders of DMPI approved the amendment to DMPI's Articles of Incorporation to change the authorized capital stock to common shares from RCPS. The SEC approved this amendment to the Articles of Incorporation on 1 March 2021.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Share Purchase Agreement and Shareholders' Agreement with SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner") (cont'd

Significant judgments (cont'd)

3. Obligation to Purchase Excess Shares or Sell Shortfall Shares

   The Shareholders' Agreement provides for a conditional obligation for CARI to purchase excess shares or sell shortfall shares to SEA Diner at par value subject to certain conditions (amount of IPO pre-money market capitalization exceeding the US$2 billion threshold amount or an IPO being consummated more than 275 days from a conversion date) set out in the Shareholders' Agreement. Management assessed that the Group's derivative asset or liability to purchase excess shares or sell shortfall shares to SEA Diner has a carrying value of nil as at 30 April 2023 and 2022 since the IPO did not occur during such periods. As a result, the probability of the options relating to the excess shares and shortfall shares being triggered is nil or minimal.

4. Fair Value of Derivative Liability on the Call Option

   The fair value of the derivative liability related to the call option is measured using Black-Scholes model. The inputs to this model are taken from a combination of observable markets and unobservable market data. Changes in inputs about these factors could affect the reported fair value of the derivative liabilities and impact profit or loss. Management assessed that the fair value of the derivative liability is nil as at 30 April 2023 and 2022 as the estimated pre-money market capitalization is higher than the threshold in the Call Option Agreement.

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2023 %	30 April 2022 %
Held by the Company				
Del Monte Pacific Resources Limited ("DMPRL") [6]	Investment holding	British Virgin Islands	100.00	100.00
DMPL India Pte Ltd ("DMPLI") [3]	Investment holding	Singapore	100.00	100.00
DMPL Management Services Pte Ltd [3]	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00
GTL Limited [4]	Inactive	Federal Territory of Labuan, Malaysia	100.00	100.00
S&W Fine Foods International Limited ("S&W") [6]	Selling processed food products under the "S&W" trademark; Owner of the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa	British Virgin Islands	100.00	100.00
DMPL Foods Limited ("DMPLFL") [7] [9]	Investment holding	British Virgin Islands	93.57	93.57

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2023 %	Effective equity held by the Group 30 April 2022 %
Held by DMPRL				
Central American Resources, Inc. ("CARI") [6]	Investment holding	Panama	100.00	100.00
Dewey Limited ("Dewey") [7]	Mainly investment holding	Bermuda	100.00	100.00
Held by CARI				
DMPI [1] [2]	Growing, processing and distribution of food products mainly under the brand name "Del Monte"	Philippines	87.00	87.00
South Bukidnon Fresh Trading Inc ("SBFTI") [1]	Inactive	Philippines	100.00	100.00
Held by DMPI				
Philippine Packing Management Services Corporation ("PPMSC") [1]	Intellectual property holding and licensing, management, logistics and support services	Philippines	87.00	87.00
Del Monte Txanton Distribution Inc ("DMTDI") [a] [1] [2]	Inactive	Philippines	34.80	34.80
Held by Dewey				
Dewey Sdn. Bhd. [4]	Inactive	Malaysia	100.00	100.00
Held by DMPLI				
DMPL India Limited [7]	Investment holding	Mauritius	95.52	95.13
Held by S&W				
S&W Japan Limited [7]	Support and marketing services	Japan	100.00	100.00
Held by DMPLFL				
Del Monte Foods Holdings Limited ("DMFHL") [1] [9]	Investment holding	British Virgin Islands	93.57	93.57
Held by DMFHL				
Del Monte Foods Holdings II, Inc. ("DMFHII") [5] [9]	Investment holding	State of Delaware, U.S.A.	93.57	93.57
Held by DMFHII				
Del Monte Foods Holdings Inc. ("DMFHI") [5] [9]	Investment holding	State of Delaware, U.S.A.	93.57	93.57
Held by DMFHI				
Del Monte Foods, Inc. ("DMFI") [5] [9]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A.	93.57	93.57

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2023 %	30 April 2022 %
Held by DMFI				
Sager Creek Foods, Inc. (formerly Vegetable Acquisition Corp.) [5] [9]	Real estate holding	State of Delaware, U.S.A.	93.57	93.57
Del Monte Andina C.A. ("Del Monte Andina") [8] [9]	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	–	–
Del Monte Colombiana S.A. [4] [9]	Manufacturing, processing and distributing food, beverages and other related products	Colombia	76.35	76.35
Industrias Citricolas de Montemorelos, S.A. de C.V. ("ICMOSA") [4] [9]	Manufacturing, processing and distributing food, beverages and other related products	Mexico	93.57	93.57
Del Monte Peru S.A.C. [7] [9]	Distribution of food, beverages and other related products	Peru	93.57	93.57
Del Monte Ecuador DME C.A. [7] [9]	Distribution of food, beverages and other related products	Ecuador	93.57	93.57
Hi-Continental Corp. [7] [9]	Distributor of non-Del Monte products	State of California, U.S.A.	93.57	93.57
College Inn Foods [7] [9]	Distributor of College Inn brand products	State of California, U.S.A.	93.57	93.57
Contadina Foods, Inc. [7] [9]	Distributor of Contadina brand products	State of Delaware, U.S.A.	93.57	93.57
S&W Fine Foods, Inc. [7] [9]	Distributor of S&W Fine Foods, Inc,	State of Delaware, U.S.A.	93.57	93.57
Del Monte Ventures, LLC ("DM Ventures") [b] [9]	Holding company	State of Delaware, U.S.A.	93.57	93.57
Joyba, Inc.	Distributor of Joyba brand products	State of California, U.S.A.	93.57	–
Kitchen Basics, Inc.	Distributor of Kitchen Basics brand products	State of California, U.S.A.	93.57	–
Green Thumb Foods, Inc.	Distributor of Green Thumb Foods brand products	State of California, U.S.A.	93.57	–

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2023 %	Effective equity held by the Group 30 April 2022 %
Held by DM Ventures				
Del Monte Chilled Fruit Snacks, LLC [b] [9]	Development, production, marketing, sale and distribution of processed refrigerated fruit products	State of Delaware, U.S.A.	47.72	47.72
Held by Del Monte Andina				
Del Monte Argentina S.A. [7]	Inactive	Argentina	–	–

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

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

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

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

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

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

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

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

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

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

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

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

Information relating to the Group's subsidiaries with shareholder(s) with material non-controlling interests are disclosed in Note 38.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Significant judgments

Determination of Control over Subsidiaries

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

Source of estimation uncertainty

Recoverability of Investments in Subsidiaries

When the subsidiary has suffered recurring operating losses, a test is made to assess whether the interests in subsidiary has suffered any impairment by determining the recoverable amount. This determination requires significant judgment and estimation. An estimate is made of the future profitability, cash flow, financial health and near-term business outlook of the subsidiary, including factors such as market demand and performance. The recoverable amount will differ from these estimates as a result of differences between assumptions used and actual operations.

7. INVESTMENTS IN JOINT VENTURES

Name of joint venture	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2023 %	30 April 2022 %
Del Monte Foods Private Limited (formerly known as FieldFresh Foods Private Limited) ("DMFPL") [1]	Production and sale of fresh and processed fruits and vegetable food products	India	47.76	47.56
Nice Fruit Hong Kong Limited ("NFHKL") [2]	Production and sale of frozen fruits and vegetable food products	Hong Kong	35.00	35.00
Del Monte – Vinamilk Dairy Philippines, Inc. (DVDPI) [3]	Distribution of dairy and milk products	Philippines	43.50	43.50

1 Audited by Deloitte Haskins & Sells, Gurgaon, India.
2 Audited by a non-EY Global member firm.
3 Audited by SyCip Gorres Velayo & Co. ("SGV"), member firm of Ernst & Young Global.

7. INVESTMENTS IN JOINT VENTURES (CONT'D)

The summarized financial information of a material joint venture, DMFPL, not adjusted for the percentage ownership held by the Group, is as follows:

	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Revenue	66,084	66,871
Income (loss) from continuing operations [a]	203	(6,810)
Other comprehensive income	–	–
Total comprehensive income (loss)	203	(6,810)
[a] Includes:		
– depreciation	(75)	(59)
– interest expense	(1,568)	(1,681)
Noncurrent assets	10,701	11,600
Current assets	21,851	23,686
Noncurrent liabilities	(20,193)	(21,890)
Current liabilities	(11,881)	(12,879)
Net assets	478	517
Proportion of the Group's ownership including non-controlling interest	50%	50%
	239	259
Goodwill	20,000	20,000
Impairment loss	(4,096)	(4,096)
Translation adjustment	1,395	(1,827)
Carrying amount of investment	17,538	14,336

	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Carrying amount of interest in DMFPL at beginning of the year	14,336	19,741
Capital injection during the year	3,100	–
Impairment loss	–	(2,000)
Group's share of:		
Income (loss) from continuing operations, representing total comprehensive income (loss)	102	(3,405)
Carrying amount of interest at end of the year	17,538	14,336

In fiscal year 2022, the Group recognized an impairment loss amounting to US$2.0 million due to the continuous net loss position of DMFPL (2021: US$2.1 million). The impairment loss was included in "other (expenses) income – net" in the income statement. No impairment losses were recognized in fiscal year 2023.

7. INVESTMENTS IN JOINT VENTURES (CONT'D)

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

	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Carrying amount of interest in NFHKL at beginning of the year	2,836	2,789
Additional advances during the year	185	595
Group's share of:		
Loss from continuing operations, representing total comprehensive loss	(398)	(548)
Carrying amount of interest at end of the year	2,623	2,836

DVDPI is a joint venture entered into by Del Monte Philippines, Inc. and Vietnam Dairy Products Joint Stock Company, a leading regional dairy company, to expand further into the dairy sector in the Philippines. This joint venture was incorporated and registered with SEC on 12 July 2021.

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

	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Carrying amount of interest in DVDPI at beginning of the year	–	–
Capital injection	990	1,001
Reclassification from receivable	200	–
Group's share of:		
Loss from continuing operations, representing total comprehensive loss	(1,190)	(1,001)
Carrying amount of interest at end of the year	–	–

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

	Group		Company	
	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Group's interest in joint ventures				
DMFPL	17,538	14,336	–	–
NFHKL	2,623	2,836	2,623	2,836
Carrying amount of investments in joint ventures	20,161	17,172	2,623	2,836

7. INVESTMENTS IN JOINT VENTURES (CONT'D)

Significant judgments

Determination of Joint Control and the Type of Joint Arrangement

Joint control is presumed to exist when the investors contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Management has assessed that it has joint control in all joint arrangements.

The Group determines the classification of a joint venture depending upon the parties' rights and obligations arising from the arrangement in the normal course of business. When making an assessment, the Group considers the following:

(a) the structure of the joint arrangement.

(b) when the joint arrangement is structured through a separate vehicle:

- i. the legal form of the separate vehicle;
- ii. the terms of the contractual arrangement; and
- iii. when relevant, other facts and circumstances.

The Group determined that its interests in DMFPL, NFHKL and DVDPI are joint ventures as the arrangements are structured in a separate vehicle and that it has rights to the net assets of the arrangements. The terms of the contractual arrangements do not specify that the parties have rights to the assets and obligations for the liabilities relating to the arrangements.

Source of estimation uncertainty

Recoverability of investments in joint ventures

When the joint venture has suffered recurring operating losses, a test is made to assess whether the investment in joint venture has suffered any impairment by determining the recoverable amount. This determination requires significant judgment and estimation. An estimate is made of the future profitability, cash flow, financial health and near-term business outlook of the joint venture, including factors such as market demand and performance. The recoverable amount will differ from these estimates as a result of differences between assumptions used and actual operations.

Since its acquisition, the Indian sub-continent trademark and the investment in DMFPL were allocated to the Indian sub-continent cash-generating unit ("Indian sub-continent CGU"). The recoverable amount of Indian sub-continent CGU was estimated using the discounted cash flows based on five-year cash flow projections.

7. INVESTMENTS IN JOINT VENTURES (CONT'D)

Key assumptions used in discounted cash flow projection calculations

Key assumptions used in the calculation of recoverable amounts are discount rates, revenue growth rates, earnings before interest, taxes, depreciation and amortization ("EBITDA") margin and terminal growth rate. The values assigned to the key assumptions represented management's assessment of future trends in the industries and were based on both external and internal sources.

	30 April 2023 %	30 April 2022 %
Pre-tax discount rate	14.1	14.9
Revenue growth rate	5.0 – 20.2	5.0 – 19.6
EBITDA margin	5.9 – 13.4	1.2 – 10.4
Long-term EBITDA margin	10.1	10.4
Terminal growth rate	5.0	5.0

The discount rate is a pre-tax measure estimated based on the historical industry average weighted-average cost of capital. This is based on a rate of debt leveraging rate of 20.60% in 2023 (2022: 23.60%), at a market interest rate of 10.1% in 2023 (2022: 7.80%).

Revenue growth rate is expressed as compound annual growth rates in the initial five years of the plan. In the first year of the business plan, revenue growth rate was projected at 18% (2022: 7%) based on the near-term business plan and market demand. The annual revenue growth included in the cash flow projections for four years was projected at the growth rate based on the historical growth in volume and prices and industry growth.

A long-term growth rate into perpetuity has been determined based on management's estimate of the long-term compound annual growth rate in the Indian economy which management believed was consistent with the assumption that a market participant would make.

EBITDA margin has been a factor of the revenue forecast based on business plan and market demand coupled with the cost saving initiatives.

Sensitivity to changes in assumptions

In fiscal year 2023, the estimated recoverable amount exceed the carrying amount of interest in the joint venture and trademark, accordingly, no impairment loss was recognized. In fiscal year 2022, the carrying amount of interest in a joint venture and trademark exceed the estimated recoverable amount, accordingly, impairment loss of US$2.0 million was recognized.

Management has identified that a reasonably possible change in the following two key assumptions could result in the carrying amount to exceed the recoverable amount. The implication of the key assumptions for the recoverable amount is discussed below:

Long-term growth rates – A reduction of 0.5% in 2023 (2022: 0.5%) in the long-term growth rate would result in an impairment of approximately US$1.0 million in 2023 (2022: further impairment of US$1.1 million).

Discount rates – An increase of 1.0% in 2023 (2022: 1.0%) in the discount rate would result in an impairment of approximately US$3.3 million in 2023 (2022: further impairment of US$3.4 million).

8. INTANGIBLE ASSETS AND GOODWILL

	Note	Goodwill US$'000	Indefinite life trademarks US$'000	Amortizable trademarks US$'000	Customer relationship US$'000	Total US$'000
Cost						
At 1 May 2021, 30 April 2022 and 1 May 2022		203,432	408,043	24,180	107,000	742,655
Additions		–	64,320	–	8,441	72,761
30 April 2023		203,432	472,363	24,180	115,441	815,416
Accumulated amortization						
At 1 May 2021		–	–	9,519	38,439	47,958
Amortization	25	–	–	1,300	5,350	6,650
At 30 April 2022 and 1 May 2022		–	–	10,819	43,789	54,608
Amortization	25	–	–	1,300	5,667	6,967
At 30 April 2023		–	–	12,119	49,456	61,575
Carrying amounts						
At 30 April 2022		203,432	408,043	13,361	63,211	688,047
At 30 April 2023		203,432	472,363	12,061	65,985	753,841

Goodwill

Goodwill arising from the acquisition of Consumer Food Business was allocated to DMFI and its subsidiaries, which is considered as one CGU.

Indefinite life trademarks

Management has assessed the following trademarks as having indefinite useful lives as the Group has exclusive access to the use of these trademarks. These trademarks are expected to be used indefinitely by the Group as they relate to continuing businesses that have a proven track record with stable cash flows.

America trademarks

As at 30 April 2023, American trademarks amount to US$458.3 million (2022: US$394.0 million). The indefinite life trademarks of US$394.0 million arising from the acquisition of Consumer Food Business relate to those of DMFI for the use of the "Del Monte" trademarks in the United States and South America market, and the "College Inn" trademark in the United States, Australia, Canada and Mexico.

The "Kitchen Basics" trademark in the United States and Canada of US$64.3 million was assessed to have an indefinite useful life.

On 3 August 2022, the Group has acquired certain assets associated with the Kitchen Basics brand of ready-to-use stock and broth from McCormick & Company for a consideration of $100.4 million (including transaction costs totalling US$1.4 million). Kitchen Basics products are distributed nationally in the United States and include a range of conventional and organic stock and broth offerings.

8. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Indefinite life trademarks (cont'd)

America trademarks (cont'd)

The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics will join Del Monte's brand portfolio as the Company expands its retail presence in the category. The assets acquired comprise of intangible assets amounting to $72.8 million and inventories of $27.6 million. The purchase price (including transaction costs) is allocated based on the fair value of the assets acquired as determined by the third party valuer.

The acquisition was treated as an asset acquisition since the acquisition did not come with any physical workforce, research and development, and management

In fiscal year 2023, no impairment loss is recognized related to trademark arising from the acquisition of Kitchen Basics based on the fair value determined by the third party valuer.

Philippines trademarks

A subsidiary, PPMSC, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines (the "Philippines Trademarks") with carrying value amounting to US$1.8 million.

Indian sub-continent and Myanmar trademarks

In November 1996, a subsidiary, DMPRL, entered into an agreement with an affiliated company to acquire the exclusive right to use the "Del Monte" trademarks in the Indian sub-continent territories and Myanmar in connection with the production, manufacture, sale and distribution of food products and the right to grant sub-licenses to others ("Indian sub-continent trademark"). In 2007, the Company acquired shares in DMFPL and caused the licensing of trademarks to DMFPL to market its products under the "Del Monte" brand in India. These trademarks have a carrying value of US$4.1 million.

S&W trademarks

In November 2007, a subsidiary, S&W, entered into an agreement with Del Monte Corporation to acquire the "S&W" trademarks in certain countries in Asia (excluding Australia and New Zealand and including the Middle East), Western Europe and Eastern Europe for a total consideration of US$10.0 million. The trademark has a carrying value of US$8.2 million.

Impairment test

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

8. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Impairment test (cont'd)

Philippines trademarks

In 2023 and 2022, the recoverable amounts of the Philippines Trademarks were based on fair value less cost of disposal using the Relief from Royalty ("RFR") method.

The RFR calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The Philippines Trademarks' cash flows beyond the five-year period is extrapolated using a steady 5.4% (2022: 6.1%) cumulative annual growth rate which management believes is reasonable and that any reasonably possible change in the key assumptions on which the Philippines Trademarks' recoverable amount is based would not cause the Philippines Trademarks' carrying amount to exceed its recoverable amount.

The key assumptions used in the estimation of the fair value less cost of disposal represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

As of 30 April 2023 and 2022, the carrying values of the intangible assets do not exceed the fair values less cost of disposal, respectively, hence, no impairment has been recorded. Below are the key assumptions used in fiscal year 2023 and 2022:

	2023 %	2022 %
Discount rate	7.8	8.7
Terminal growth rate	5.4	6.1
Royalty rate	1.0	1.0
Revenue growth rate	5.6	7.7

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

The cash flow projections included specific estimates for five years.

Revenue growth was projected taking into account the average growth levels experienced over the past five years and estimated sales volume and price growth for the next five years. It was assumed that sales price would increase in line with forecast inflation over the next five years.

S&W Asia trademark

In 2023 and 2022, the recoverable amount was based on fair value less cost of disposal using the RFR method. The key assumptions used in the estimation of the fair value less cost of disposal are set out below.

	2023 %	2022 %
Discount rate	13.0	10.5
Royalty rate	3.0	3.0
Revenue growth rate	7.6	6.5

Indian sub-continent trademark

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

8. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Impairment test (cont'd)

America trademarks and Goodwill

In 2023 and 2022, the recoverable amount of the CGU was based on VIU, being greater than the fair value less costs of disposal:

	30 April 2023 US$'000	30 April 2022 US$'000
Value-in-use	4,030,000	6,130,000
Fair value less costs of disposal – income approach	3,950,000	6,050,000
Recoverable amount	4,030,000	6,130,000

The Americas trademarks were also included in the CGU used in the goodwill impairment testing.

As of valuation date in April 2023 and 2022, and January 2021, the estimated recoverable amount of the CGU exceeded its carrying amount of US$1,929.2 million, US$1,402.0 million, and US$1,318.8 million, respectively, by approximately US$2,100.8 million, US$4,728.0 million, and US$2,691.2 million, respectively. Therefore, the CGU is not impaired.

VIU

The VIU is the present value of expected cash flows, discounted at a risk-adjusted weighted average cost of capital.

The key assumptions used in the estimation of the recoverable amount using the VIU approach are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

	2023 %	2022 %
Discount rate	9.8	8.9
Terminal growth rate	2.0	2.0
Long-term EBITDA margin	12.8	15.8
Revenue growth rate	5.0 – 8.9	3.5 – 8.3
Gross margin	23.9 – 25.3	24.4 – 27.0

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible range of debt leveraging of 38% as at 30 April 2023 (2022: 21%) at a risk-free interest rate of 3.4% as of 30 April 2023 (2022: 3.1%).

The cash flow projections included specific estimates for four years for fiscal year 2023 (2022: four years) and a terminal growth rate thereafter. Due to various growth initiatives of DMFI, management shortened the cashflow forecast period to four years in fiscal year 2023 (2022: four years) to meet the minimum requirement in terms of forecasted period and allow for its operations to reach a steady state gradually in terms of its long-term compound annual EBITDA growth rate. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate. This growth rate is consistent with the assumption that a market participant would make and with industry expectations and internal estimates of sustainable long-term growth for the business.

Budgeted EBITDA was estimated taking into account past experience adjusted as follows:

- Revenue growth was projected taking into account the average growth levels experienced over the past four years and estimated sales volume and price growth for the next four years (2022: four years). It was assumed that sales price would increase in line with forecasted inflation over the next four years. The amounts are probability-weighted.

8. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Sensitivity analysis

Management has identified that a reasonably possible change in the discount rate or long-term margin could cause the carrying amount to exceed the recoverable amount. The following table shows the percentages to which these would need to change independently for the estimated recoverable amount of the DMFI CGU to be equal to its carrying amount.

	2023 %	2022 %
Discount rate	15.4	22.9
Long-term EBITDA margin	6.3	4.8

Source of estimation uncertainty

Impairment of goodwill and intangible assets

Goodwill and the indefinite life trademarks are assessed for impairment at least annually. The impairment assessment requires an estimation of the VIU and fair value less costs of disposal of the CGU to which the goodwill and indefinite life trademarks are allocated.

Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the CGU and apply an appropriate discount rate in order to calculate the present value of those cash flows. Actual cash flows will differ from these estimates as a result of differences between assumptions used and actual operations.

Estimating fair value less costs of disposal requires the use of estimates and assumptions. The estimated fair value would change depending on the assumptions used, such as the discount rate and long-term margin.

Amortizable trademarks and customer relationship

	Net carrying amount		Remaining amortization period (years)	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023	30 April 2022
America S&W trademark	163	363	0.8	1.8
America Contadina trademark	11,898	12,998	10.8	11.8
	12,061	13,361		

America trademarks

The amortizable trademarks relate to the exclusive right to use of the "S&W" trademark in the United States, Canada, Mexico and certain countries in Central and South America and "Contadina" trademark in the United States, Canada, Mexico South Africa and certain countries in Asia Pacific, Central America, Europe, Middle East and South America market.

Management has included these trademarks in the CGU impairment assessment and concluded that no impairment exists at the reporting date.

8. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Amortizable trademarks and customer relationship (cont'd)

Customer relationships

Customer relationships relate to the network of customers where DMFI has established relationships with the customers, particularly in the United States market through contracts.

	Net carrying amount		Remaining amortization period (years)	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023	30 April 2022
Customer relationships – CP	57,862	63,211	10.8	11.8
Customer relationships – Kitchen Basics	8,124	–	19.5	–
	65,986	63,211		

Management has included the customer relationships in the CGU impairment assessment and concluded no impairment exists at the reporting date.

Source of estimation uncertainty

The Group estimates the useful lives of its amortizable trademarks and customer relationships based on the period over which the assets are expected to be available for use. The estimated useful lives of the trademarks and customer relationships are reviewed periodically and are updated if expectations differ from previous estimates due to legal or other limits on the use of the assets. A reduction in the estimated useful lives of amortizable trademarks and customer relationships would increase recorded amortization expense and decrease noncurrent assets.

9. DEFERRED TAX ASSETS – NET

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Deferred tax assets and liabilities of the Group are attributable to the following:

	30 April 2023		30 April 2022	
	Assets US$'000	Liabilities US$'000	Assets US$'000	Liabilities US$'000
Group				
Provisions	9,153	–	6,532	–
Employee benefits	13,016	–	13,954	–
Property, plant and equipment – net	–	(19,751)	–	(14,959)
Intangible assets and goodwill	–	(103,711)	–	(92,089)
Effective portion of changes in fair value of cash flow hedges	–	(415)	1,603	–
Tax loss carry-forwards	142,007	–	155,391	–
Inventories	2,361	–	1,409	–
Biological assets	–	(1,629)	–	(1,916)
Interest	52,865	–	29,234	–
Undistributed profits from a subsidiary	–	(377)	–	(5,730)
Charitable contributions	2,139	–	3,321	–
Research and development	2,018	–	–	–
Others	8,754	–	7,574	–
Deferred tax assets (liabilities)	232,313	(125,883)	219,018	(114,694)
Set off of tax	(114,253)	114,253	(102,273)	102,273
Deferred taxes – net	118,060	(11,630)	116,745	(12,421)

9. DEFERRED TAX ASSETS – NET (CONT'D)

Movements in deferred tax assets and deferred tax liabilities of the Group during the year are as follows:

	At 1 May 2022 US$'000	Recognized in profit or loss US$'000	Recognized in other comprehensive income US$'000	Currency realignment US$'000	At 30 April 2023 US$'000
2023					
Provisions	6,532	2,081	–	540	9,153
Employee benefits	13,954	(745)	(821)	628	13,016
Property, plant and equipment – net	(14,959)	811	(5,828)	225	(19,751)
Intangible assets and goodwill	(92,089)	(11,622)	–	–	(103,711)
Effective portion of changes in fair value of cash flow hedges	1,603	108	(2,274)	148	(415)
Tax loss carry-forwards	155,391	(13,384)	–	–	142,007
Inventories	1,409	952	–	–	2,361
Biological assets	(1,916)	113	–	174	(1,629)
Interest	29,234	23,631	–	–	52,865
Undistributed profits from a subsidiary	(5,730)	5,353	–	–	(377)
Charitable contributions	3,321	(1,182)	–	–	2,139
Others	7,574	3,476	–	(278)	10,772
	104,324	9,592	(8,923)	1,437	106,430
2022					
Provisions	8,466	(1,606)	–	(328)	6,532
Employee benefits	13,935	3,202	(3,255)	72	13,954
Property, plant and equipment – net	(17,228)	2,015	–	254	(14,959)
Intangible assets and goodwill	(79,671)	(12,418)	–	–	(92,089)
Effective portion of changes in fair value of cash flow hedges	(395)	(195)	2,193	–	1,603
Tax loss carry-forwards	166,114	(10,723)	–	–	155,391
Inventories	2,127	(718)	–	–	1,409
Biological assets	(1,796)	(265)	–	145	(1,916)
Interest	24,450	4,784	–	–	29,234
Undistributed profits from a subsidiary	(2,168)	(3,562)	–	–	(5,730)
Charitable contributions	3,254	67	–	–	3,321
Others	6,851	724	–	(1)	7,574
	123,939	(18,695)	(1,062)	142	104,324

As at 30 April 2023, the Group has recognized net deferred tax assets of US$118.1 million, of which US$112.8 million was attributable to DMFI.

As at 30 April 2023, the Group recognized deferred tax liability relating to undistributed profit of a subsidiary amounting to US$0.4 million (2022: US$5.7 million).

In fiscal year 2021, the Group derecognized US$0.6 million of its deferred tax liability on property, plant and equipment – net relating to the revaluation surplus on freehold land, resulting from the change in tax rate in the Philippines. The reversal of deferred tax liability was recognized in other comprehensive income.

9. DEFERRED TAX ASSETS – NET (CONT'D)

Unrecognized deferred tax assets

The following are the temporary differences for which deferred tax assets have not been recognized as of 30 April 2023 and 2022:

	30 April 2023 US$'000	30 April 2022 US$'000
Deductible temporary differences	–	5,266
Tax losses and tax credits	4,538	15,377
	4,538	20,643

The tax losses will expire in 2024 and 2025. The tax credits will expire between 2025 and 2027. Deferred tax assets have not been recognized with respect to these items because it is not probable that sufficient future taxable profits will be available to utilize the benefits.

Sources of estimation uncertainty

As of 30 April 2023, deferred tax assets amounting to US$142.0 million (2022: US$155.4 million) have been recognized in respect of the tax loss carry forwards because management assessed that it is probable that sufficient future taxable income will be available against which DMFI can utilize these benefits. Future taxable profit is based on the expected future cash flows used in the impairment assessment of goodwill and trademark with indefinite useful lives. Management has identified that a reasonably possible change in the revenue growth rate, EBITDA margin and long-term growth rate could cause the non-realizability of the Group's deferred tax assets, Management expects profitable growth coming from revenue strategies and cost efficiencies in the future. To the extent that profitable growth does not materialize in the future periods, deferred tax assets of $229.7 million may not be realized. The majority of the tax loss for years ending fiscal year 2019 and after can be carried forward indefinitely and tax loss carry forwards prior to fiscal year 2019 may be utilized up to a 20-year period.

10. OTHER NONCURRENT ASSETS

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Advance rentals and deposits	19,557	16,679	–	–
Derivative assets	6,189	–	–	–
Investment in unquoted equity shares	5,023	–	5,023	–
Excess insurance	4,201	3,762	–	–
Advances to suppliers	2,898	4,212	–	–
Receivable from sale and leaseback	2,571	2,818	–	–
Notes receivable and others	1,811	2,940	–	49
	42,250	30,411	5,023	49

Advance rentals and deposits consist of rent payments related to lease contracts which will commence beyond one year from the reporting period, as well as security deposits made for lease contracts entered by the Group.

Investment in unquoted equity shares represent total financial assets carried at fair value through other comprehensive income. The unquoted investments relate to equity shares of an entity incorporated in Switzerland which was acquired through an assignment of a US$5.0 million receivable due to a subsidiary.

10. OTHER NONCURRENT ASSETS (CONT'D)

Excess insurance relates mainly to reimbursements from insurers to cover certain workers' compensation claims liabilities (see Note 19).

Advances to suppliers represents advance payments made on capital projects.

Receivable from sale and leaseback is the noncurrent portion of receivable relating to assets sold to DMPI Employees Agrarian Reform Beneficiaries Cooperation ("DEARBC") and subsequently leased back to the Group in 2021 (see Note 23). The current portion of US$0.1 million is presented under "Trade and other receivables".

In relation to the closure of DMFI's Plymouth, Indiana plant in fiscal year 2018, DFMI sold its Plymouth building and land in fiscal year 2019 and recorded a receivable amounting to US$1.0 million which is due on 2 July 2023. As of 30 April 2023, the receivable is presented as part of other current assets in Note 14, while the same receivable is presented as noncurrent and part of "Note receivables and others" above as of 30 April 2022.

11. BIOLOGICAL ASSETS

	Note	Group	
		30 April 2023 US$'000	**30 April 2022 US$'000**
Livestock			
At beginning of the year		2,735	2,655
Purchases of livestock		1,247	895
Sales of livestock		(810)	(601)
Currency realignment		(165)	(214)
At end of the year		3,007	2,735
Agricultural produce			
At beginning of the year		13,768	10,878
Additions		14,519	16,177
Harvested		(11,098)	(12,016)
Currency realignment		(4,962)	(1,271)
At end of the year		12,227	13,768
Fair value gain on produce prior to harvest		32,625	33,578
At end of the year		44,852	47,346
Current		44,852	47,346
Noncurrent		3,007	2,735
Total biological assets		47,859	50,081
Fair value gain (loss) recognized under:			
Harvested pine for cannery			
Inventories	34	4,496	3,375
Cost of sales	25	39,456	37,532
		43,952	40,907
Inventories – cattle for slaughter		8	(9)
Cost of sales – fresh pines	25	17,851	22,704
Unharvested agricultural produce		(2,706)	2,076
Fair value gain recognized under revenues		59,105	65,678

The changes in fair values of the Group's biological assets are recorded as part of revenues.

11. BIOLOGICAL ASSETS (CONT'D)

Livestock

Livestock comprises growing herd and breeding and dairy herd that are stated at cost and cattle for slaughter that is stated at fair value less point-of-sale costs. The fair value is determined based on the actual selling prices approximating those at year end less estimated point-of-sale costs.

Risk management strategy related to agricultural activities

The Group is exposed to risks arising from changes in cost and volume of fruits harvested from the growing crops which is influenced by natural phenomenon such as weather patterns, volume of rainfall and field performance. The cost of growing crops is also exposed to the change in cost and supply of agricultural supplies and labor which are determined by constantly changing market forces of supply and demand.

The Group is subject to risk relating to its ability to maintain the physical condition of its fruit crops. Plant diseases could adversely impact production and consumer confidence, which impact sales.

The Group secures favorable harvest of pineapples and other agricultural produce from biological assets by continuously assessing factors that could affect harvest and responding to them on a timely manner. The Group is equipped with necessary technical manpower, farm inputs, such as fertilizer, chemicals and equipment to respond to any changes brought about by the factors as mentioned above.

The Group is subject to laws and regulations in the Philippines where it operates its agricultural activities. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

Source of estimation uncertainty

Fair Value of Harvested Agricultural Produce

The fair values of the harvested pineapple fruits are based on the most reliable estimate of selling prices, in both local and international markets at the point of harvest, as determined by the Group. For the pineapple variety being sold as fresh fruits, the market price is based on the selling price of fresh fruits as sold in the local and international markets. For the pineapple variety being processed as cased goods, the market price is derived from average sales price of the processed product adjusted for margin and associated costs related to production. Changes in fair values of agricultural produce after initial recognition are included in the carrying amount of cased goods at the reporting date.

Future Tonnage of Harvests

Bearer plants are stated at cost which comprises actual costs incurred in nurturing the crops reduced by the equivalent amortization of fruits harvested which considers the future tonnage of harvests. Estimated harvest is affected by natural phenomenon such as weather patterns and tonnage of rainfall. Field performance and market demand also affect the level of estimated harvests. The cost is developed by allocating growing costs for the estimated growth cycle of 2 to 3 years over the estimated harvests to be made during the life cycle of the plant crops. The Group reviews and monitors the estimated future tonnage of harvests regularly.

11. BIOLOGICAL ASSETS (CONT'D)

Source of estimation uncertainty (cont'd)

Fair Value of Unharvested Agricultural Produce

The fair values of the growing pineapple crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest, as determined by the Group multiplied by estimated tonnage of pineapple fruits based on crop age after planting. Fair value is initially recognized when the pineapple fruit develops when the bearer plant has reached maturity to bear fruit. The fair value is approximated by the estimated selling price at point of harvest less future growing costs to be incurred until harvest. Such future growing costs decreases as the growing crops near the point of harvest.

For the pineapple variety being sold as fresh fruits, the gross margin is based on the market price of pineapple fruits being sold by the Group. For the pineapple variety being processed as cased goods, the gross margin is based on the selling price of the final product sold in the market adjusted for margin related to production.

Estimated tonnage is based on standard weight of the growing pineapple crops when they reach certain months after planting date. Estimated tonnage is also affected by natural phenomenon such as weather patterns and volume of rainfall, and actual field performance.

The valuation techniques and significant unobservable inputs used in determining the fair value of these biological assets are discussed in Note 34.

12. INVENTORIES

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Finished goods		
– at cost	698,664	430,070
– at net realizable value	37,482	20,380
Semi-finished goods		
– at cost	173,557	94,966
– at net realizable value	12,372	8,182
Raw materials and packaging supplies		
– at cost	78,683	75,165
– at net realizable value	76,014	57,195
	1,076,772	685,958

Total cost of inventories carried at net realizable value amounted to US$138.6 million as at 30 April 2023 (2022: U$92.2 million). Inventories recognized as an expense in cost of sales amounted to US$1,385.2 million for the year ended 30 April 2023 (2022: US$1,300.3 million) (see Note 25).

12. INVENTORIES (CONT'D)

Inventories are stated at net realizable value after allowance for inventory obsolescence. Movements in the allowance for inventory obsolescence during the year are as follows:

	Note	Group	
		30 April 2023 US$'000	30 April 2022 US$'000
At beginning of the year		6,464	13,254
Allowance for the year	25	9,542	4,135
Write-off against allowance		(2,585)	(10,157)
Currency realignment		(684)	(768)
At end of the year		12,737	6,464

Source of estimation uncertainty

Allowance for inventory obsolescence and net realizable value

The Group recognizes allowance on inventory obsolescence when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items. Obsolescence is also established when inventory items are no longer marketable. Obsolete goods when identified are charged to income statement and are written off. In addition to an allowance for specifically identified obsolete inventory, estimation is made on a group basis based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Group reviews on a monthly basis the condition of its inventory. The assessment of the condition of the inventory either increases or decreases the expenses or total inventory.

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at the reporting date.

The Group reviews on a continuous basis the product movement, changes in customer demands and introductions of new products to identify inventories which are to be written down to the net realizable values. The write-down of inventories is reviewed periodically to reflect the accurate valuation in the financial records. An increase in write-down of inventories would increase the recorded cost of sales and operating expenses and decrease current assets.

13. TRADE AND OTHER RECEIVABLES

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Trade receivables	195,335	189,839	–	–
Nontrade receivables	45,346	34,881	6	603
Amounts due from subsidiaries (nontrade)	–	–	26,400	84,229
Allowance for expected credit loss – trade	(5,328)	(5,850)	–	–
Allowance for expected credit loss – nontrade	(4,317)	(4,317)	–	–
Trade and other receivables	231,036	214,553	26,406	84,832

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand. There is no allowance for allowance for expected credit losses ("ECL") arising from these outstanding balances.

Nontrade receivables consist of vendor rebates, plant receivables, claims from third party service providers, advances to growers, which are claimed upon delivery of fruits, and fuel withdrawals applied against truckers' bills when due.

The aging of trade and nontrade receivables at the reporting date is:

	Group			
	Gross		ECL allowance	
	Trade US$'000	Nontrade US$'000	Trade US$'000	Nontrade US$'000
At 30 April 2023				
Not past due	119,651	24,709	–	–
Past due 0 – 60 days	35,579	3,433	–	–
Past due 61 – 90 days	3,404	3,724	–	–
Past due 91 – 120 days	4,875	1,328	–	–
More than 120 days	31,826	12,152	(5,328)	(4,317)
	195,335	45,346	(5,328)	(4,317)
At 30 April 2022				
Not past due	121,769	16,377	–	–
Past due 0 – 60 days	42,343	2,471	–	–
Past due 61 – 90 days	5,565	690	–	–
Past due 91 – 120 days	1,948	1,112	–	–
More than 120 days	18,214	14,231	(5,850)	(4,317)
	189,839	34,881	(5,850)	(4,317)

The recorded allowance for ECLs falls within the Group's historical experience in the collection of trade and other receivables. Therefore, management believes that there is no significant additional credit risk beyond what has been recorded.

As at 30 April 2023 and 2022, the receivables of the Company were neither past due nor impaired.

13. TRADE AND OTHER RECEIVABLES (CONT'D)

Nontrade receivables include current portion of lease receivable amounting to US$0.1 million as at 30 April 2023 (2022: US$0.5 million) (see Note 23), and current portion of receivable from sale and leaseback amounting to US$0.1 million as at 30 April 2023 (2022: US$0.1 million). The noncurrent portion of lease receivable and receivable from sale and leaseback are presented under "Other noncurrent assets" as "Notes receivable and others" (see Note 10).

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

		Group		
	Note	Trade US$'000	Nontrade US$'000	Total US$'000
At 1 May 2022		5,850	4,317	10,167
Allowance for the year	25	–	7	7
Write-off for the year		(242)	–	(242)
Reversal for the year	25	(188)	–	(188)
Currency realignment		(92)	(7)	(99)
At 30 April 2023		5,328	4,317	9,645
At 1 May 2021		4,801	4,423	9,224
Allowance for the year	25	1,134	(54)	1,080
Write-off for the year		(20)	(14)	(34)
Reversal for the year	25	–	(20)	(20)
Currency realignment		(65)	(18)	(83)
At 30 April 2022		5,850	4,317	10,167

Source of estimation uncertainty

Impairment of trade and nontrade receivables

The Group maintains an allowance for ECL at a level considered adequate to provide for potential uncollectible receivables based on the applicable ECL methodology. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behaviour and known market factors. The Group reviews the age and status of trade receivables, and identifies accounts that are to be provided with allowance on a continuous basis. Additionally, allowance is also determined, through a provision matrix based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The amount and timing of recorded expenses for any period would differ if the Group made different judgment or utilized different estimates. An increase in the Group's allowance for impairment would increase the Group's recorded operating expenses and would decrease the Group's current assets.

The recorded allowance for ECL falls within the Group's historical experience in the collection of accounts receivables. The Group managed to continue operating in the middle of the pandemic since its products are essential. There were no significant internal operational interruptions and disruptions caused by external factors such as restrictions to movement of materials were managed so that there will be no major adverse impacts to the overall results of operations for the fiscal years ended 30 April 2023 and 2022.

14. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	Note	Group		Company	
		30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Prepaid expenses		48,986	32,622	77	48
Down payment to suppliers		7,372	12,737	–	–
Derivative assets	19	2,678	1,486	–	–
Short-term placements		18	1,288	–	883
Others		613	919	17	–
		59,667	49,052	94	931

Prepaid expenses consist of advance payments for insurance, advertising, rent and taxes, among others.

Down payment to suppliers pertains to advance payments for the purchase of materials and supplies that will be used for operations.

Short-term placements have maturities of 4-6 months and earn interest at 0.75%-0.875% per annum in 2023 (2022: 0.75%-1.00% per annum).

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Cash on hand	84	67	–	–
Cash in banks	19,392	20,902	554	1,245
Cash equivalents	360	884	–	884
Cash and cash equivalents	19,836	21,853	554	2,129

Certain cash in bank accounts earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 0.50% in 2023 and 2022. Cash equivalents are short-term placements which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at 0.75% to 4.90% per annum in 2023 (30 April 2022: 0.75% to 1.00% per annum).

16. SHARE CAPITAL

	30 April 2023		30 April 2022	
	No. of shares ('000)	US$'000	No. of shares ('000)	US$'000
Authorized:				
Ordinary shares of US$0.01 each	3,000,000	30,000	3,000,000	30,000
Preference shares of US$1.00 each	600,000	600,000	600,000	600,000
	3,600,000	630,000	3,600,000	630,000
Issued and fully paid:				
Ordinary shares of US$0.01 each	1,944,936	19,449	1,944,936	19,449
Preference shares of US$1.00 each	–	–	10,000	10,000
	1,944,936	19,449	1,954,936	29,449

Reconciliation of number of outstanding ordinary shares in issue:

	Year ended 30 April 2023	Year ended 30 April 2022
	No. of shares ('000)	('000)
At beginning and end of the year	1,943,960	1,943,960

The number of outstanding ordinary shares excludes 975,802 ordinary shares held by the Company as treasury shares. The retained earnings of the Company is restricted for the declaration and payment of dividends to the extent of US$286,000 as at 30 April 2023 and 2022 representing the cost of shares held in treasury.

Reconciliation of number of outstanding preference shares in issue:

	Year ended 30 April 2023 ('000)	Year ended 30 April 2022 ('000)
At beginning of the year	10,000	30,000
Redeemed	(10,000)	(20,000)
At end of the year	–	10,000

The following summarizes the information on the Company's registration of securities under the Revised Securities Regulation Code of the Philippines ("SRC"):

Ordinary Shares

Date of SEC Approval	Authorized Shares	No. of Shares Issued	Issue/Offer Price
28 May 2013*	2,000,000,000	1,297,500,491	Php29.80
15 October 2014**	3,000,000,000	5,500,000	Php17.00
14 January 2015***	3,000,000,000	641,935,335	Php10.60

* The SEC issued an order rendering effective the registration of its issued shares. The Company was listed by way of introduction to The Philippine Stock Exchange, Inc. on 10 June 2013.

** The SEC issued an order rendering effective the registration of additional 5,500,000 ordinary shares which were offered and sold to the public in the Philippines.

*** The rights shares were considered exempt from registration pursuant to Section 10(e) and 10(l) of the Securities Regulation Commission ("SRC"). The exemption from registration was confirmed by the SEC in a letter dated 14 January 2015.

16. SHARE CAPITAL (CONT'D)

Ordinary Shares (cont'd)

The total number of ordinary shareholders as at 30 April 2023 and 2022 was 7,396 and 7,286, respectively.

The holders of ordinary shares are entitled to receive dividends after dividend of preference shares are paid, as declared from time to time, and are entitled to one vote per share at meetings of the Company. The preference shares are cumulative, non-voting, redeemable at the option of the issuer, non-participating and non-convertible. The preference share has a par value of US$1.0 per share and were issued at US$10.0 per share. Ordinary shares rank equally with regard to the Company's residual assets after preference shares are paid.

In April 2014, the Company increased its authorized share capital from US$20.0 million, divided into 2,000,000,000 ordinary shares at US$0.01 per share, to US$630.0 million, divided into 3,000,000,000 ordinary shares at US$0.01 per share and 600,000,000 preference shares at US$1.00 per share. The preference shares may be issued in one or more series, each such class of shares will have rights and restrictions as the Board may designate. The terms and conditions of the authorized preference shares are finalized upon each issuance.

On 30 October 2014, the Company had additional ordinary shares listed and traded on the SGX-ST and the PSE pursuant to a public offering conducted in the Philippines. The Company offered and sold by way of primary offer 5,500,000 ordinary shares at an offer price of 17.00 Philippine pesos (Php) per share.

In March 2015, additional 641,935,335 ordinary shares were listed on the SGX-ST and the PSE, which were offered and sold to eligible shareholders by way of a stock rights offering at an exercise price of S$0.325 or Php10.60 for each share in Singapore and the Philippines, respectively.

In September 2017, the Company transferred 745,918 of its treasury shares to ordinary shares in connection with the release of share awards granted to certain Directors pursuant to the Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP").

The Company also issued share awards under the Del Monte Pacific RSP (see Note 31) in fiscal year 2018.

Preference Shares

Date of SEC Approval	Authorized Shares	No. of Shares Issued	Issue/Offer Price
21 March 2017	600,000,000	20,000,000 Series A-1 Preference Shares	US$10.00
21 March 2017* / 27 November 2017**	600,000,000	10,000,000 Series A-2 Preference Shares	US$10.00

* No Order of Registration was issued for the second tranche offer of preference shares as it was part of the shelf-registration previously applied by the Company with the SEC.
** Date of issuance of the SEC Permit to Sell.

The details of the Company's preference shares are as follows:

		30 April 2023			30 April 2022		
Preference Shares	Par Value	Share Capital US$'000	Share Premium US$'000	Contributed Capital US$'000	Share Capital US$'000	Share Premium US$'000	Contributed Capital US$'000
Series A-1	US$1.00	–	–	–	–	–	–
Series A-2	US$1.00	–	–	–	10,000	90,000	100,000
		–	–	–	10,000	90,000	100,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

16. SHARE CAPITAL (CONT'D)

<u>*Preference Shares (cont'd)*</u>

The Series A-1 and A-2 Preference shares are non-convertible, have no maturity date and are redeemable at the option of the Company on the fifth anniversary from the issue date (the "Step Up Date") or on any dividend payment date thereafter. The preference shares bear a cumulative non-participating cash dividend at an initial dividend rate of 6.625% and 6.50% per annum for Series A-1 and A-2 preference shares, respectively, applicable from the issue date up to the Step Up Date. The dividends are payable semi-annually every 7 April and 7 October of each year, being the last day of each 6-month period following the issue date. If the preference shares have not been redeemed on the Step Up Date, the dividend rate shall be adjusted on the Step Up Date to the sum of the 10-year U.S. Treasury Bond rate (prevailing as of the Step Up Date) plus initial spread plus margin of 2.50% per annum (the "Step Up Rate"). The initial spread shall be 4.605% and 4.44% per annum for Series A-1 and A-2 preference shares, respectively. However, if the initial dividend rate is higher than the applicable Step Up Rate, there shall be no adjustment to the dividend rate, and the initial dividend rate shall continue to be the dividend rate. The preference shares rank ahead of the ordinary shares in the event of a liquidation.

On 7 April 2022, the Company had redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares and on 15 December 2022, all of the outstanding 10,000,000 Series A-2 Preference Shares.

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

Capital management

The Board's policy has been to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital comprises its share capital, retained earnings and total reserves as presented in the statements of financial position. The Board monitors the return on capital, which the Group defines as profit or loss for the year divided by total shareholders' equity. The Board also monitors the level of dividends paid to ordinary shareholders. Under the Company's Articles of Association and the terms of the preference shares, the Company may declare and pay dividends on common shares provided there are adequate and available funds for dividends on preference shares which have priority over common shares.

The bank loans of the Group contain various covenants with respect to capital maintenance and ability to incur additional indebtedness. The Board ensures that loan covenants are considered as part of its capital management through constant monitoring of covenant results through interim and full year results.

There were no changes in the Group's approach to capital management during the current and prior fiscal year.

17. RETAINED EARNINGS AND RESERVES

Retained earnings

Dividends

	Group and Company		
	30 April 2023 US$'000	**30 April 2022 US$'000**	**30 April 2021 US$'000**
Declared and paid during the financial year:			
Dividends on ordinary shares			
2023: US$0.01700 (2022: US$0.0120; 2021: US$0.0154)	33,251	23,310	30,055
Dividends on preference shares			
A-1 preference shares for 2023:			
nil; (2022 and 2021: US$0.6625) per share	–	13,250	13,250
A-2 preference shares for 2023:			
US$0.4478 (2022 and 2021: US$0.6500) per share	4,478	6,500	6,500
	4,478	19,750	19,750
	37,729	43,060	49,805
Proposed but not recognized as a liability as at reporting date:			
Dividends on ordinary shares			
2023: US$0.0013 (2022: US$0.0170; 2021: US$0.0120)	2,527	33,047	23,328

Ordinary shares

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

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

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

Preference shares

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

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

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

17. RETAINED EARNINGS AND RESERVES (CONT'D)

Retained earnings (cont'd)

Preference shares (cont'd)

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

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

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

The retained earnings were restricted for the payment of dividends representing the accumulated equity in net earnings of the subsidiaries amounting to US$243.5 million as at 30 April 2023 (2022: US$277.2 million). The accumulated equity in net earnings of the subsidiaries will be available for dividend distribution upon receipt of dividends from the subsidiaries. As of 30 April 2023 and 2022, the Group's investment in joint ventures have no undistributed net earnings.

In fiscal year 2021, the Group recorded in retained earnings, a net equity reserve of US$6.6 million arising from the additional sale of DMPI shares to SEA Diner (see Note 6).

Share premium

Under the British Virgin Islands law in whose jurisdiction the Company operates, the Company's share premium and retained earnings form part of the Company's surplus that may be available for dividend distribution provided that the solvency test is met by the Company. The Group's share premium is shown net of a merger deficit of US$0.14 million, which arose from the acquisition of a subsidiary, DMPRL, under common control in 1999.

The share premium account includes any premium received on the initial issuance of the share capital. Any transaction costs associated with the issuance of shares are deducted from the share premium account, net of any related income tax effects.

In fiscal year 2023 and 2022, share premium decreased by US$90.0 million and US$180.0 million respectively as a result of the redemption of Series A-1 Preference Shares on 7 April 2022 and Series A-2 Preference Shares on 15 December 2022 (see Note 16).

17. RETAINED EARNINGS AND RESERVES (CONT'D)

Reserves

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Translation reserve	(105,020)	(95,322)	(105,020)	(95,322)
Revaluation reserve	29,354	14,278	29,354	14,278
Remeasurement of retirement plan	46,051	43,752	46,051	43,752
Hedging reserve	1,390	(4,963)	1,390	(4,963)
Reserve for own shares	(286)	(286)	(286)	(286)
	(28,511)	(42,541)	(28,511)	(42,541)

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

The revaluation reserve relates to surplus on the revaluation of freehold land of the Group. The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect the income statement of the Group (see Note 19).

The share option reserve comprises the cumulative value of employee services received for the issue of share options. In fiscal year 2022, the share option were cancelled by means of retirement (see Note 31). The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. As at 30 April 2023 and 2022, the Group held 975,802 of the Company's shares.

18. LOANS AND BORROWINGS

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Current liabilities				
Unsecured bank loans	633,873	327,794	156,794	160,071
Secured bank loans	645,003	151,560	168,104	10,500
	1,278,876	479,354	324,898	170,571
Noncurrent liabilities				
Unsecured bank loans	212,652	384,524	177,531	233,290
Secured bank loans	781,825	703,488	64,428	201,297
	994,477	1,088,012	241,959	434,587
	2,273,353	1,567,366	566,857	605,158

18. LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings (short-term and long-term borrowings) are as follows:

	Currency	Nominal interest rate % p. a.	Year of maturity	30 April 2023 Face value US$'000	30 April 2023 Carrying amount US$'000	30 April 2022 Face value US$'000	30 April 2022 Carrying amount US$'000
Group							
Short-term borrowings							
Unsecured bank loans [1]	PHP	(2023) 5.95% – 7.50% (2022) 2.15% – 2.25%	2023	143,701	143,701	112,353	112,353
Unsecured bank loans	US$	(2023) 3.20% – 6.87% (2022) 1.85% – 3.50%	2023	326,200	326,200	203,370	203,370
Secured bank loan under Asset-Based Lending (ABL) Credit Agreement [2]	US$	(2023) ABL Base B – 9% SOFR 4.96% + Spread of 2.1% or total of 7.06% (2022) Swingline B- 5% ABL Base B- 5% Higher of London Interbank Offered Rate (LIBOR) or 1% +2.75% or total of 3.75%	2024	465,000	458,823	146,000	141,060
Long-term borrowings							
Unsecured 3Y bonds	PHP	3.4840%	2023	105,097	104,799	111,446	110,519
Unsecured bank loans [1]	PHP	(2023) 5.5268% (2022) 3.00%	2025	27,028	26,959	28,662	28,517
Unsecured bank loans	US$	(2023) 6.80% – 8.19% (2022) 2.56% – 4.20%	2025	144,569	144,566	157,390	157,385
Unsecured bonds	US$	3.75%	2024	90,000	88,760	90,000	87,976
Unsecured 5Y bonds	PHP	3.7563%	2025	11,638	11,541	12,342	12,198
Secured bridging loan	US$	3.0585%	2023	60,000	59,998	67,500	67,488
Secured bank loans	PHP	4.125%	2025	27,028	26,942	28,662	28,532
Secured bank loans	US$	(2023) 8.02% – 8.18% (2022) 3.52% – 4.17%	2023-2025	172,750	172,533	145,000	144,309
Secured senior notes	US$	11.875%	2025	–	–	500,000	473,659
Term Loan B	US$	9.3143%	2029	723,500	708,531	–	–
				2,296,511	2,273,353	1,602,725	1,567,366

18. LOANS AND BORROWINGS (CONT'D)

Terms and debt repayment schedule (cont'd)

	Currency	Nominal interest rate % p. a.	Year of maturity	30 April 2023 Face value US$'000	30 April 2023 Carrying amount US$'000	30 April 2022 Face value US$'000	30 April 2022 Carrying amount US$'000
Company							
Short-term borrowings							
Unsecured bank loans [1]	US$	(2023) 3.20% – 6.88% (2022) 2.26% – 3.50%	2023	101,000	101,000	148,000	148,000
Long-term borrowings							
Unsecured bank loans [1]	US$	(2023) 6.80% – 8.19% (2022) 2.56% – 4.20%	2025	144,569	144,566	157,390	157,385
Unsecured bonds	US$	3.75%	2024	90,000	88,760	90,000	87,976
Secured bridging loan	US$	3.0585%	2023	60,000	59,998	67,500	67,488
Secured bank loans	US$	(2023) 8.02% – 8.18% (2022) 3.52% – 4.17%	2023-2025	172,750	172,533	145,000	144,309
				568,319	566,857	607,890	605,158

(1) Unsecured Bank Loans

Certain unsecured bank loan agreements contain various affirmative and negative covenants that are typical of these types of facilities such as financial covenants relating to required debt-to-equity ratio, interest cover and maximum annual capital expenditure restrictions. These covenants include requirements for delivery of periodic financial information and restrictions and limitations on indebtedness, investments, acquisitions, guarantees, liens, asset sales, disposals, mergers, changes in business, dividends and other transfers.

	Bank	Debtor	Principal In '000	Debt-to-equity Ratio	Debt Service Coverage Ratio	Interest Coverage Ratio	Fixed Charge Ratio
Unsecured loans	DBP	DMPI	PHP 1,500,000	2.5x	1.2x	–	–
Unsecured loans	DBP	DMPL	US$57,300	3.0x	–	–	–
Unsecured loans	DBP	DMPL	US$75,000	3.0x	–	–	–
Unsecured loans	DBS	DMPL	US$25,000	3.0x	–	2.0x	–
Unsecured loans	BOC	DMPL	US$30,000	–	2.0x	2.0x	–
Unsecured bonds	N/A	DMPL	US$90,000	–	–	–	2.25x

There have been no breaches of the financial covenants of any interest-bearing loans and borrowings for the years ended 30 April 2023 and 2022.

18. LOANS AND BORROWINGS (CONT'D)

(1) Unsecured Bank Loans (cont'd)

Ability to Incur Additional Indebtedness

On 20 December 2021, Coöperatieve Rabobank U.A. ("Rabobank") had restated and amended the original Facility Letter dated 18 March 2021, increasing the facility limit from US$30 million to US$50 million. On 18 January 2023, Rabobank reduced the facility limit back to US$30 million. As of 30 April 2023 and 2022, US$30 million and US$50 million had been drawn, respectively.

On 5 April 2022, the Company entered into a Sixth Amendment Agreement with BDO that gives the Company the right to borrow an additional aggregate amount of US$45 Million, subject to the terms of such amendment agreement. As of 30 April 2023 and 2022, the US$45 million had been fully drawn. On 13 December 2022, the Company entered into a Seventh Amendment Agreement with BDO that gives the Company the right to borrow an additional aggregate amount of US$30 Million, subject to the terms of such amendment agreement. As of 30 April 2023, the US$30 million had been fully drawn.

The Company has an uncommitted facility with RCBC amounting to US$40 million, of which US$38 million was drawn in the fiscal year 2023. Additionally, the Company also has uncommitted facilities with DBS Bank Ltd (DBS) totaling US$30 million comprising of short-term loan of US$25 million and export financing facility of US$5 million. As of 30 April 2023 and 2022, US$25 million had been drawn.

(2) ABL Credit Agreement

Prior to fiscal year 2021, DMFI was a party to a credit agreement (the "ABL Credit Agreement") with Citibank, N.A., as administrative agent, and the other lenders and agents parties thereto, as amended, which provided for senior secured financing of up to US$442.6 million (with all related loan documents, and as amended from time to time, the ABL Facility) with a term of five years until 18 February 2019, prior to an amendment in 2018.

On 15 May 2020, DMFI entered into an agreement to refinance the ABL Credit Agreement with JP Morgan Chase as the administrative agent, and other lenders and agents parties thereto, to provide for senior secured financing of up to US$450.0 million, subject to availability under the borrowing base, with a term of three years until 15 May 2023. On 15 May 2020, US$100.2 million was drawn under this facility. Loans under the ABL Credit Agreement interest based on either the Eurodollar rate or the alternative base rate, plus an applicable margin. Additionally, the Group fully amortized the remaining deferred financing fees related to the previous credit agreement of $1.0 million for the year ended 30 April 2020.

On 29 April 2021, the ABL agreement was extended to five years to the earliest of (a) 29 April 2026 and (b) 91 days prior to the maturity of the Senior Secured Notes or any Refinancing Indebtedness in respect thereof.

Interest Rates. Prior to fiscal year 2021, borrowings under the ABL Credit Agreement bear interest at an initial interest rate equal to an applicable margin, plus, at the Group's option, either (i) a LIBOR rate, or (ii) a base rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) Citibank, N.A.'s "prime commercial rate" and (c) the one month LIBOR rate plus 1.00%. The applicable margin with respect to LIBOR borrowings is 2.25% for Tranche B at 3 May 2020 (and may increase to 2.50% or 2.75% depending on average excess availability) and with respect to base rate borrowings is 1.25% for Tranche B at 3 May 2020 (and may increase to 1.50% or 1.75% depending on average excess availability).

18. LOANS AND BORROWINGS (CONT'D)

(2) ABL Credit Agreement (cont'd)

Effective 15 May 2020, borrowings under the ABL Credit Agreement incurred interest of 1.75% in the case of the Alternative Base rate (ABR) plus applicable margin (from 2.0% or 1.75% or 1.5% depending on average excess availability). In the case of Eurodollar loans, 2.75% plus applicable margin (from 2.5% or 2.75% or 3.0% depending on average excess availability). Effective 29 April 2021, borrowings under the ABL Credit Agreement bear interest of 1.0% in the case of the Alternative Base rate (ABR) plus applicable margin (from 0.75% or 1.0% or 1.25% depending on average excess availability). In the case of Eurodollar loans, 2.0% plus applicable margin (from 1.75% or 2.0% or 2.25% depending on average excess availability).

Commitment Fees. In addition to paying interest on outstanding principal under the ABL Credit Agreement, the Group is required to pay a commitment fee that was initially 0.375% per annum in respect of the unutilized commitments thereunder. The commitment fee rate on Tranche A from time to time is 0.250% or 0.500% depending on the amount of unused commitments under the ABL Credit Agreement for the prior fiscal quarter. The commitment fee rate on Tranche B is 0.500%. The Group must also pay customary letter of credit fees between 1.75% to 2.75% based on average excess availability, and fronting fees equal to 0.125% of the face amount for each letter of credit issued.

Effective 2 May 2022, the Group is required to pay a commitment fee of 0.375% (2022: 0.250%) depending on the amount of unused commitment under ABL Credit Agreement for the prior fiscal quarter.

Availability under the ABL Credit Agreement. Prior to fiscal year 2021, availability under the ABL Credit Agreement is subject to a borrowing base. The borrowing base, determined at the time of calculation, is an amount equal to: (a) 85% of eligible accounts receivable and (b) the lesser of (1) 75% of the net book value of eligible inventory and (2) 85% of the net orderly liquidation value of eligible inventory, of the DMFI at such time, less customary reserves. The ABL Credit Agreement will terminate, and the commitments thereunder will mature.

Effective 15 May 2020 and the amendment thereto, the borrowing base, determined at the time of calculation, is an amount equal to: the sum of (a) (i) 85% of the book value of the parties' non-investment grade eligible accounts at such time and (ii) 90% of the book value of the parties' investment grade eligible accounts, (b) the lesser of (i) the amount equal to 85% multiplied by the net orderly liquidation value of eligible inventory percentage identified in the most recent inventory appraisal ordered by the administrative agent multiplied by the book value of the parties' eligible inventory and (ii) 75% multiplied by the cost of the parties' eligible inventory valued on a first-in-first-out basis, and minus (c) customary reserves.

As at 30 April 2023, there were US$465.0 million (30 April 2022: US$146.0 million) of loans outstanding and US$24.3 million of letters of credit issued (30 April 2022: USS$24.3 million). The net availability to DMFI Group under the ABL Credit Agreement was US$135.7 million as at 30 April 2023 (30 April 2022: US$279.7 million). The weighted average interest rate was approximately 7.32% per annum on 30 April 2023 (30 April 2022: 4.31% per annum).

Ability to Incur Additional Indebtedness. Notwithstanding any increase in the facility size, the Group's ability to borrow under the facility will always remain limited by the borrowing base (to the extent the borrowing base is less than the commitments).

Guarantee of Obligations under the Term Loan Credit Agreements and the ABL Credit Agreement. All obligations of DMFI under the Term Loan Credit Agreements and the ABL Credit Agreement are unconditionally guaranteed by the DMFHL and by substantially all existing and future, direct and indirect, wholly owned material restricted domestic subsidiaries of DMFI, subject to certain exceptions. DMFI was released from the guarantees after payment of First and Second Lien Term Loans.

18. LOANS AND BORROWINGS (CONT'D)

(2) ABL Credit Agreement (cont'd)

Security interests

The ABL Credit Agreement is generally secured by a first priority lien on DMFI's inventories and accounts receivable and by a third priority lien on substantially all other assets excluding real estate.

Restrictive and Financial Covenants. The ABL Credit Agreement includes restrictive covenants limiting the Group's ability, and the ability of the Group's restricted subsidiaries, to incur additional indebtedness, create liens, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions or repurchase the Group's capital stock, make investments, loans or advances, prepay certain indebtedness, engage in certain transactions with affiliates, amend agreements governing certain subordinated indebtedness adverse to the lenders, and change the Group's lines of business.

Financial Maintenance Covenants. The ABL Credit Agreement generally do not require that DMFI comply with financial maintenance covenants.

Effect of Restrictive and Financial Covenants. The restrictive and financial covenants in the ABL Credit Agreement may adversely affect DMFI's ability to finance its future operations or capital needs or engage in other business activities that may be in its interest, such as acquisitions.

The Group is compliant with the ABL Credit Agreement loan covenants as of 30 April 2023 and 2022.

On 15 May 2020, DMFI entered into an agreement to refinance the ABL Credit Agreement with JP Morgan Chase as the administrative agent, and other lenders and agents parties thereto, to provide for senior secured financing of up to US$450.0 million, subject to availability under the borrowing base, with a term of three years until 15 May 2023. Additionally, the Group fully amortized the remaining deferred financing fees related to the previous credit agreement of US$1.0 million for the year ended 30 April 2020.

18. LOANS AND BORROWINGS (CONT'D)

Long-term Borrowings	Classification	Original Principal (In '000)	Outstanding Balance (In '000)	Interest Rate % p.a.	Year of Maturity	Payment Terms (e.g., annually, quarterly, etc.)	Interest paid 1 May 2022 to 30 Apr 2023 (In '000)
BDO Long-term Loan [1]	Secured loan	PHP 1,500,000	PHP 1,500,000	4.125%	2025	Quarterly interest payment; and principal on nine quarterly instalments starting August 2023	PHP 62,734
DBP Long-term Loan [2]	Unsecured loan	PHP 1,500,000	PHP 1,500,000	5.5268%	2025	Quarterly interest payment; and principal on eight quarterly instalments starting February 2024	PHP 54,899
Bonds Payable [3]	Unsecured bonds	PHP 6,478,460	PHP 6,478,460	3Y 3.4840% 5Y 3.7563%	2023/ 2025	Quarterly interest payments and principal on maturity date	PHP 184,057
BDO Long-term Loan [4]	Secured loan	USD 30,000	USD 30,000	8.0199%	2024	Quarterly interest payments and principal 20% in fiscal year 2024, and balance on maturity	USD 555
BDO Long-term Loan [5]	Secured loan	USD 45,000	USD 42,750	8.42%	2025	Quarterly interest payment and principal 5% on April 2023, 5% on April 2024 and 90% on maturity date.	USD 2,847
BOC Long-term Loan [5]	Unsecured loan	USD 30,000	USD 27,000	8.19%	2025	Quarterly interest payment and principal 20% on four equal semi-annual instalments starting October 2022 and 80% on maturity date.	USD 1,789
BPI Long-term Loan [6]	Secured loan	USD 100,000	USD 100,000	8.180%	2023	Monthly interest payments and principal on maturity date.	USD 7,816
BDO Long-term Loan [7]	Secured bridging loan	USD 75,000	USD 60,000	3.0585%	2023	Quarterly interest payment and principal 10% on August 2021, 10% on August 2022 and 80% on maturity date.	USD 1,477
DBP Long-term Loan [8]	Unsecured loan	USD 75,000	USD 68,864	6.7617%	2024	Quarterly interest payment and principal 15% on eleven equal quarterly instalments starting January 2022 and 85% on maturity date.	USD 3,334
DBP Long-term Loan [8]	Unsecured loan	USD 57,300	USD 48,705	6.8024%	2024	Quarterly interest payment and principal 5%, 10% and 85% in fiscal year 2022, 2023 and 2024, respectively.	USD 2,526
Bonds Payable [9]	Unsecured bonds	USD 90,000	USD 90,000	3.75%	2024	Semi-annual interest payments and principal on maturity date.	USD 3,375
Term Loans [10]	Unsecured loan	USD 725,000	USD 723,500	9.3143%	2029	Monthly interest payments and quarterly instalment payments of US$1.5 million in January 2023 and US$1.8 million beginning May 2023 and balance on maturity date	USD 45,395

18. LOANS AND BORROWINGS (CONT'D)

Long-term Borrowings	Classification	Original Principal (In '000)	Outstanding Balance (In '000)	Interest Rate % p.a.	Year of Maturity	Payment Terms (e.g., annually, quarterly, etc.)	Interest paid 1 May 2022 to 30 Apr 2023 (In '000)
Secured senior notes [11]	Secured loan	USD 500,000	–	11.875%	Repaid in fiscal year 2023	Semi-annual interest payments and principal on maturity date	USD 29,852
Term Loan B [12]	Secured loan	USD 500,000	USD 708,531	9.3143%	2029	Quarterly interest payment and principal 0.25%, and the remaining interest and principal on maturity date.	USD 45,395

[1] On 23 October 2020, DMPI obtained a long-term loan facility with BDO amounting to US$27 million (Php1.5 billion) payable over nine equal quarterly installments with the first repayment date due on 3 August 2023 and last repayment date due on 3 August 2025 at a fixed interest rate of 4.125% per annum. This loan is guaranteed by DMPL as its Surety. The Group is in compliance with the loan's covenants as at 30 April 2023 and 2022.

[2] On 6 November 2020, DMPI availed of an unsecured long-term credit facility with DBP amounting to US$27 million (Php1.5 billion) at a variable interest rate (2023: 5.5268% per annum, 30 April 2022: 3.00%), maturing in 2025, to refinance existing debts. The loan shall be repaid in five years, inclusive of a three-year grace period on the principal, the principal payable in eight equal quarterly installments to commence at the end of the 13th quarter from the initial drawdown date until fully paid. The Group is in compliance with the loan's covenants as at 30 April 2023 and 2022.

[3] On 30 October 2020, DMPI issued peso-denominated fixed rate bonds with an aggregate principal amount of US$90.1 million (Php5.0 billion) with an oversubscription option of up to US$45 million (Php2.5 billion).

The following are the series of the bonds:

(i) 3.4840% per annum. three-year fixed-rate bonds due October 2023 and

(ii) 3.7563% per annum five-year fixed-rate bonds due October 2025.

The net proceeds of the bonds were used by DMPI to repay its existing short-term and unsecured loans. As of 30 April 2023, US$105.1 million (Php5.8 billion) three-year fixed-rate and US$11.6 million (Php645.9 million) five-year fixed-rate bonds were issued.

The Company had also entered into an agreement with DBS for uncommitted facilities comprising of a short-term dollar denominated loan (US$25.0 million) and export financing facility (US$5.0 million). The Company had drawn a short-term loan of US$25.0 million as of 30 April 2023 (2022: US$ 25.0 million). The Group is in compliance with the loan's covenants as at 30 April 2023 and 2022.

[4] On 14 December 2022, the Company obtained long-term loan from BDO to US$30.0 million to partly finance redemption of series A-2 preference shares. The loans mature in December 2024. The Company is compliant with the loan's covenants as at 30 April 2023 and 2022.

[5] On 4 April 2022, the Company obtained long-term loans from BDO (secured) and BOC (unsecured) amounting to US$45.0 million and US$30.0 million, respectively, to partly finance redemption of series A-1 preference shares. The loans mature in April 2025. The Company is compliant with the loan's covenants as at 30 April 2023 and 2022.

[6] On 15 May 2020, the Company obtained a long-term loan from Bank of the Philippine Islands ("BPI") amounting to US$100.0 million maturing on 15 May 2023, to finance the Company's subscription of equity shares in DMPL Foods Limited, the proceeds of which were used by DMFI to partially pay its borrowings. The loans are secured by first ranking security interest over DMPI shares. The Company is in compliance with the loan's covenants as at 30 April 2023 and 2022.

[7] The secured bridging loans of US$60.0 million as at 30 April 2023 represent the remaining balance for the bridging loan that was obtained by the Company to finance the acquisition of Sager Creek and its related costs. The loan matures in August 2023.

The Company paid the instalments amounting to US$7.5 million in August 2021 and US$7.5 million in August 2022 bringing the balance to US$60.0 million. On 5 April 2022, the Company entered into a Sixth Amendment Agreement amending the Total Facility Commitment to US$67.5 million.

[8] In fiscal year 2021 and 2020, the Company obtained additional long-term loans from Development Bank of the Philippines ("DBP") amounting to US$57.3 million maturing in April 2024 and US$75.0 million maturing in October 2024 respectively, to refinance existing debt. The Company is in compliance with the loan's covenants as at 30 April 2023 and 2022.

[9] On 9 December 2021, the Company issued unsecured bonds amounting to US$90.0 million. The bonds bear fixed interest of 3.75% per annum and mature on 9 December 2024. The proceeds were used to partly finance redemption of series A-1 preference shares. The Company is in compliance with the loan's covenants as at 30 April 2023.

[10] On 16 May 2022, DMFI issued US$600.0 million term loan (Term Loan B) with an interest equal to the adjusted term SOFR, plus a spread adjustment of 0.10% and margin of 4.25%. As of 30 April 2023, the interest rate for the Term Loan B is 9.3143% per annum. Interest is initially payable monthly and can be paid quarterly at the Company's option. The Term Loan B will mature on 16 May 2029. Proceeds of US$600.0 million from the issuance were used to pay the existing US$500.0 million Senior Secured Notes and the remainder was used for original issue discount, interest, and fees. An instalment amounting to US$1.5 million was paid on 30 January 2023. On 7 February 2023, DMFI obtained additional term loan commitments amounting to US$125.0 million, bearing the same interest and maturity date with the initial term loans. The Group is in compliance with the loan's covenants as at 30 April 2023.

18. LOANS AND BORROWINGS (CONT'D)

[11] Senior Secured Notes

The Group, with DMFI as the issuer, is a party to a credit agreement (the "Senior Secured Notes") with JP Morgan Chase, as administrative agent, and the other lenders and agents parties thereto, that provides for senior secured financing of up to US$500.0 million. The Senior Secured Notes will mature on 15 May 2025. Interest of 11.875% per annum will accrue from 15 May 2020, and payable every 15th May and 15th November.

The issuer may redeem some or all of the Senior Secured Notes at any time on or after 15 May 2022. DMFI may also redeem up to 35% of the Senior Secured Notes using the proceeds of certain equity offerings completed before 15 May 2022. In addition, at any time prior to 15 May 2022, the Issuer may redeem some or all of the Senior Secured Notes at a price equal to 100% of the principal amount, plus a "make-whole" premium, plus accrued and unpaid interest, if any, to the redemption date. Additionally, if the Senior Secured Notes become due and payable prior to their stated maturity, including upon acceleration, the applicable make-whole or redemption price premium, as the case may be shall be due and payable as if the Notes had been redeemed on that date. If the Group sells certain assets or experience specific kinds of changes in control, the Group must offer to purchase the Senior Secured Notes.

DMFHL and each of its existing and future U.S. subsidiaries, other than the DMFI, that guarantees indebtedness of the Issuer or indebtedness of any guarantor will guarantee the Senior Secured Notes. The Senior Secured Notes will rank equally in right of payment with all of the Issuer's existing and future senior debt and senior in right of payment to all of the Issuer's future subordinated debt.

The Senior Secured Notes guarantees will rank equally in right of payment with all of the guarantors' existing and future senior debt and senior in right of payment to all of the guarantors' future subordinated debt. In addition, the Senior Secured Notes will be structurally subordinated to the liabilities of all non-guarantor subsidiaries of DMFHL.

The Senior Secured Notes and the note guarantees will be secured by (i) first-priority liens, subject to permitted liens, on the Notes Priority Collateral and (ii) second-priority liens, subject to permitted liens, on the ABL Priority Collateral now owned or acquired in the future by the Issuer and the guarantors. Obligations under the ABL Facility and certain hedging and cash management obligations will be secured by a first-priority lien on the ABL Priority Collateral and a second-priority lien on the Notes Priority Collateral (provided that such obligations will not be secured by liens on any real property that constitutes Notes Priority Collateral). The Group is compliant with loan covenants of this credit agreement as at 30 April 2022 and 2021.

On 16 May 2022, DMFI redeemed the full balance of $500.0 million Senior Secured Notes. Additional interest expense amounting to $71.9 million was recognized as a result of this redemption (see Note 26).

[12] Term Loan

DMFI is a party to a Term Loan B agreement with the lenders party thereto, Goldman Sachs Bank USA as administrative agent and as collateral agent, that provided for a total term loan of US$725.0 million with a term of seven years. The initial term loan amounting to US$600.0 million was obtained on 16 May 2022 and additional term loan amounting to US$125.0 million was obtain on 7 February 2023. The term loan will mature on 16 May 2029.

Interest Rates. The term loans bear an interest equal to the adjusted term SOFR plus a spread adjustment of 0.10% and margin of 4.25%. As of 30 April 2023, the interest rate for the Term Loan is 9.31% per annum. Interest is initially payable monthly and can be paid quarterly at DMFI's option.

Principal Payments. The outstanding principal amount is payable i) commencing with the last day of each fiscal quarter following 16 May 2022 and on the last day of each fiscal quarter thereafter prior to the maturity date of the term loan, in each case, in an amount equal to 0.25% of the original principal amount of the initial term loan and ii) on the maturity date, in an amount equal to the remainder of the principal amount of the initial term loans outstanding on such date, together, in each case, with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment. In the event any new term loans are made, such new term loans shall be repaid on each instalment date occurring on or after the applicable increased amount date in the manner specified in the agreement.

Ability to Incur Additional Indebtedness. DMFI may, by written notice to Administrative agent, elect to request prior to maturity date, an increase to the existing term loans or the establishment of one or more new term loan commitments by the available incremental amount, and not less than U$5.0 million individually (or such lesser amount which shall reasonably be approved by administrative agent or such lesser amount that shall constitute the difference between the available incremental amount and all such New Term Loan Commitments obtained prior to such date), and integral multiples of U$1.0 million in excess of that amount.

DMFI is compliant with the Term Loan B Agreement loan covenants as at 30 April 2023, 2022 and 2021.

The terms of DMPI's bonds and loans require a debt service coverage ratio of at least 1.2x and debt-to-equity ratio of not exceeding 2.5x based on DMPI's consolidated financial statements. DMPI had been compliant with its debt covenants as at 30 April 2023 and 2022.

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

		Group		Company	
	Note	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000
Beginning of year		35,359	44,702	2,732	1,329
Additions		20,295	2,915	218	2,383
Write-off		(26,341)	–	–	–
Amortization	26	(6,156)	(12,258)	(1,488)	(980)
End of year		23,157	35,359	1,462	2,732

19. OTHER NONCURRENT LIABILITIES

	Group	
	30 April 2023 US$'000	30 April 2022 US$'000
Workers' compensation	13,268	14,639
Derivative liabilities	3,097	7,896
Accrued vendors liabilities	461	488
	16,826	23,023

Workers' compensation are liabilities for wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence.

Derivative liabilities

The Group uses interest rate swaps, interest rate caps, commodity swaps and foreign currency forward contracts to hedge market risks relating to possible adverse changes in interest rates, commodity costs and foreign currency exchange rates. The Group continually monitors its positions and the credit rating of the counterparties involved to mitigate the amount of credit exposure to any one party.

As at 30 April 2023 and 2022, the Group designated each of its derivative contracts, as a hedge of a highly probable forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge"). The following fair value of cash flow hedges were outstanding for the Group:

		Group	
	Note	30 April 2023 US$'000	30 April 2022 US$'000
Commodity contracts		(3,928)	685
Foreign currency forward contract		1,061	801
Interest rate cap		6,189	(7,896)
Interest rate swap		(1,105)	–
Total		2,217	(6,410)
Included in:			
Other noncurrent assets	10	6,189	–
Prepaid expenses and other current assets	14	2,678	1,486
Trade payables and other current liabilities	22	(3,553)	–
Other noncurrent liabilities		(3,097)	(7,896)
		2,217	(6,410)

19. OTHER NONCURRENT LIABILITIES (CONT'D)

Derivative liabilities (cont'd)

Interest Rates

As of 30 April 2023 and 2022, the Group designated each of its derivative contracts as a hedge of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge").

The Group adopts a policy of hedging its floating rate exposure in accordance with the current rate environment and expected debt balances. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate using interest rate cap and interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Group applies a hedge ratio in accordance with the risk management objectives.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional quantity or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. Changes in the fair value of the cap other than intrinsic value is excluded from the assessment of effectiveness and amortized over the hedging period using a straight-line method.

In these hedging relationships, the main sources of ineffectiveness are the effect of the counterparty's and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value hedged cash flows attributable to the change in interest rates, and differences in repricing dates between the swaps and the borrowings.

Significant terms of the interest rate cap and interest rate swap contracts are as follows:

30 April 2023

Interest rate cap

Contract Date	Notional amount US$ '000	Fixed Rate	Strike Rate	Effective Date	Maturity Date
8 April 2022	575,000	0.84%	3.00%	1 May 2023	1 April 2026

Interest rate swap

Contract Date	Notional amount US$ '000	Fixed Rate	Floating SOFR	Effective Date	Maturity Date
23 March 2023	250,000	3.84%	Varies	24 March 2023	16 May 2029

Notional amount of US$200.0 million, US$200.0 million and US$175.0 million will mature on 1 April 2024, 2025 and 2026, respectively. The floating rate is based on secured overnight financing rate (SOFR).

30 April 2022

Contract Date	Notional amount US$ '000	Fixed Rate	Strike Rate	SOFR	Effective Date	Maturity Date
8 April 2022	575,000	0.84%	3.00%	3.18%	1 May 2023	1 April 2026

19. OTHER NONCURRENT LIABILITIES (CONT'D)

Derivative liabilities (cont'd)

Commodities

Certain commodities such as diesel fuel and natural gas (collectively, "commodity contracts") are used in the production and transportation of the Group's products. Generally, these commodities are purchased based upon market prices that are established with the vendors as part of the purchase process. The Group may use futures, swaps, and swaption or option contracts, as deemed appropriate, to reduce the effect of price fluctuations on anticipated purchases. These contracts may have a term of up to 24 months. The Group accounts for these commodity derivatives as cash flow hedges. The effective portion of derivative gains and losses is deferred in equity and recognized as part of cost of products sold in the appropriate period and the ineffective portion is recognized as cost of products sold.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). The Group established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity forward contracts are identical to the hedged risk components. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference index prices, purchase dates, maturities and the notional or par amounts.

To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the change in the fair value of the hedging instruments against the changes in the fair value of the hedged items attributable to the hedged risks.

The notional amounts of the Group's commodity contracts were as follows as of 30 April 2023 and 2022:

	30 April 2023 US$'000	30 April 2022 US$'000
Natural gas (MMBTU)	1,039	1,329
Diesel (gallons)	5,786	1,401
Gas (oil barrels)	47	–

Foreign Currency

From time to time, the Group manages its exposure to fluctuations in foreign currency exchange rates by entering into forward contracts to cover a portion of its projected expenditures paid in local currency. These contracts may have a term of up to 24 months. The Group accounted for these contracts as cash flow hedges.

	30 April 2023 US$'000	30 April 2022 US$'000
Mexican pesos	–	221,199
United States dollar	154,000	–

19. OTHER NONCURRENT LIABILITIES (CONT'D)

Derivative liabilities (cont'd)

Amounts Relating to Hedged Items

The amounts at the reporting date relating to items designated as hedged items are as follows:

	30 April 2023		
	Change in value used for calculating hedge effectiveness US$'000	Cash flow hedge reserve US$'000	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied US$'000
Interest rate risk			
Variable rate instruments	(12,437)	9,238	–
Commodity price risk			
Inventory purchases	5,264	(8,394)	–
Foreign exchange risk			
Inventory purchases	3,449	493	–

	30 April 2022		
	Change in value used for calculating hedge effectiveness US$'000	Cash flow hedge reserve US$'000	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied US$'000
Interest rate risk			
Variable rate instruments	7,896	(5,922)	–
Commodity price risk			
Inventory purchases	5,986	(947)	–
Foreign exchange risk			
Inventory purchases	165	1,476	–

19. OTHER NONCURRENT LIABILITIES (CONT'D)

Derivative liabilities (cont'd)

Amounts Relating to Hedging Instruments

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

	30 April 2023				During 2023		
	Notional amount	Carrying amount Assets	Carrying amount Liabilities	Line item in the statement of financial position where the hedged instrument is included	Change in the value of hedge instrument recognized in OCI	Amount reclassified from hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
	US$'000	US$'000	US$'000		US$'000	US$'000	
Interest rate risk							
Interest rate swaps	250,000	1,617		Prepaid and Other Current Assets	12,437	–	
			(2,722)	Derivative liabilities – Noncurrent			
Interest rate cap	575,000	6,189		Derivative assets – Noncurrent	–	–	
Commodity price risk							
Commodity contracts							
Natural gas (MMBTU)	1,039	–	(1,596)	Derivative liabilities – Current	(2,557)	(861)	Cost of sales
			(75)	Derivative liabilities – Noncurrent			
Diesel (gallons)	5,786	–	(1,455) (300)	Derivative liabilities – Current	(2,176)	(403)	Cost of sales
Gas oil (barrels)	47	–	(502)	Derivative liabilities – Current	(531)	–	
Foreign exchange risk							
Foreign currency forward (USD)	154,000	1,061	–	Prepaid and Other Current Assets	1,122	–	Net finance expense
Foreign currency forward (MXN)	–	–	–	–	(4,571)	(4,107)	Cost of sales

19. OTHER NONCURRENT LIABILITIES (CONT'D)

Derivative liabilities (cont'd)

Amounts Relating to Hedging Instruments (cont'd)

	30 April 2022				During 2022		
	Notional amount	Carrying amount		Line item in the statement of financial position where the hedged instrument is included	Change in the value of hedge instrument recognized in OCI	Amount reclassified from hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
	US$'000	US$'000	US$'000		US$'000	US$'000	
Interest rate risk							
Interest rate swaps	575,000	–	(7,896)	Derivative liabilities – Noncurrent	(7,896)	–	Net finance expense
Commodity price risk							
Commodity contracts							
Natural gas (MMBTU)	1,329	24	–	Prepaid and Other Current Assets	(1,872)	(1,701)	Cost of sales
Diesel (gallons)	1,401	661	–	Prepaid and Other Current Assets	(4,114)	(2,830)	Cost of sales
Foreign exchange risk							
Foreign currency forwards	221,199	801	–	Prepaid and Other Current Assets	(165)	(710)	Cost of sales

Hedging Reserves

The following table provides a reconciliation by risk category of the hedging reserve and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

	Group	
	30 April 2023 US$'000	30 April 2022 US$'000
Balance at beginning of year	(5,395)	1,218
Changes in fair value:		
– Interest rate risk	12,437	(7,896)
– Commodity risk	(5,264)	(5,986)
– Foreign exchange risk	(3,449)	(165)
Amount reclassified to profit or loss		
– Interest rate risk	–	–
– Commodity risk	1,264	4,531
– Foreign exchange risk	4,107	710
Tax movements on reserves during the year	(2,274)	2,193
Balance at end of year	1,426	(5,395)

20. EMPLOYEE BENEFITS

	Group		Company	
	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2023 US$'000	30 April 2022 US$'000
Pension asset	10,630	9,799	60	–
Total pension asset (noncurrent)	10,630	9,799	60	–
Post-retirement benefit obligation	6,795	6,754	–	–
Executive retirement plan	2,188	3,610	–	–
Cash incentive award	4,024	5,051	–	–
Short-term employee benefits	17,972	30,689	–	–
Other plans	2,894	3,756	–	–
Net defined benefit liability	11,701	11,440	–	12
Total employee benefit liability	45,574	61,300	–	12
Current	24,280	36,958	–	–
Noncurrent	21,294	24,342	–	12
	45,574	61,300	–	12

Included in pension asset of the Group and Company is an amount of US$10.6 million and US$0.06 million (2022: US$9.8 million and nil) respectively relating to the defined benefit and defined contribution retirement plans in DMPI.

Included in post-retirement benefit obligation is an amount of US$6.8 million (2022: US$6.8 million) relating to the post-retirement medical benefits plan in DMFI.

Included in net defined benefit liability is an amount of US$11.7 million and nil (2022: US$11.4 million and US$0.01 million) relating to the qualified retirement plans in DMFI and ROHQ, respectively.

The Group contributes to the following post-employment defined benefit plans:

The DMPI Multi Employer Retirement Plan

DMPI has both funded defined benefit and defined contribution retirement plans (the "Plan") which covers all of regular employees as well as of those under DMPL - ROHQ. Contributions and costs are determined in accordance with the actuarial study made for the Plan. Annual cost is determined using the projected unit credit method. DMPI's latest actuarial valuation date is 30 April 2023. Valuations are obtained on a periodic basis.

Starting on the date of membership of an employee in the Plan, DMPI shall contribute to the retirement fund 7.00% of the member's salary as defined every month. In addition, DMPI shall contribute periodically to the fund the amounts which may be required to meet the guaranteed minimum benefit provision of the plan. Such contributions shall not be allocated nor credited to the individual accounts of the members, but shall be retained in a separate account to be used in cases where the guaranteed minimum benefit applies.

Benefits are based on the total amount of contributions and earnings credited to the personal retirement account of the plan member at the time of separation or the 125% of the final basis salary multiplied by the number of credited years of service under the plan, whichever is higher. The manner of payment is lump sum, payable immediately.

20. EMPLOYEE BENEFITS (CONT'D)

The DMPI Multi Employer Retirement Plan (cont'd)

The retirement plan meets the minimum retirement benefit specified under Republic Act No. 7641, The Philippine Retirement Pay Law.

The fund is administered by a trustee bank under the supervision of the Board of Trustees of the Plan.

The Board of Trustees is responsible for investment strategy of the Plan.

DMPI does not expect to make contributions to the plan in fiscal year 2024.

The DMFI Plan

DMFI sponsors a qualified defined benefit pension plan (the "DMFI Plan") and several unfunded defined benefit post-retirement plans providing certain medical, dental, and life insurance benefits to eligible retired, salaried, non-union hourly and union employees. The DMFI Plan comprises of two parts:

- The first part is a cash balance plan ("Part B") which provides benefits for eligible salaried employees and provides that a participant's benefit derives from the accumulation of monthly compensation and interest credits. Compensation credits are calculated based upon the participant's eligible compensation and age each month. Interest credits are calculated each month by applying an interest factor to the previous month's ending balance. Participants may elect to receive their benefit in the form of an annuity or a lump sum. Part B of the plan was frozen to new participants effective 31 December 2016, which the active participation of certain participants was grandfathered subject to meeting participation requirements.

- The second part is an arrangement which provides for grandfathered and suspended hourly participants a traditional pension benefit based upon service, final average compensation and age at termination. This plan was frozen since 31 December 1995, which the active participation of certain participants was grandfathered and the active participation of other participants was suspended.

DMFI currently meets and plans to continue to meet the minimum funding levels required under local legislation, which imposes certain consequences on DMFI's defined benefit plan if it does not meet the minimum funding levels. DMFI has not made any contributions during the year.

In fiscal year 2020, there were amendments to the DMFI Plan and the post-retirement benefit plan. Under the DMFI Plan amendments, certain benefits were eliminated effective 31 December 2019 and 30 April 2022 and the plan obligations associated with these amendments decreased by US$9.1 million. Under the post-retirement amendments, certain benefits will be eliminated effective 30 April 2022 and the plan obligations associated with this amendment decreased by US$5.9 million. Both amendments were recognized immediately in "General and administrative expenses" in the 2020 consolidated income statement.

In fiscal year 2019, there were amendments to the post-retirement benefit plan. Under an amendment, certain benefits will be eliminated after fiscal year 2022. The net liability impact of this amendment was a decrease of US$13.4 million, which was recognized immediately in "General and administrative expenses" in the 2019 consolidated income statement.

DMFI does not expect to make contributions to the plan in fiscal year 2024.

20. EMPLOYEE BENEFITS (CONT'D)

Movement in net defined benefit liability (asset)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability (asset) and its components:

	30 April 2023				30 April 2022			
	Defined benefit obligation US$'000	Fair value of plan assets US$'000	Effect of Asset Ceiling US$'000	Net defined benefit liability (asset) US$'000	Defined benefit obligation US$'000	Fair value of plan assets US$'000	Effect of Asset Ceiling US$'000	Net defined benefit liability (asset) US$'000
Group								
Beginning balance	269,094	(262,372)	1,673	8,395	332,272	(313,505)	606	19,373
Included in profit or loss:								
Current service cost	2,126	–	–	2,126	2,794	–	–	2,794
Plan administration cost	–	939	–	939	–	557	–	557
Interest cost/(income)	10,806	(10,623)	85	268	6,860	(6,666)	22	216
	282,026	(272,056)	1,758	11,728	341,926	(319,614)	628	22,940
Included in OCI								
Remeasurements loss (gain):								
– Actuarial loss (gain) arising from:								
– financial assumptions	(13,784)	–	–	(13,784)	(40,009)	–	–	(40,009)
– demographic assumptions	(1,024)	–	–	(1,024)	(904)	–	–	(904)
– experience adjustment	2,603	–	–	2,603	1,353	–	–	1,353
– Return on plan Assets Excluding interest income	–	7,952	–	7,952	–	25,530	–	25,530
– Changes in the effect of the asset ceiling	–	–	837	837	–	–	1,104	1,104
– Effect of movements in exchange rates	(1,343)	2,357	(115)	899	(2,810)	3,478	(59)	609
	(13,548)	10,309	722	(2,517)	(42,370)	29,008	1,045	(12,317)
Others								
Contributions	–	(472)	–	(472)	–	(2,228)	–	(2,228)
Benefits paid	(24,690)	23,817	–	(873)	(30,462)	30,462	–	–
	(24,690)	23,345	–	(1,345)	(30,462)	28,234	–	(2,228)
Ending balance	243,788	(238,402)	2,480	7,866	269,094	(262,372)	1,673	8,395

20. EMPLOYEE BENEFITS (CONT'D)

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

Remeasurement loss recognized in OCI under executive retirement plan and other plans amounted to US$0.2 million for fiscal year ended 2023 (2022: US$0.2 million).

Represented by:

	Net defined benefit liability (asset)	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Net defined benefit asset	(10,630)	(9,799)
Post-retirement benefit obligation	6,795	6,754
Net defined benefit liability	11,701	11,440
	7,866	8,395

Plan assets

Plan assets comprise:

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Interest-bearing cash/bank deposits	3,318	3,553
Real estate (within Philippines)	14,386	14,850
Common collective trust funds:		
Fixed income	53,055	57,809
Equity fund	69,060	77,014
Mutual funds – Equity fund	9,154	10,209
Debt instruments:		
Corporate	37,733	42,078
Government	41,950	44,879
Others	5,285	4,822
Equity securities – Quoted	3,661	7,109
Others	800	49
Fair value of plan assets	238,402	262,372

The Board of DMFI reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching ("ALM") strategy and investment risk management policy. DMFI's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Group monitors how the duration and expected yield of the investments match the expected cash outflows arising from the retirement benefit obligation.

DMFI's investment objectives are to ensure that the assets of its qualified defined benefit plan are invested to provide an optimal rate of investment return on the total investment portfolio, consistent with the assumption of a reasonable risk level, and to ensure that pension funds are available to meet the plan's benefit obligations as they become due.

DMFI believes that a well-diversified investment portfolio, including both equity and fixed income components, will result in the highest attainable investment return with an acceptable level of overall risk. DMFI's investment policies and procedures are designed to ensure that the plan's investments are in compliance with the Employee Retirement Income Security Act ("ERISA").

20. EMPLOYEE BENEFITS (CONT'D)

Actuarial valuation

The funded obligations and plan assets are measured and valued with the advice of qualified actuary who carries out a full valuation annually. The last valuation of these obligations and plan was performed in April 2023 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 30 April 2023.

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

	DMFI	
	30 April 2023	**30 April 2022**
Discount rate (per annum)	3.96%-4. 5%	1.82%-4.35%
Current health care cost trend rate (per annum)	N/A	6.20%
Ultimate health care cost trend rate	N/A	4.50%
Mortality rate	N/A	2012 rates associated with the Pri-2012 table with generational projection of improvements in mortality from 2012 based on MP-2020

	DMPI	
	30 April 2023	**30 April 2022**
Discount rate (per annum)	6.58%	5.41%
Future salary increases (per annum)	5.00%	5.00%

	ROHQ	
	30 April 2023	**30 April 2022**
Discount rate (per annum)	6.50%	5.29%
Future salary increases (per annum)	5.00%	5.00%

20. EMPLOYEE BENEFITS (CONT'D)

Actuarial valuation (cont'd)

Since the defined benefit plans and other benefit liabilities are measured on a discounted basis, the discount rate is a significant assumption. The discount rate for DMFI plan was determined based on an analysis of interest rates for high-quality, long-term corporate debt at each measurement date. The discount rate for DMPI and ROHQ Plans were determined based on the theoretical spot yield curve calculated for the government securities market. In order to appropriately match the bond maturities with expected future cash payments, the Group utilized differing bond portfolios to estimate the discount rates for the defined benefits pension plans and for the post-retirement benefits.

The discount rate used to determine the defined benefit plans and for the post-retirement benefits projected benefit obligation as of the reporting date is the rate in effect at the measurement date. The same rate is also used to determine the defined benefit pension plans and post-retirement benefits for the following fiscal year. The defined benefits pension plans' investment guidelines are established based upon an evaluation of market conditions, tolerance for risk and cash requirements for benefit payments. Assumptions regarding future mortality have been based on published statistics and mortality tables.

As at 30 April 2023, the weighted average duration of DMPI's and ROHQ's defined benefit retirement obligation is 7.3 years and 4.8 years, respectively (2022: 7.7 years and 5.5 years, respectively).

The projected future benefit payments for the DMPI and ROHQ plans as of 30 April 2023 are as follows:

	DMPI US$'000	ROHQ US$'000	Total Expected Benefit Payments US$'000
2024	3,421	69	3,490
2025	2,854	524	3,378
2026	2,867	51	2,918
2027	2,437	66	2,503
2028	3,058	72	3,130
2029 to 2033	18,421	906	19,327

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

	Duration (years)	
	30 April 2023	30 April 2022
Qualified retirement plan	8.6	8.9
Post-retirement benefits plan	8.0	8.9
Executive retirement plans	N/A	N/A

20. EMPLOYEE BENEFITS (CONT'D)

Actuarial valuation (cont'd)

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

	Normal Retirement US$'000	Other than Normal Retirement US$'000	Total US$'000
Less than one year	21,848	727	22,575
More than one year to five years	76,265	2,529	78,794
More than five years	75,791	2,492	78,283

The weighted-average asset allocation of the Group's pension plan assets and weighted-average target allocation as of the measurement date from date of incorporation is as follows:

	30 April 2023	Target Allocation Range
Equity securities	34%	31-51%
Debt securities	58%	42-64%
Other	8%	2-19%
Total	100%	

	30 April 2022	Target Allocation Range
Equity securities	36%	31-51%
Debt securities	57%	42-64%
Other	7%	2-19%
Total	100%	

The plan exposes the Group to market risk.

The Board of DMFI approves the percentage of asset to be allocated for fixed income instruments and equities. The retirement plan has set maximum exposure limits for each type of permissible investments in marketable securities and deposit instruments. The Board of DMFI may, from time to time, in the exercise of its reasonable discretion and taking into account existing investment opportunities, review and revise such allocation and limits.

Source of estimation uncertainty

Measurement of employee benefit obligations

Pension expense and pension assets/liabilities are determined using certain actuarial estimates and assumptions relating to the discount rate used in valuing the subsidiary's defined benefit obligations and future experiences such as future salary increases, retirement date or age, mortality and turnover rate of covered employees. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognized in the financial statements.

20. EMPLOYEE BENEFITS (CONT'D)

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of reporting period would have increased (decreased) as a result of a change in the respective assumptions by the respective percentages below.

Defined benefit obligation

	DMFI			
	2023		2022	
	0.50% increase US$'000	0.50% decrease US$'000	0.50% increase US$'000	0.50% Decrease US$'000
Discount rate (per annum)	(7,490)	8,038	(9,247)	10,018
Future salary increases (per annum)	N/A	N/A	N/A	N/A

Defined benefit Obligation

	DMPI			
	2023		2022	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Discount rate (per annum)	(1,769)	2,020	(2,065)	2,373
Future salary increases (per annum)	2,032	(1,811)	2,359	(2,091)

Defined benefit Obligation

	ROHQ			
	2023		2022	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Discount rate (per annum)	(47)	52	(49)	55
Future salary increases (per annum)	53	(48)	55	(50)

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 30 April 2023 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumption shown.

Accumulated post-retirement benefit obligation

The accumulated post-retirement benefit obligation is computed in accordance with IAS 19, *Employee Benefits*. This quantity is the actuarial present value of all benefits attributed under the projected unit credit method to service rendered prior to a particular date. Prior to an employee's full eligibility date, the accumulated post-retirement benefit obligation as of a particular date for an employee is the portion of the expected post-retirement benefit obligation attributed to that employee's service rendered to that date; on and after the full eligibility date, the accumulated and expected post-retirement benefit obligations for an employee are the same.

20. EMPLOYEE BENEFITS (CONT'D)

Source of estimation uncertainty

Accumulated post-retirement benefit obligation is determined using certain actuarial estimates and assumptions relating to the annual rate(s) of change in the cost of health care benefits currently provided by the post-retirement benefit plans due to factors other than changes in the composition of the plan population by age and dependency status, for each year from the measurement date until the end of the period in which benefits are expected to be paid. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognized in the financial statements.

Multi-employer plans

The Group participates in several multi-employer pension plans, which provide defined benefits to covered union employees. Contribution rates to the multi-employer plans are provided in the collective bargaining agreements for the covered union employees. The contribution rates are expressed in terms of specific amounts to be contributed based on hours worked by covered union employees. The Group made contributions of US$8.8 million, US$7.9 million and US$7.7 million during fiscal years 2023, 2022 and 2021, respectively.

The risks of participating in the multi-employer pension plans are as follows:

- assets contributed to the multi-employer plan by the Group may be used to provide benefits to employees of other participating employers;
- if a participating employer stops contributing to the plan, the unfunded obligations of the plan allocable to such withdrawing employer may be partially borne by the Group; and
- if the Group stops participating in some of its multi-employer pension plans, the Group may be required to pay those plans an amount based on its allocable share of the underfunded status of the plan, referred to as a withdrawal liability.

Defined Contribution Plans

The Group participates in two defined contribution plans. Group contributions to these defined contribution plans are based on employee contributions and compensation. The expense recognized under these plans for the year ended 30 April 2023 was US$4.8 million (2022: US$4.2 million; 2021: US$4.5 million).

Other plans

The Group has various other nonqualified retirement plans and supplemental retirement plans for executives, designed to provide benefits in excess of those otherwise permitted under the Group's qualified retirement plans. These plans are unfunded and comply with IRS rules for nonqualified plans.

21. ENVIRONMENTAL REMEDIATION LIABILITIES

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
At beginning of the year	203	7,429
Provision made during the year	–	–
Provisions used during the year	(203)	(7,164)
Provisions released during the year	–	(62)
At end of the year	–	203

Provision for environmental remediation relates to legal or constructive obligations incurred by the Group in connection with its operations and have all been settled in 2023.

22. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	Note	Group 30 April 2023 US$'000	Group 30 April 2022 US$'000	Company 30 April 2023 US$'000	Company 30 April 2022 US$'000
Trade payables		216,700	196,833	66	131
Accrued operating expenses:					
Interest	39	10,441	34,122	3,228	3,434
Advertising		4,060	8,825	–	–
Trade promotions		8,410	8,607	–	–
Taxes and insurance		11,755	9,044	–	–
Professional fees		9,200	6,762	394	388
Freight and warehousing		8,902	8,898	–	–
Salaries, bonuses and other employee benefits		2,019	3,042	–	–
Utilities		3,236	3,704	–	–
Tinplate and consigned stocks		2,204	2,569	–	–
Miscellaneous		11,250	5,541	309	1,146
Overdrafts		1,969	5,655	–	–
Accrued payroll expenses		5,980	5,304	4,207	4,087
Withheld from employees (taxes and social security cost)		2,473	1,466	41	37
Contract liabilities	24	2,366	2,091	–	–
VAT payables		214	129	–	–
Advances from customers		208	241	–	–
Derivative liabilities	19	3,553	–	–	–
Amounts due to subsidiaries (non-trade)	37	–	–	107,889	30,806
		304,940	302,833	116,134	40,029

Contract liabilities pertains to contract liabilities relating to advances from customers which are generally expected to be recognized as revenue within a period of less than one year. Accordingly, opening contract liabilities are recognized within each reporting period. The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose the aggregate amount of the transaction price of unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period because its contracts have original expected durations of one year or less.

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

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

Sources of estimation uncertainty

Estimation of trade promotion accruals

The determination of the unbilled trade promotion accrual requires significant estimation of the amount of discount to be redeemed based on volumes sold when the services are performed and billings are received.

23. LEASES

Group as a lessee

Set out below are the carrying amount of right-of-use assets recognized and the movements during the period:

	Buildings, land improvements and leasehold improvements US$'000	Land US$'000	Machineries and equipment US$'000	Total US$'000
Cost				
At 1 May 2021	128,492	50,166	37,384	216,042
Additions	16,131	12,174	3,534	31,839
Retirements	(4,249)	(1,258)	–	(5,507)
Currency realignment	(2,897)	(4,006)	–	(6,903)
At 30 April 2022 and 1 May 2022	137,477	57,076	40,918	235,471
Additions	12,354	3,052	1,265	16,671
Retirements	–	(871)	–	(871)
Currency realignment	(2,110)	(3,252)	–	(5,362)
At 30 April 2023	147,721	56,005	42,183	245,909
Accumulated amortization				
At 1 May 2021	43,632	14,521	22,681	80,834
Amortization	21,452	8,645	9,006	39,103
Retirements	(4,222)	(1,258)	–	(5,480)
Currency realignment	(929)	(1,596)	–	(2,525)
At 30 April 2022 and 1 May 2022	59,933	20,312	31,687	111,932
Amortization	21,323	8,700	5,935	35,958
Retirements	–	(871)	–	(871)
Currency realignment	(498)	(1,178)	–	(1,676)
At 30 April 2023	80,758	26,963	37,622	145,343
Carrying amounts				
At 30 April 2022	77,544	36,764	9,231	123,539
At 30 April 2023	66,963	29,042	4,561	100,566

In April 2021, DMPI entered a sale and leaseback of buildings, warehouses and equipment located on foreshore land. The assets were sold to DEARBC and subsequently leased back to DMPI with payment and lease terms of 20 years for both the sale and the lease. Right-of-use assets recognized at commencement date amounted to US$7.1 million which comprises the proportion of the previous carrying amount of the assets that relates to right of use retained by DMPI and the adjustment for below-market terms on the sale of assets. Lease liability and gain on sale and leaseback at commencement date amounted to US$4.8 million and US$0.2 million, respectively.

The following are the amounts recognized in the income statement:

	Note	30 April 2023 US$'000	30 April 2022 US$'000
Amortization expense of right-of-use assets	25	32,972	39,292
Interest expense on lease liabilities	26	5,443	6,345
Expenses relating to short-term leases	25	12,882	13,710
Variable lease payments		402	341
Total amount recognized in statement of income		51,699	59,688

23. LEASES (CONT'D)

Group as a lessee (cont'd)

Amortization expense is net of amount capitalized to inventory during the year and includes amortization capitalized in prior years to inventory that was sold during the year.

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate such as construction of significant leasehold improvements or significant customization to the leased asset.

The Group included the renewal period for certain lease contract on warehouses as part of the lease term. The Group typically exercises its option to renew for the lease because there will be a significant negative effect on production if a replacement asset is not readily available. The renewable period of land, building and certain warehouse are not included as part of the lease term as these are not reasonably certain to be exercised since it is subject to mutual agreement of both parties and is considered as unenforceable.

The Company also entered into a lease contract with DEARBC, with an initial contract period of 25 years from 11 January 1999 to 10 January 2024. The lease contract was amended by both parties effective 11 January 2019 to extend the lease period to 10 January 2049. Effective January 2019, both parties also approved the amendment granting the Group the sole option to terminate the lease every five years without incurring penalty until the end of the contract period. Since the Group has the sole option to terminate the lease every five years without incurring penalty, the Group has the absolute right to enforce the entire duration of the lease (i.e., lease term).

The Group assessed the lease term to be 5 years from 11 January 2019 since it is not yet reasonably certain to renew beyond the initial 5-year non-cancellable lease period due to the relatively long time horizon to be able to forecast the facts and circumstances that will merit the renewal of the contract. There are also no significant economic penalties other than the standing crops which only have a life cycle of up to 3 years.

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

	30 April 2023 US$'000	**30 April 2022 US$'000**
At the beginning of year	121,320	128,803
Additions	17,986	28,075
Accretion of interest	6,615	7,534
Payments of principal	(38,962)	(34,414)
Payments of interest	(3,723)	(4,456)
Adjustments	–	(10)
Terminations	–	(151)
Currency realignment	(3,140)	(4,061)
At the end of year	100,096	121,320
Current	27,892	29,549
Non-current	72,204	91,771
	100,096	121,320

23. LEASES (CONT'D)

Group as a lessor

The Group has sublease agreements which provides for lease rentals based on an agreed fixed monthly rate. Rental income related to these sublease agreements amounted to US$0.5 million for the fiscal year 2023 (2022: US$0.5 million).

Lease receivables represent receipts to be received over the remaining lease term. Movement of the lease receivables during the period are as follows:

	30 April 2023 US$'000	30 April 2022 US$'000
At the beginning of year	691	1,241
Adjustments	3	2
Contractual receipts	(486)	(487)
Interest income	17	37
Currency realignment	(589)	(102)
At the end of year	(364)	691
Current	126	497
Non-current	60	194
	186	691

Sources of estimation uncertainty

Determination of incremental borrowing rate for lease liabilities

The Group is not able to readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (e.g. when leases are not in the subsidiary's functional currency). The Group uses existing debt borrowing rates of the respective Group's entities as its IBR.

24. REVENUE

Revenue of the Group comprises fair value gains arising from changes in fair value of the Group's biological assets recognized upon harvest of agricultural produce and gross invoiced sales of goods, net of discounts and returns, recognized when goods are delivered. All intra-group transactions have been excluded from the Group revenue.

Revenue for fiscal year ended 30 April 2023 is net of discounts of US$89.0 million (2022: US$84.3 million; 2021: US$ 78.6 million), returns of US$20.2 million (2022: US$18.3 million; 2021: US$17.1 million) and direct promotions of US$339.9 million (2022: US$ 339.9 million; 2021: US$304.3 million). Revenue for fiscal year ended 30 April 2022 is net of discounts of US$84.3 million, returns of US$18.3 million and direct promotions of US$339.9 million. Revenue for fiscal year ended 30 April 2021 is net of discounts of US$78.6 million, returns of US$17.1 million and direct promotions of US$304.3 million.

Disaggregation of revenue is presented in Note 29.

Contract balances

The following table provides information about trade receivables and contract liabilities from contracts with customers.

		Group		
	Note	**30 April 2023 US$'000**	**30 April 2022 US$'000**	**30 April 2021 US$'000**
Receivables, included in Trade and other receivables – Gross of ECL allowance	13	195,335	189,839	65,370
Contract liabilities, included in Trade payables and other current liabilities	22	2,366	2,091	543

Contract liabilities pertain to advances from customers which are generally expected to be recognized as revenue within a period of less than one year. Accordingly, opening contract liabilities are recognized within each reporting period. The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose the aggregate amount of the transaction price of unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period because its contracts have original expected durations of one year or less.

The Group recognized revenue adjustments from performance obligations satisfied or partially satisfied in previous periods due to changes in estimates of trade promotions, coupon redemptions, cash discounts and penalties amounting to nil and US$0.7 million in fiscal year 2023 and 2022, respectively.

Contract liabilities amounting to US$2.1 million as at 1 May 2022 have been recognized as revenue in fiscal year 2023 (2022: US$0.5 million).

25. PROFIT BEFORE TAXATION

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

	Note	Group			Company		
		Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Amortization of intangible assets	8	6,967	6,650	6,650	–	–	–
Changes in fair value of agricultural produce harvested and sold	11	(57,307)	(60,236)	(53,564)	–	–	–
Allowance for inventory obsolescence	12	9,542	4,135	7,043	–	–	–
Inventories recognized as cost of sales	12	1,385,159	1,300,313	1,193,666	–	–	–
(Reversal of impairment) / impairment of trade and nontrade receivables	13	(181)	1,060	144	–	–	–
Depreciation of property, plant and equipment		154,439	146,480	139,950	–	–	–
Amortization of right-of-use assets	23	32,972	39,292	37,205	93	93	106
Short-term leases	23	12,882	13,710	29,676	–	–	–
Research and development expenses		10,237	9,970	10,157	–	–	–
Audit fees paid to:							
– EY Singapore		172	95	93	136	60	57
– SGV		1,438	1,297	1,216	251	450	326
– affiliates of auditors of the Company		50	43	298	–	–	–
– other auditor		6	6	6	–	–	–
Non-audit fees paid to:							
– SGV		160	–	–	111	–	–
– other auditors		80	80	39	2	2	2
(Gain) loss on disposal of property, plant and equipment		759	789	(1,333)	–	–	–
Legal expenses		3,646	2,318	2,257	3	8	6
Staff costs							
Wages and salaries		310,871	308,951	263,113	5,538	5,174	4,901
Social security costs		22,128	20,039	19,146	22	44	22
Pension costs – defined benefit pension plan*		10,401	10,426	10,511	107	145	97
Pension costs – provident fund		5,313	4,757	5,093	4	4	3
Equity-settled share-based payment transactions**		–	(1,753)	–	–	–	–

* Included the effect of post-retirement medical plan amendment and enhanced early retirement program.
** Net of non-controlling interests amounting to US$0.2 million for 2022.

Other expenses not included above are advertising and marketing costs, freight, warehousing costs and others.

26. NET FINANCE EXPENSE

	Note	Group			Company		
		Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Finance income							
Realized foreign exchange gain		12,839	1,858	6,481	169	–	–
Unrealized foreign exchange gain		542	2,572	506	–	134	5
Interest income from:							
– Bank deposits		88	43	65	1	1	1
– Due from a subsidiary		–	–	–	–	–	833
– Others		824	728	482	7	10	12
Gain on purchase of second lien term loan	18	–	–	–	–	–	–
		14,293	5,201	7,534	177	145	851
Finance expense							
Interest expenses on bank loans		(125,526)	(91,197)	(97,338)	(30,741)	(12,225)	(12,459)
Redemption cost on Senior Secured Notes		(44,530)	–	–	–	–	–
Write-off of deferred financing cost		(26,341)	–	–	–	–	–
Amortization of debt issue cost, discount	18	(6,156)	(12,258)	(11,481)	(1,488)	(980)	(647)
Leases	23	(5,443)	(6,345)	(7,435)	–	(3)	–
Interest rate swap settlement		744	–	5,210	–	–	–
Realized foreign exchange loss		(4,101)	(2,186)	(2,571)	–	(23)	(10)
Unrealized foreign exchange loss		(4,508)	(721)	(495)	(108)	(7)	(18)
		(215,861)	(112,707)	(114,110)	(32,337)	(13,238)	(13,134)
Net finance expense		(201,568)	(107,506)	(106,576)	(32,160)	(13,093)	(12,283)

27. TAX EXPENSE – NET

	Note	Group Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Current tax expense				
– Current year		26,759	20,605	33,059
Deferred tax credit				
– Origination and reversal of temporary differences	9	(9,592)	18,695	(5,786)
		17,167	39,300	27,273
Reconciliation of effective tax rate				
Profit before taxation		42,544	154,830	103,743
Taxation on profit at applicable tax rates		6,201	31,048	17,829
Final tax on dividend		6,586	9,477	7,658
Non-deductible expenses		4,822	2,389	299
Non-taxable income		(12)	(6)	(8)
Change in unrecognized deferred tax asset		(1,410)	(4,356)	(3,346)
Change in tax rate		1,174	1,005	–
Effect of CREATE Act		–	–	4,611
Others		(194)	(257)	230
		17,167	39,300	27,273

	Group Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Applicable tax rates			
– Philippines (non-PEZA)	25.0%	25.0%	25.0%
– Philippines (PEZA)*	5.0%	5.0%	5.0%
– India	31.0%	31.2%	31.2%
– Singapore	17.0%	17.0%	17.0%
– United States of America	25.0%	25.0%	24.5%
– Mexico	30.0%	30.0%	30.0%

* based on gross profit for the year

DMPI's production operations in Cagayan de Oro City, Philippines are undertaken in the Philippine Packing Agricultural Export Processing Zone ("PPAEPZ"). This zone was established in accordance with the regulations of the Philippine Economic Zone Authority ("PEZA"). DMPI enjoys several fiscal and non-fiscal incentives including a 5% tax on gross profit in lieu of the statutory 25% (2022: 25% and 2021: 25%) on profit before tax, duty free importation of capital equipment, raw materials and supplies used in pursuit of its Ecozone-registered activities, among other incentives. DMPI received PEZA approval for a second zone, the Bukidnon Agro-Resources Export Zone ("BAREZ"), for agri-development projects. The current tax incentive expired in fiscal year 2018 and was extended for an additional three years ending fiscal year 2021. On 21 December 2021, PEZA issued a Certificate of Board Resolution approving the retention of DMPI's status as an Export Ecozone Enterprise (EEE) beyond 31 December 2021. The incentives may be availed of for as long as DMPI complies with the PEZA's requirements which include exporting 70% of its production and these incentives are not rationalized by law.

27. TAX EXPENSE – NET (CONT'D)

On 7 May 2021, PEZA issued LOA No. 21-EOD-LS/F/EE-1006 that provides for extension of the DMPI's Ecozone Export Enterprise status until the Implementing Rules and Regulation of CREATE Act is issued. The status of DMPI as a PEZA registered export enterprise is expected to be retained being part of the Investment Priority Plan and for meeting the conditions set forth by PEZA to allow a company to continue availing of the incentives despite exceeding local sales.

On 17 August 2021, PEZA issued LOA No. 21-EOD-LS/FP/EE-1916 to renew DMPI's authority to sell to the domestic market a portion of its production of its registered products produced at the PPAEPZ / BAREZ. Said LOA expired December 31, 2021. On 24 January 2022, LOA No. 22-EOD-LS/FP/EE-0166 was issued to cover the period 1 January 2022 to 31 July 2022.

On June 8, 2022, PEZA issued LOA No. 22-EOD-LS/FP/EE-2251 to renew DMPI's authority to sell to the domestic market a portion of its production of its registered products produced at the PPAEPZ / BAREZ for the period August 1, 2022 to July 31, 2023.

On June 29, 2023, PEZA issued LOA No. 22-ERD/AA/EEEE-2485, the application to include the additional facility at the Quezon Agro-Industrial Zone (QAIZ) to engage in the "production of packed fresh pineapples in carton boxes with or without crown" was approved

Corporate Recovery and Tax Incentive for Enterprise ("CREATE") Act

On 26 March 2021, President Rodrigo Duterte signed into law the CREATE Act to attract more investments and maintain fiscal prudence and stability in the Philippines. RA No. 11534 or the CREATE Act introduces reforms to the corporate income tax and incentives systems. It took effect 15 days after its complete publication in a newspaper of general circulation on 11 April 2021.

The following were the key changes to the Philippine tax law pursuant to the CREATE Act which has an impact on DMPI:

(i) Effective 1 July 2020, Regular Corporate Income Tax ("RCIT") rate was decreased from 30% to 20% for corporations with total assets (excluding the value of land on which the particular business entity's office, plant and equipment are situated during the taxable year) of Php100 million (US$2.1 million) or below and taxable income of Php5 million (US$1.0 million) and below. All other corporations not meeting the criteria are subject to lower RCIT rate of 25% from 30%;

(ii) Effective 1 July 2020 and for a period of 3 years, Minimum Corporate Income Tax ("MCIT") rate was lowered from 2% to 1% of gross income; and

(iii) Improperly accumulated earnings tax of 10% was repealed.

The RCIT and MCIT applied in the preparation of the Group's financial statements as of and for the fiscal year ended 30 April 2021 are based on the enacted tax rate of 30% RCIT for the months covered before the effectivity of CREATE, and 25% or 20% RCIT, as the case may be, for the months covered under CREATE. In the computation of current income tax, income and expenses were deemed to have been earned and spent equally for each month of the fiscal period. The effective RCIT rate for the DMPI for the year ended 30 April 2021 is 25.83%.

27. TAX EXPENSE – NET (CONT'D)

Company

There is no tax expense for the Company as the income of the Company is exempt from all income taxes in the British Virgin Islands except for ROHQ in the Philippines which has a preferential tax rate of 10%.

Sources of estimation uncertainty

Measurement of income tax

The Group has exposure to income taxes in several foreign jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

28. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

Cumulative undeclared preference dividends amounted to US$0.4 million as of 30 April 2022. There was no cumulative undeclared preference dividends as of 30 April 2023 as all preference shares were already redeemed.

	Group		
	Year ended 30 April 2023 US$'000	**Year ended 30 April 2022 US$'000**	**Year ended 30 April 2021 US$'000**
Profit attributable to owners of the Company	16,949	100,031	63,256
Cumulative preference share dividends for the year	(4,063)	(18,903)	(19,750)
	12,886	81,128	43,506
Weighted average number of ordinary shares ('000):			
Outstanding ordinary shares at 1 May, representing weighted average number of ordinary shares during the year	1,943,960	1,943,960	1,943,960
Basic earnings per share (in US cents)	0.66	4.17	2.24

28. EARNINGS PER SHARE (CONT'D)

Diluted earnings (loss) per share

For the purpose of calculation of the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from Del Monte Pacific RSP, with the potential ordinary shares weighted for the period outstanding.

	Group		
	Year ended 30 April 2023 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Profit attributable to owners of the Company	16,949	100,031	63,256
Cumulative preference share dividends for the year	(4,063)	(18,903)	(19,750)
	12,886	81,128	43,506
Diluted weighted average number of shares ('000):			
Weighted average number of ordinary shares at end of year (basic)	1,943,960	1,943,960	1,943,960
Potential ordinary shares issuable under share awards	–	–	–
Weighted average number of ordinary shares issued (diluted)	1,943,960	1,943,960	1,943,960
Diluted earnings per share (in US cents)	0.66	4.17	2.24

29. OPERATING SEGMENTS

The Group has two operating segments: geographical and product. In identifying these operating segments, management generally considers geographical as its primary operating segment.

Geographical segments

Americas

Reported under the Americas segment are sales and profit on sales in USA, Canada and Mexico. Majority of this segment's sales are principally sold under the Del Monte brand but also includes products under the Contadina, S&W, College Inn and other brands. This segment also includes sales of private label food products. Sales in the Americas are distributed across the United States, in all channels serving retail markets, as well as to the US military, certain export markets, the foodservice industry and other food processors.

Asia Pacific

Reported under Asia Pacific are sales and profit on sales in the Philippines, comprising of Del Monte branded packaged products, including Del Monte traded goods, and Today's brand; S&W products in Asia and the Middle East both fresh and packaged; and Del Monte packaged products from the Philippines into Indian subcontinent as well as unbranded fresh and packaged goods.

Europe

Included in this segment are sales of S&W co-branded, buyer's own label and unbranded products in Europe.

29. OPERATING SEGMENTS (CONT'D)

Product segments

Packaged fruit and vegetable

The packaged fruit and vegetable segment includes sales and profit of processed fruit and vegetable products under the Del Monte, S&W and Today's brands, as well as buyer's labels, that are packaged in different formats such as can, plastic cup, pouch and aseptic bag. Key products under this segment are canned beans, peaches and corn sold in the United States and canned pineapple and tropical mixed fruit in Asia Pacific.

Beverage

Beverage includes sales and profit of 100% pineapple juice in can, juice drinks in various flavors in can, tetra and PET packaging, and pineapple juice concentrate.

Culinary

Culinary includes sales and profit of packaged tomato-based products such as ketchup, tomato sauce, pasta sauce, recipe sauce, pizza sauce, pasta, broth and condiments under four brands, namely Del Monte, S&W, College Inn and Contadina.

Fresh fruit and others

Fresh fruit and others include sales and profit of S&W branded fresh pineapples in Asia Pacific and buyer's label or non-branded fresh pineapples in Asia, and sales and profit of cattle in the Philippines. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals. This also include non-branded sales to South America as well as various product innovations such as Mr. Milk, a new fruit yoghurt milk drink introduced in July 2020.

The Group allocated certain overhead and corporate costs to the various product segments based on sales for each segment relative to the entire Group.

Segment assets

Segment assets consist primarily of property, plant and equipment, intangible assets, trade and other receivables, biological assets, inventories and investments in joint ventures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 APRIL 2023

29. OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Americas			Asia Pacific			Europe			Total		
	Year ended 30 April 2023 US$'000	**Year ended 30 April 2022 US$'000**	**Year ended 30 April 2021 US$'000**	**Year ended 30 April 2023 US$'000**	**Year ended 30 April 2022 US$'000**	**Year ended 30 April 2021 US$'000**	**Year ended 30 April 2023 US$'000**	**Year ended 30 April 2022 US$'000**	**Year ended 30 April 2021 US$'000**	**Year ended 30 April 2023 US$'000**	**Year ended 30 April 2022 US$'000**	**Year ended 30 April 2021 US$'000**
Revenue												
Packaged/processed fruit and vegetable	1,344,522	1,342,835	1,190,191	125,970	139,935	137,384	31,796	24,753	27,885	1,502,288	1,507,523	1,355,460
Beverage	66,804	35,772	18,498	141,012	141,630	150,026	15,492	10,171	10,326	223,308	187,573	178,850
Culinary	322,870	282,946	286,000	145,008	147,496	155,651	223	199	373	468,101	430,641	442,024
Fresh fruit and others	5,996	6,038	2,262	221,620	210,311	184,113	–	–	–	227,616	216,349	186,375
Total	**1,740,192**	**1,667,591**	**1,496,951**	**633,610**	**639,372**	**627,174**	**47,511**	**35,123**	**38,584**	**2,421,313**	**2,342,086**	**2,162,709**
Gross profit	413,381	404,029	340,856	182,358	207,067	205,007	11,254	11,561	10,100	606,993	622,657	555,963
Share in net loss of joint ventures	–	–	–	(1,486)	(4,954)	(1,531)	–	–	–	(1,486)	(4,954)	(1,531)
Depreciation and amortization	52,459	57,794	69,055	141,919	134,628	114,750	–	–	–	194,378	192,422	183,805
Capital expenditure	55,433	32,122	25,112	182,489	170,537	138,862	–	–	–	237,922	202,659	163,974

29. OPERATING SEGMENTS (CONT'D)

Major customer

Revenues from a major customer of the Americas segment for fiscal year 2023 amounted to approximately US$609.2 million or 25% (2022: US$561.4 million or 24%, 2021: 475.4 million or 22%) of the Group's total revenue. The customer accounted for approximately 14% of trade and other receivable as at 30 April 2023 and 2022.

30. SEASONALITY OF OPERATIONS

The Group's business is subject to seasonal fluctuations as a result of increased demand during the end of year festive season. For Americas, products are sold heavily during the Thanksgiving and Christmas seasons. As such, the Group's sales are usually highest during the five months from August to December.

The Group operates 11 production facilities in the USA, Mexico, and the Philippines as at 30 April 2023 and 30 April 2022. Fruit plants are located in California and Washington in the U.S. and in the Philippines. Most of its vegetable plants are located in the U.S. Midwest and its tomato plant is located in California.

The US Consumer Food Business has a seasonal production cycle that generally runs between the months of June and October. This seasonal production primarily relates to the majority of processed fruit, vegetable and tomato products, while some of its processed fruit and tomato products and its College Inn broth products are produced throughout the year. Additionally, the Consumer Food Business has contracts to co-pack certain processed fruit and vegetable products for other companies.

31. SHARE OPTION AND INCENTIVE PLANS

The Company adopted the Del Monte Pacific Executive Share Option Plan 2016 ("ESOP 2016"), which was approved by the shareholders at the general meeting held on 30 August 2016. The purpose of the ESOP 2016 is to provide an opportunity for Group executives and directors to participate in the equity of the Company in order to motivate them to excel in their performance. The ESOP 2016 shall be valid for a period of ten years; however, it has yet to be implemented, and no options had been granted to-date.

The ESOP 2016 is administered by the Remuneration Share Option Committee (RSOC).

Del Monte Foods Holding Equity Compensation Plan

During the second quarter of fiscal year 2016, DMFHI established a new plan, the 2015 Executive Long-Term Incentive Plan ("LTIP"), which intends to provide key executives with the opportunity to receive grants of stock options, cash-based awards and other stock-based awards. 9,000,000 shares of common stock of DMFHI were reserved for grant under the plan. In fiscal year 2016, DMFHI granted nonqualified stock options and cash incentive awards under the plan.

In September 2016, the authorized shares reserved for grant under the plan was increased from 9,000,000 to 15,000,000. As of 30 April 2021, 14,776,500 share were available for future grant. The plan was retired in fiscal year 2022.

31. SHARE OPTION AND INCENTIVE PLANS (CONT'D)

Del Monte Foods Holding Equity Compensation Plan (cont'd)

The fair value for stock options granted was estimated at the date of grant using a Black-Scholes option pricing model. This model estimates the fair value of the options based on a number of assumptions, such as expected option life, interest rates, the current fair market value and expected volatility of common stock and expected dividends. The expected term of options granted was based on the "simplified" method. Expected stock price volatility was determined based on the historical volatilities of comparable companies over a historical period that matches the expected life of the options. The risk-free interest rate was based on the expected U.S. Treasury rate over the expected life. The dividend yield was based on the expectation that no dividends will be paid. The following table presents the weighted-average assumptions for performance-based stock options granted for the periods indicated:

	3 November 2015
Expected life (in years)	5.5
Expected volatility	38.49%
Risk-free interest rate	1.64%

Stock option activity and related information during the periods indicated was as follows:

	2023		2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning of year	–	–	223,500	5
Cancelled	–	–	(223,500)	5
Outstanding at end of year	–	–	–	–
Exercisable at end of year	–	–	–	–

There was no expense recognized in the consolidated income statement for equity-settled share based compensation for fiscal year 2023 and 2022.

The remaining 223,500 options were cancelled in fiscal year 2022 through a "buy-out" as a means of retiring the plan. Each holder was offered $1 per share with a total cost of US$216 million.

Cash incentives

On 16 December 2019, DMFHI granted a total cash incentive of US$2.6 million to key executives under cash incentive award agreements. The grants require performance criteria to be achieved. The awards will vest in two equal annual parts over a period of approximately two years when the employee remains employed on each vesting date.

The accrued net obligation as of 30 April 2023 is US$4.0 million (2022: US$5.1 million). Total expense recognized under "Wages, salaries and other benefits" in the consolidated income statement of the Group amounted to US$0.3 million, US$5.0 million and US$3.5 million in fiscal years 2023, 2022 and 2021, respectively.

31. SHARE OPTION AND INCENTIVE PLANS (CONT'D)

Long Term Incentive Plan

Overview

Effective as of 4 October 2021, DMPI had established the DMPI Long Term Incentive Plan of 2021 (DMPI LTIP) for the purpose of providing designated employees of DMPI with the opportunity to receive grants of nonqualified stock options.

Participation

Participation in the DMPI LTIP is limited to employees of DMPI and its subsidiaries (including any officer who is also an employee), who will be qualified and approved by the DMPI RSOC from the list of potential participants identified by Management as critical to the delivery of DMPI's Long Range Plan.

Administration

The DMPI RSOC administers and interprets the DMPI LTIP. The DMPI RSOC has full power and express discretionary authority to administer and interpret the Plan, to make factual determinations and to adopt or amend such rules, regulations, agreements and instruments for implementing the DMPI LTIP in its sole discretion. The DMPI RSOC may amend or terminate the LTIP at any time; provided, however, that the RSOC cannot amend the DMPI LTIP without the approval of the shareholders of DMPI if such approval is required in order to comply with applicable laws or securities exchange requirements.

Principal Terms of the Plan

Grants under the DMPI LTIP consist of stock options and are subject to the terms and conditions of the plan as well as those specified as to the participants in the applicable grant agreements. Subject to certain adjustments, the maximum aggregate number of DMPI shares that may be issued pursuant to such stock options is up to 2% of DMPI's total issued and outstanding common shares.

The DMPI RSOC determines the number of shares pursuant to each stock option and the recipient of each grant. Each stock option has a term of five years; 50% shall become vested on the third year from the grant date while the remaining 50% shall become vested on the fifth year from the grant date. Each stock option will vest in accordance with such vesting schedule if the recipient continues to be employed by DMPI from the date of grant until the applicable vesting date. Any unvested stock option shall be forfeited upon the participant's separation of service and may be made available for re-issuance to another participant. However, vested stock options will remain exercisable by a separated participant for 90 days from separation from DMPI or in case of death or disability, vested stock options shall be exercisable by the participant's legal heirs or legal representatives within one year from such occurrence.

Recipients of grants of stock options are not required to pay any amount upon application or acceptance of the grant. The exercise price of stock options shall not be less than the fair market value of a share on the date of grant. Once a stock option is exercised, the voting, dividend, transfer and other rights attached to the shares are the same as with other shares of DMPI common stock, provided the shares remain outstanding.

Upon vesting of a stock option, a recipient of a grant will have the right to require DMPI to repurchase all or any portion of the vested portion of a stock option at the applicable fair market value of a share, less the exercise price.

32. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from financial instruments:

- credit risk
- interest rate risk
- liquidity risk
- foreign exchange risk
- commodity price risk

Risk management framework

The Board of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee ("ARC") is responsible for monitoring the Group's risk management policies developed by management.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The ARC oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

Financial risk management objectives and policies

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Board of the Group continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and Company do not hold any collateral in respect of their financial assets.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and countries in which customers are located, as these factors may have an influence on credit risk.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Credit risk (cont'd)

The ARC has approved a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes credit ratings, where available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount. Customers failing to meet the Group's benchmark credit worthiness may transact with the Group only on a prepayment or Letters of Credit basis.

Exposure to credit risk

At the reporting date, the maximum exposure to credit risk for financial assets, excluding cash on hand, by geographic region was:

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Americas	154,486	118,366
Europe	10,418	15,192
Asia Pacific	99,238	111,703
	264,142	245,261

At 30 April 2023, the Group's most significant customer accounted for 14% of the trade and other receivables carrying amount (2022: 14%).

Impairment losses

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

	30 April 2023 US$'000	**30 April 2022 US$'000**
Group		
Not past due	177,466	168,854
Past due 0 – 60 days	39,012	44,814
Past due 61 – 90 days	7,128	6,255
Past due 91 – 120 days	6,203	3,060
More than 120 days	34,333	22,278
	264,142	245,261

As at 30 April 2023 and 2022, the Company's financial assets are all not past due.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

The table below shows the credit quality of the Group's financial assets based on their historical experience with the corresponding third parties:

	2023				
	General approach			Simplified	
	Stage 1 US$'000	Stage 2 US$'000	Stage 3 US$'000	Approach US$'000	Total US$'000
Cash in banks and cash equivalents	19,752	–	–	–	19,752
Trade and other receivables*	2,631	–	–	240,681	243,312
Short-term placements	18	–	–	–	18
Refundable deposits**	1,838	–	–	–	1,838
	24,239	–	–	240,681	264,920
ECL Allowance	–	–	–	(9,645)	(9,645)
	24,239	–	–	231,036	255,275

* includes noncurrent portion of receivables from sale and leaseback and lease receivables
** included under advance rentals and deposits

	2022				
	General approach			Simplified	
	Stage 1 US$'000	Stage 2 US$'000	Stage 3 US$'000	Approach US$'000	Total US$'000
Cash in banks and cash equivalents	21,786	–	–	–	21,786
Trade and other receivables*	2,818	–	–	224,914	227,732
Short-term placements	1,288	–	–	–	1,288
Note receivables	–	1,000	–	–	1,000
Refundable deposits**	2,136	–	–	–	2,136
	28,028	1,000	–	224,914	253,942
ECL Allowance	–	–	–	(10,167)	(10,167)
	28,028	1,000	–	214,747	243,775

* includes noncurrent portion of receivables from sale and leaseback and lease receivables
** included under advance rentals and deposits

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

As at 30 April 2023 and 2022, the Company's financial assets were all classified under Stage 1.

	2023				
	General Approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cash in banks and cash equivalents	554	–	–	–	554
Trade and other receivables	26,406	–	–	–	26,406
Short-term placements	–	–	–	–	–
	26,960	–	–	–	26,960

	2022				
	General Approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cash in banks and cash equivalents	2,129	–	–	–	2,129
Trade and other receivables	84,832	–	–	–	84,832
Short-term placements	883	–	–	–	883
	87,844	–	–	–	87,844

Stage 1 financial assets pertain to those cash that are deposited in reputable banks. Stage 2 includes receivables that are collected on their due dates even without an effort from the Group to follow up with them.

The Group sells its products through major distributors and buyers in various geographical regions. Management has a credit risk policy which includes, among others, the requirement of certain securities to ensure prompt observance and performance of the obligations of its distributors and other buyers from time to time. The Group monitors its outstanding trade receivables on an on-going basis. In addition, the Group also engages in sale of its trade receivables without recourse to certain financial institutions.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Set out below is the information about the credit risk exposure on the Group's trade receivables using simplified approach (provision matrix):

		2023 Days past due				
	Current US'000s	**<30 days US'000s**	**30-60 days US'000s**	**61-120 days US'000s**	**Over 120 days US'000s**	**Total US'000s**
Trade receivables	119,651	35,579	3,404	4,875	31,826	195,335
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	16.74%	–
Expected credit loss	–	–	–	–	5,328	5,328

		2022 Days past due				
	Current US'000s	**<30 days US'000s**	**30-60 days US'000s**	**61-120 days US'000s**	**Over 120 days US'000s**	**Total US'000s**
Trade receivables	121,770	23,290	7,137	4,214	33,428	189,839
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	17.50%	–
Expected credit loss	–	–	–	–	5,850	5,850

The Group assessed that all balances under Stage 1 and Stage 2 have not experienced significant increase in credit risk as of 30 April 2023 and 2022.

The Group applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables. The Group uses a provision matrix to measure ECLs. Loss rates are based on actual credit loss experience over a period of three years. The Group has assessed that adjusting the loss rates for forward-looking information does not have a material effect considering the significantly low historical loss rates and the absence of economic factors that are highly correlated with the Group's credit loss experience on receivables.

For other financial assets such nontrade receivables and other receivables, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

Cash in banks and cash equivalents

Cash in banks and cash equivalents are held with banks and financial institutions which are regulated.

The percentages of cash in banks and cash equivalents held in the following regions are:

	30 April 2023 %	30 April 2022 %
Group		
United States of America	35	11
Philippines	50	57
Hong Kong	14	32
Singapore	1	<1
Company		
Philippines	82	97
Hong Kong	7	1
Singapore	11	1

Apart from the information stated above, the Group and Company have no significant concentration of credit risk with any single counterparty or group counterparties.

Derivatives

The derivatives are entered into with banks and financial institutions which are regulated.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short-term debt obligations with floating interest rates.

The Group's cash balances are placed with reputable global banks and financial institutions. The Group manages its interest rate risks by placing the cash balances with varying maturities and interest rate terms. This includes investing the Group's temporary excess liquidity in short-term low-risk securities from time to time. The Group also enters into interest rate swaps to manage the volatility. The Group obtains financing through bank borrowings and leasing arrangements. Funding is obtained from bank loan facilities for both short-term and long-term requirements. The Group's policy is to obtain the most favorable interest rate available without increasing its foreign currency exposure.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Interest rate risk (cont'd)

Interest rate profile of interest-bearing financial instruments

The interest rate profile of the interest-bearing financial instruments as reported to management of the Group is as follows:

	Group		Company	
	30 April 2023 US$'000	**30 April 2022 US$'000**	**30 April 2023 US$'000**	**30 April 2022 US$'000**
Fixed rate instruments				
Loans and borrowings	292,040	788,372	148,758	163,464
Variable rate instruments				
Loans and borrowings	1,981,314	778,994	418,099	441,694
Interest rate caps	5,084	7,896	–	–
	1,986,398	786,890	418,099	441,694
	2,278,438	1,575,262	566,857	605,158

Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had moved as illustrated in the table below, with all other variables held constant, profit/loss before tax in the next 12 months would have been affected as follows:

	Profit before tax in the next 12 months	
	100 bp increase US$'000	**100 bp decrease US$'000**
Group		
30 April 2023		
Variable rate instruments	(18,569)	18,569
Interest rate caps	7,208	(7,208)
	(11,361)	11,361
30 April 2022		
Variable rate instruments	(5,124)	5,124
Interest rate caps	5,750	(5,750)
	626	(626)

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing significantly higher volatility than in prior years.

As at 30 April 2023 and 2022, the Group designated each of its derivative contracts as a hedge of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge").

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks. Currently, the Group excluding DMFI is entitled to a total of US$1,639.9 million (2022: US$1,040.5 million) in credit lines, of which 17% (2022: 29%) remain available. The lines are mostly for short-term financing requirements since the long-term facilities have been fully drawn. The Group constantly maintains good relations with its banks, such that additional facilities, whether for short or long-term requirements, may be made available.

The Group is able to increase the commitments under the ABL Facility, subject only to the consent of the new or existing lenders providing such increases, such that the aggregate principal amount of commitments does not exceed US$625.0 million. The lenders under this facility are under no obligation to provide any such additional commitments, and any increase in commitments will be subject to customary conditions precedent. Notwithstanding any such increase in the facility size, the Group's ability to borrow under the facility will remain limited at all times by the borrowing base (to the extent the borrowing base is less than the commitments).

The following are the expected contractual undiscounted cash outflows of financial assets and liabilities, including interest payments and excluding the impact of netting agreements:

	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
Group						
30 April 2023						
Derivative financial assets						
Interest rate swap	19	7,806	7,806	1,617	6,189	–
Foreign currency contracts	19	1,061	1,061	1,061	–	–
Non-derivative financial assets						
Cash in banks and cash equivalents	15	19,752	19,752	19,752	–	–
Trade and other receivables*	10,13	233,667	235,178	231,036	976	3,166
Short-term placements	14	18	18	18	–	–
Refundable deposits**	10	1,838	1,838	–	–	1,838
		264,142	265,653	253,484	7,165	5,004

* includes noncurrent portion of receivables from sale and leaseback and non-current portion of lease receivables
** included under advance rentals and deposits

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
Group						
30 April 2023						
Derivative financial liabilities						
Interest rate swap	19	2,722	2,722	–	2,722	–
Commodity contracts	19	3,928	3,928	3,553	375	–
Non-derivative financial liabilities						
Unsecured bank loans						
– Current	18	633,873	651,106	651,106	–	–
– Noncurrent	18	212,652	235,321	11,643	223,678	–
Secured bank loans						
– Current	18	645,003	655,382	655,382	–	–
– Noncurrent	18	781,825	810,253	6,041	116,978	687,234
Lease liabilities	23	100,096	168,381	36,508	80,787	51,086
Trade payables and other current liabilities*	22	296,126	296,126	296,126	–	–
		2,676,225	2,823,219	1,660,359	424,540	738,320
Net financial liabilities (assets)		2,412,083	2,557,566	1,406,875	417,375	733,316

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

	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
Group						
30 April 2022						
Derivative financial assets						
Foreign currency forward contracts	19	1,486	1,486	1,486	–	–
Non-derivative financial assets						
Cash in banks and cash equivalents	15	21,786	21,786	21,786	–	–
Trade and other receivables*	10, 13	217,565	219,579	214,553	1,192	3,834
Short-term placements	14	1,288	1,288	1,288	–	–
Note receivables	10	1,000	1,000	–	1,000	–
Refundable deposits**	10	2,136	2,136	–	–	2,136
		245,261	247,275	239,113	2,192	5,970

* includes noncurrent portion of receivables from sale and leaseback and non-current portion of lease receivables
** included under advance rentals and deposits

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
Group						
30 April 2022						
Derivative financial liabilities						
Foreign exchange contracts	19	7,896	7,896	7,896	–	–
Non-derivative financial liabilities						
Unsecured bank loans						
– Current	18	327,794	330,353	330,353	–	–
– Noncurrent	18	384,524	418,599	13,656	404,943	–
Secured bank loans						
– Current	18	151,560	155,960	155,960	–	–
– Noncurrent	18	703,488	955,694	67,828	887,866	–
Lease liabilities	23	121,320	180,515	42,203	80,009	58,303
Trade payables and other current liabilities*	22	298,906	298,906	298,906	–	–
		1,987,592	2,340,027	908,906	1,372,818	58,303
Net financial liabilities (assets)		1,750,227	2,100,648	677,689	1,370,626	52,333

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

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
Company						
30 April 2023						
Non-derivative financial assets						
Cash and cash equivalents	15	554	554	554	–	–
Trade and other receivables	13	26,406	26,406	26,406	–	–
		26,960	26,960	26,960	–	–
Non-derivative financial liabilities						
Unsecured bank loans						
– Short-term	18	156,794	160,223	160,223	–	–
– Long-term	18	177,531	196,273	9,873	186,400	–
Secured bank loans						
– Short-term	18	168,104	173,838	173,838	–	–
– Long-term	18	64,428	74,574	5,287	69,287	–
Trade payables and other current liabilities*	22	116,093	116,093	116,093	–	–
		682,950	721,001	465,314	255,687	–
Net financial liabilities (assets)		655,990	694,041	438,354	255,687	–

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

	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2022						
Non-derivative financial assets						
Trade and other receivables	13	84,832	84,832	84,832	–	–
Short-term placements	14	883	883	883	–	–
Cash and cash equivalents	15	2,129	2,129	2,129	–	–
		87,844	87,844	87,844	–	–
Non-derivative financial liabilities						
Unsecured bank loans						
– Short-term	18	160,071	162,357	162,357	–	–
– Long-term	18	233,290	256,304	8,377	247,927	–
Secured bank loans						
– Short-term	18	10,500	9,960	9,960	–	–
– Long-term	18	201,297	216,224	7,254	208,970	–
Trade payables and other current liabilities*	22	39,992	39,992	39,992	–	–
		645,150	684,837	227,940	456,897	–
Net financial liabilities (assets)		557,306	596,993	140,096	456,897	–

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

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Liquidity risk (cont'd)

The Group's bank loans contain loan covenants, a default of which would require the Group to repay the loans earlier than indicated in the above table. The covenants are constantly monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance.

For derivative financial liabilities, the disclosure shows net cash from amounts for derivatives that are net cash settled.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The currency giving rise to this risk is primarily the Philippine Peso and Mexican Peso.

From time to time, the Group manages its exposure to fluctuations in foreign currency exchange rates by entering into forward contracts to cover a portion of its projected expenditures paid in foreign currency. The Group accounts for these contracts as cash flow hedges.

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

	Philippine Peso US$'000	Mexican Peso US$'000
30 April 2023		
Trade and other receivables	41,972	4,813
Cash and cash equivalents	16,282	310
Other noncurrent assets	19,891	1,383
Loans and borrowings	(143,701)	–
Trade and other payables	(119,528)	(27,855)
	(185,084)	(21,349)
30 April 2022		
Trade and other receivables	68,940	2,904
Cash and cash equivalents	12,979	797
Other noncurrent assets	28,599	2,366
Loans and borrowings	(223,093)	–
Trade and other payables	(90,901)	(12,450)
	(203,476)	(6,383)

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Foreign exchange risk (cont'd)

The Company has no significant exposure to foreign currencies as at 30 April 2023 and 2022.

Sensitivity analysis

A 10% strengthening of the group entities' foreign currencies against their respective functional currency at the reporting date would have increased (decreased) loss/profit before taxation and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% weakening of the group entities' foreign currencies against their respective functional currency would have the equal but opposite effect on the amounts shown below, on the basis that all other variables remain constant.

	US Dollar		Mexican Peso	
	Increase (decrease) Profit Before Taxation US$'000	Equity US$'000	Increase (decrease) Profit before taxation US$'000	Equity US$'000
30 April 2023				
10% strengthening	(18,508)	–	(2,135)	–
10% weakening	18,508	–	2,135	–
30 April 2022				
10% strengthening	20,348	–	(638)	–
10% weakening	(20,348)	–	638	–

Commodity price risk

Certain commodities such as diesel fuel and natural gas (collectively, "commodity contracts") are used in the production and transportation of the Group's products. Generally, these commodities are purchased based upon market prices that are established with the vendors as part of the procurement process. The Group uses futures, swaps, and swaption or option contracts, as deemed appropriate, to reduce the effect of price fluctuations on anticipated purchases. These contracts may have a term of up to 24 months. The Group accounts for these commodity derivatives as cash flow hedges. The effective portion of derivative gains and losses is deferred in equity and recognized as part of cost of products sold in the appropriate period and the ineffective portion is recognized as cost of products sold.

In these hedge relationships, the main sources of ineffectiveness are the effect of the differences in timing of cash flows of the hedged item and the hedging instrument, difference in indexes linked to the hedged risk of the hedged item and the hedging instrument, the counterparties' credit risk differently impacting the fair value movements of the hedging instruments and changes to the forecasted amount of cash flows of hedged item and hedging instrument.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Commodity price risk (cont'd)

Sensitivity analysis

A 10% change in commodity prices at the reporting date would have increased/(decreased) profit/loss before tax and increased (decreased) equity by the amounts shown below.

	30 April 2023		30 April 2022	
	Profit before taxation US$'000	Equity US$'000	Profit before taxation US$'000	Equity US$'000
10% increase in commodity price	–	53	–	538
10% decrease in commodity price	–	(53)	–	(538)

33. ACCOUNTING CLASSIFICATION AND FAIR VALUES

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Financial assets at amortized cost US$'000	Financial assets at FVOCI US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Group							
30 April 2023							
Cash and cash equivalents	15	19,836	–	–	–	19,836	19,836
Trade and other receivables*	10,13	233,667	–	–	–	233,667	233,667
Short-term placements	14	18	–	–	–	18	18
Refundable deposits**	10	1,838	–	–	–	1,838	1,838
Investment in unquoted equity	10	–	5,023	–	–	5,023	5,023
Derivative assets	14	–	–	8,867	–	8,867	8,867
		255,359	5,023	8,867	–	269,249	269,249
Loans and borrowings	18	–	–	–	2,273,353	2,273,353	2,356,065
Trade and other payables***	22	–	–	–	296,126	296,126	296,126
Derivative liabilities	19, 22	–	–	6,650	–	6,650	6,650
		–	–	6,650	2,569,479	2,576,129	2,658,841

* includes noncurrent portion of receivables from sale and leaseback and noncurrent portion of lease receivables
** included under advance rentals and deposits
*** excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables

33. ACCOUNTING CLASSIFICATION AND FAIR VALUES (CONT'D)

Fair values versus carrying amounts (cont'd)

	Note	Financial assets at amortized cost US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Group						
30 April 2022						
Cash and cash equivalents	15	21,853	–	–	21,853	21,853
Trade and other receivables*	10, 13	217,565	–	–	217,565	217,565
Short-term placements	14	1,288			1,288	1,288
Note receivables	10	1,000	–	–	1,000	1,000
Refundable deposits**	10	2,136	–	–	2,136	2,136
Derivative assets	14	–	1,486	–	1,486	1,486
		243,842	1,486	–	245,328	245,328
Loans and borrowings	18	–	–	1,567,366	1,567,366	1,642,995
Trade and other payables***	22	–	–	298,906	298,906	298,906
Derivative liabilities	19, 22	–	7,896	–	7,896	7,896
		–	7,896	1,866,272	1,874,168	1,949,797

* includes noncurrent portion of receivables from sale and leaseback and noncurrent portion of lease receivables
** included under advance rentals and deposits
*** excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables

	Note	Financial assets at amortized cost US$'000	Financial assets at FVOCI US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Company						
30 April 2023						
Trade and other receivables	13	26,406	–	–	26,406	26,406
Cash and cash equivalents	15	554	–	–	554	554
Investment in unquoted equity	10	–	5,023	–	5,023	5,023
		26,960	5,023	–	31,983	31,983
Loans and borrowings	18	–	–	566,857	566,857	566,857
Trade and other payables*	22	–	–	116,093	116,093	116,093
		–	–	682,950	682,950	682,950

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

33. ACCOUNTING CLASSIFICATION AND FAIR VALUES (CONT'D)

Fair values versus carrying amounts (cont'd)

	Note	Financial assets at amortized cost US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Company					
30 April 2022					
Trade and other receivables	13	84,832	–	84,832	84,832
Short-term placements	14	1,288	–	1,288	1,288
Cash and cash equivalents	15	2,129	–	2,129	2,129
		88,249	–	88,249	88,249
Loans and borrowings	18	–	605,158	605,158	605,158
Trade and other payables*	22	–	39,992	39,992	39,992
		–	645,150	645,150	645,150

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

34. DETERMINATION OF FAIR VALUES

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing the categorisation at the end of each reporting period.

For purposes of the fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

34. DETERMINATION OF FAIR VALUES (CONT'D)

Fair value hierarchy (cont'd)

		30 April 2023			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
Group					
Financial assets					
Derivative assets	14, 19	–	8,867	–	8,867
Investment in unquoted equity	10	–	5,023	–	5,023
Non-financial assets					
Fair value of agricultural produce harvested under inventories	11	–	–	4,496	4,496
Fair value of growing produce	11	–	–	44,852	44,852
Freehold land	5	–	–	74,462	74,462
Financial liabilities					
Derivative liabilities	19	–	3,097	–	3,097
Lease liabilities	23	–	–	100,096	100,096
Loans and borrowings	18	–	1,621,836	734,229	2,356,065

		30 April 2022			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Derivative assets	10, 14, 19	–	1,486	–	1,486
Non-financial assets					
Fair value of agricultural produce harvested under inventories	11	–	–	3,375	3,375
Fair value of growing produce	11	–	–	47,346	47,346
Freehold land	5	–	–	53,342	53,342
Financial liabilities					
Derivative liabilities	19	–	7,896	–	7,896
Lease liabilities	23	–	–	121,320	121,320
Loans and borrowings	18	–	858,253	784,742	1,642,995

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Other than the unquoted equity investment at fair value through other comprehensive income (level 2). The unquoted equity investment is valued based on recent placement of the equity instruments to other third-party investors. The Company has no other assets and liabilities measured at fair value as of 30 April 2023 and 2022.

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

34. DETERMINATION OF FAIR VALUES (CONT'D)

Financial instruments measured at fair value

Type	Valuation technique
Interest rate swaps/caps	Market comparison technique: The fair values are calculated using a discounted cash flow analysis based on terms of the swap contracts and the observable interest rate curve. Fair values reflect the risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.
Commodities contracts	Market comparison technique. The commodities are traded over-the-counter and are valued based on the Chicago Board of Trade quoted prices for similar instruments in active markets or corroborated by observable market data available from the Energy Information Administration. The values of these contracts are based on the daily settlement prices published by the exchanges on which the contracts are traded.
Call option	The estimated fair value of the additional call option as at 30 April 2023 is based on the Black-Scholes model. The value of these derivative liabilities is driven primarily by DMPI's forecasted net income which is not based on observable market data.
Investment in unquoted equity	The estimated fair value of the investment unquoted equity shares as at 30 April 2023 is based on recent open-market transactions of the equity shares.

Financial instruments not measured at fair value

Type	Valuation technique
Financial assets and liabilities	The fair value of the Term Loan B, note receivable and refundable deposits are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date (Level 2).
Other financial assets and liabilities	The notional amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are, because of the short period to maturity, assumed to approximate their fair values. All financial assets and liabilities with maturity of more than one year are discounted using risk-free rates, LIBOR and credit spreads to determine their fair values ranging from 2.9% to 7.6% (2022: 3.0% to 6.5%) (Level 3).

34. DETERMINATION OF FAIR VALUES (CONT'D)

Other non-financial assets

Assets	Valuation technique	Significant unobservable inputs
Freehold land	The fair value of freehold land is determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued. The valuation method used is sales comparison approach. This is a comparative approach that consider the sales of similar or substitute properties and related market data and establish a value estimate by involving comparison (Level 3).	The unobservable inputs used to determine market value are the net selling prices, sizes, property location and market values. Other factors considered to determine market value are the desirability, neighborhood, utility, terrain, and the time element involved. The market value per square meter ranges from US$109.1 to US$122.5. The market value per acre ranges from US$5,251 to US$104,585.
Livestock (cattle for slaughter and cut meat)	Sales Comparison Approach: the valuation model is based on selling price of livestock of similar age, weight, breed and genetic make-up (Level 3).	The unobservable inputs are age, average weight and breed.
Harvested crops – sold as fresh fruit	The fair values of harvested crops are based on the most reliable estimate of selling prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the fresh fruit reduced by costs to sell (Level 3).	The unobservable input is the estimated pineapple selling price per ton specific for fresh products.
Harvested crops – used in processed products	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the processed product reduced by costs to sell (concentrates, pineapple beverages, sliced pineapples, etc.) and adjusted for margin associated to further processing (Level 3).	The unobservable input is the estimated pineapple selling price and gross margin per ton specific for processed products.

34. DETERMINATION OF FAIR VALUES (CONT'D)

Other non-financial assets (cont'd)

Assets	Valuation technique	Significant unobservable inputs
Unharvested crops – fruits growing on the bearer plants	The growing produce are measured at fair value from the time of maturity of the bearer plant until harvest. Management used future selling prices and gross margin of finished goods, adjusted to remove the margin associated to further processing, less future growing costs applied to the estimated volume of harvest as the basis of fair value.	The unobservable inputs are expected selling price and gross margin for harvested produce while key assumptions for the fair value of produce prior to harvest include expected selling prices, gross margin, estimated tonnage of harvests and future growing costs. The unobservable inputs are estimated pineapple selling price and gross margin per ton for fresh and processed products, estimated volume of harvest and future growing costs.

Significant increase (decrease) in the significant unobservable inputs of freehold land, livestock, harvested crops sold as fresh fruit and harvested crop sold used in processed products would result in higher (lower) fair values. Significant increase (decrease) in the estimated future pineapple selling price, gross margin per ton and estimated volume of harvest would result in higher (lower) fair value of growing produce, while significant increase (decrease) in the future growing costs would result in lower (higher) fair value.

35. COMMITMENTS

Purchase commitments

The Group has entered into non-cancellable agreements with growers, co-packers, packaging suppliers and other service providers with commitments generally ranging from one year to ten years, to purchase certain quantities of raw products, including fruit, vegetables, tomatoes, packaging services and ingredients.

At the reporting date, the Group have commitments for future minimum payments under non-cancellable agreements as follows:

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Within one year	414,042	512,267
After one year but within five years	308,337	307,077
After five years	325,056	308,712
	1,047,435	1,128,056

Future capital expenditure

	Group	
	30 April 2023 US$'000	**30 April 2022 US$'000**
Capital expenditure not provided for in the financial Statements		
– approved by Directors and contracted for	33,769	20,356
– approved by Directors but not contracted for	29,625	23,523
	63,394	43,879

36. CONTINGENCIES

Legal cases

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

Source of estimation uncertainty

The Group, in the ordinary course of business, sets up appropriate provisions for its present legal or constructive obligations, if any, in accordance with its policies on provisions. In recognizing and measuring provisions, management takes risk and uncertainties into account.

As at 30 April 2023, the Group is involved in various legal proceedings and regulatory assessments, and management believes that these proceedings will not have a material effect on the consolidated financial statements.

The Group, in consultation with its external and internal legal and tax counsels, believe that its position on these assessments are consistent with relevant laws and believe that these proceedings will not have a material adverse effect on the consolidated financial statements. However, it is possible that future results of operations could be materially affected by changes in the estimates or the effectiveness of management's strategies relating to these proceedings. As at 30 April 2023, management has assessed that the probable cash outflow to settle these assessments is not material.

As of 30 April 2023, provision for retained liabilities arising from workers' compensation claims amounted to US$14.8 million, US$13.3 million of which is noncurrent (2022: US$17.8 million, US$14.6 million of which is noncurrent) (see Note 19).

37. RELATED PARTIES

Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

All publicly-listed entities, including the Company, have Material Related Party Transaction Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

Other than those disclosed elsewhere in the financial statements, there are no other significant transactions with related parties.

37. RELATED PARTIES (CONT'D)

Related party transactions (cont'd)

Group			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
Under Common Control						
• Shared IT services	**2023**	**98**	**60**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	112	41	–		
	2021	185	308	–		
• Sale of raw materials	**2023**	**–**	**–**	**(4)**	Due and demandable; non-interest bearing	Unsecured;
	2022	48	–	(68)		
	2021	–	–	–		
• Sale of apple juice concentrate /materials	**2023**	**15**	**8**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	12	–	–		
	2021	28	5	–		
• Purchases	**2023**	**119**	**5**	**(21)**	Due and demandable; non-interest bearing	Unsecured
	2022	122	5	(11)		
	2021	64	12	(3)		
• Tollpack fees	**2023**	**–**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured
	2022	12	58	–		
	2021	–	21	–		
• Security deposit	**2023**	**25**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured
	2022	7	–	–		
	2021	9	–	–		

37. RELATED PARTIES (CONT'D)

Related party transactions (cont'd)

Group			Outstanding balance			
Category/Transaction	Year	Amount of the transaction US$'000	Due from Related Parties* US$'000	Due to Related Parties** US$'000	Terms	Conditions
Other Related Parties						
• Management fees from DMPI retirement fund	**2023**	**4**	**–**	**2**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	53	7	2		
	2021	69	5	(3)		
• Rental to DMPI Retirement	**2023**	**1,851**	**–**	**(174)**	Due and demandable; non-interest bearing	Unsecured
	2022	1,837	–	(362)		
	2021	1,747	–	(7)		
• Rental to NAI Retirement	**2023**	**629**	**–**	**(57)**	Due and demandable; non-interest bearing	Unsecured
	2022	652	–	(121)		
	2021	602	–	–		
• Rental to DMPI Provident Fund	**2023**	**6**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured
	2022	7	–	–		
	2021	–	–	–		
• Cash advances NAI	**2023**	**–**	**–**	**–**	Short-term; Non interest bearing	Unsecured; no impairment
	2022	1,261	1,261	–		
	2021	703	–	–		
	2023	**2,747**	**73**	**(254)**		
	2022	4,123	1,372	(560)		
	2021	3,407	351	(13)		

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

37. RELATED PARTIES (CONT'D)

Related party transactions (cont'd)

Company			Outstanding balance			
Category/Transaction	Year	Amount of the transaction US$'000	Due from Related Parties* US$'000	Due to Related Parties** US$'000	Terms	Conditions
Subsidiaries						
• Dividend income	**2023**	**88,503**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	33,519	–	–		
	2021	242,721	–	–		
• Long-term loans receivable	**2023**	**–**	**–**	**–**	Due on 2021; Interest-bearing	Unsecured; no impairment
	2022	–	–	–		
	2021	–	–	–		
• Reimburse-ment of expenses	**2023**	**(136,439)**	**26,400**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	7,317	84,229	–		
	2021	15,512	82,274	–		
• Cash advance	**2023**	**(76,517)**	**–**	**106,796**	Due and demandable; non-interest bearing	Unsecured
	2022	5,277	–	30,278		
	2021	24,090	–	35,555		
• Management fees payable to subsidiaries	**2023**	**565**	**–**	**1,093**	Due and demandable; non-interest bearing	Unsecured
	2022	577	–	528		
	2021	463	–	29		
Joint Venture						
• Cash advance	**2023**	**185**	**4,377**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2022	595	2,835	–		
	2021	840	2,788	–		
	2023	**(123,703)**	**30,777**	**107,889**		
	2022	47,285	87,064	30,806		
	2021	283,626	85,062	35,584		

* included as part of trade and other receivables excluding long-term loans receivable and advances to joint venture
** included as part of trade and other payables

37. RELATED PARTIES (CONT'D)

Related party transactions (cont'd)

The transactions with related parties are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies and are carried out based on terms agreed between the parties. Pricing for the sales of products are market driven, less certain allowances. For purchases, the Group's policy is to solicit competitive quotations. Purchases are normally awarded based on the best products and/or services on the best terms. In determining whether the price and terms offered by vendors, including related parties, are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account.

Except for transactions identified in the previous section as interest-bearing, outstanding balances at financial reporting date are unsecured, interest-free and settlement occurs in cash and are collectible or payable on demand. For the years ended 30 April 2023 and 2022, the Group has not made any provision for doubtful accounts relating to amounts owed by related parties.

As discussed in Note 18, the Company extended a loan to DMFHII that was used to finance DMFHII's purchase of DMFI's Second Lien term loans. The loan was converted into ordinary shares in DMPLFL in May 2020.

Key management personnel compensation

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Directors of the Company and key executive officers (excluding executive directors) are considered as key management personnel of the Group.

The key management personnel compensation is as follows:

	Group			Company		
	Year ended 30 April 2023 US$'000	**Year ended 30 April 2022 US$'000**	**Year ended 30 April 2021 US$'000**	**Year ended 30 April 2023 US$'000**	**Year ended 30 April 2022 US$'000**	**Year ended 30 April 2021 US$'000**
Directors:						
Fees and remuneration	7,576	5,930	5,416	6,673	5,007	4,546
Key executive officers (excluding Directors):						
Short-term employee benefits	5,056	4,625	3,616	4,168	3,525	2,604
Post-employment benefits	28	27	22	–	–	–

38. NON-CONTROLLING INTEREST IN SUBSIDIARIES

The following table summarises the information relating to the Group's subsidiaries with shareholder/s with material non-controlling interests, based on their respective financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in Group's accounting policies.

	30 April 2023 US$'000	30 April 2022 US$'000	30 April 2021 US$'000
DMPLFL			
Ownership interests held by non-controlling interests	6.43%	6.43%	6.43%
Revenue	1,733,102	1,654,913	1,483,057
Profit	(2.942)	45,818	16,117
Other comprehensive income	6,777	5,031	41,578
Total comprehensive income			
Attributable to non-controlling interests:			
– Profit	(189)	2,946	1,036
– Other comprehensive income	436	323	2,673
Total comprehensive income	247	3,269	3,709
Noncurrent assets	1,202,400	1,119,963	1,144,894
Current assets	1,135,911	727,810	574,108
Noncurrent liabilities	(838,835)	(678,406)	(701,766)
Current liabilities	(682,635)	(356,362)	(258,576)
Net assets	816,841	813,005	758,660
Net assets attributable to non-controlling interests	52,518	52,271	48,777
Cash flows provided by operating activities	(217,687)	54,848	112,817
Cash flows provided by (used in) provided by investing activities	(127,133)	(31,998)	(24,101)
Cash flows used in financing activities, before dividends to non- controlling interests	349,267	(24,471)	(91,939)
Currency realignment	43	(149)	(15)
Net increase (decrease) increase in cash and cash equivalents	4,490	(1,770)	(3,238)

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

38. NON-CONTROLLING INTEREST IN SUBSIDIARIES (CONT'D)

	30 April 2023 US$'000	30 April 2022 US$'000
DMPI		
Ownership interests held by non-controlling Interests	13%	13%
Revenue	739,026	728,435
Profit	66,455	97,482
Other comprehensive income	8,441	1,833
Total comprehensive income		
Attributable to non-controlling interests:		
– Profit	8,639	12,673
– Other comprehensive income	1,097	238
Total comprehensive income	9,736	12,911
Noncurrent assets	492,792	462,811
Current assets	462,949	330,667
Noncurrent liabilities	(94,274)	(230,099)
Current liabilities	(628,283)	(308,345)
Net assets	233,184	255,034
Net assets attributable to non-controlling interests	30,314	33,154
Cash flows provided by operating activities	41,112	181,701
Cash flows used in investing activities	(183,556)	(175,855)
Cash flows provided by used in financing activities, before dividends to non-controlling interests	137,502	(7,090)
Currency realignment	45	131
Net decrease in cash and cash equivalents	(4,897)	(1,113)

In relation to the sale of 13% stake in DMPI, the Group recognized non-controlling interest amounting to US$26.4 million, representing 13% of the net asset value of DMPI as at 30 April 2021 (see Note 6).

On 16 December 2020, additional 1% stake was sold to SEA Diner. The increase in ownership interest of SEA Diner in DMPI resulted to an increase in equity reserve amounting to US$9.3 million (see Note 6).

39. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

The changes in liabilities arising from financing activities of the Group for the year ended 30 April 2023, 2022 and 2021 are as follows:

	Note	1 May 2022 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Foreign exchange movement US$'000	Reclassification and Others US$'000	30 April 2023 US$'000
Group								
Fiscal Year 2023								
Current interest-bearing loans and borrowings	18	479,354	3,991,953	(3,531,073)	–	(11,069)	349,711	1,278,876
Noncurrent interest-bearing loans and borrowings	18	1,088,012	755,000	(501,500)	–	(8,729)	(338,306)	994,477
Lease liabilities	23	121,320	–	(42,691)	6,615	(3,134)	17,986	100,096
Accrued interest payable	22	34,122	–	(144,006)	120,361	(36)	–	10,441
Derivative liabilities	19, 22	7,896	–	–	–	–	(1,246)	6,650
Total liabilities from financing activities		1,730,704	4,746,953	(4,219,270)	126,976	(22,968)	28,145	2,390,540

	Note	1 May 2021 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Foreign exchange movement US$'000	Reclassification and others US$'000	30 April 2022 US$'000
Fiscal Year 2022								
Current interest-bearing loans and borrowings	18	332,453	2,683,113	(2,547,034)	–	(13,081)	23,903	479,354
Noncurrent interest-bearing loans and borrowings	18	953,290	165,000	–	–	(15,717)	(14,561)	1,088,012
Lease liabilities	23	128,803	–	(38,870)	7,534	(4,061)	27,914	121,320
Accrued interest payable	22	30,843	–	(89,359)	92,690	(52)	–	34,122
Derivative liabilities	19, 22	–	–	–	–	–	7,896	7,896
Total liabilities from financing activities		1,445,389	2,848,113	(2,675,263)	100,224	(32,911)	45,152	1,730,704

	Note	1 May 2020 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Foreign exchange movement US$'000	Reclassification and others US$'000	30 April 2021 US$'000
Fiscal Year 2021								
Current interest-bearing loans and borrowings	18	1,298,292	3,447,918	(4,357,916)	–	15,857	(71,698)	332,453
Noncurrent interest-bearing loans and borrowings	18	97,737	851,263	(22,737)	–	–	27,027	953,290
Lease liabilities	23	158,525	–	(43,376)	8,412	2,508	2,734	128,803
Accrued interest payable	22	9,045	–	(71,195)	93,056	20	(83)	30,843
Derivative liabilities	19, 22	5,916	–	(6,154)	–	–	238	–
Total liabilities from financing activities		1,569,515	4,299,181	(4,501,378)	101,468	18,385	(41,782)	1,445,389

39. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION (CONT'D)

	Note	1 May 2022 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Reclassification and others US$'000	30 April 2023 US$'000
Company							
Fiscal Year 2023							
Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	170,571	98,500	(168,071)	–	223,898	324,898
Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	434,587	30,000	–	–	(222,628)	241,959
Accrued interest payable	22	3,434	–	(28,932)	28,726	–	3,228
Total liabilities from financing activities		608,592	128,500	(197,003)	28,726	1,270	570,085

	Note	1 May 2021 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Reclassification and others US$'000	30 April 2022 US$'000
Fiscal Year 2022							
Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	69,810	168,000	(89,810)	–	22,571	170,571
Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	293,561	165,000	–	–	(23,974)	434,587
Accrued interest payable	22	2,341	–	(11,004)	12,097	–	3,434
Total liabilities from financing activities		365,712	333,000	(100,814)	12,097	(1,403)	608,592

	Note	1 May 2020 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Reclassification and others US$'000	30 April 2021 US$'000
Fiscal Year 2021							
Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	291,282	2,865	(158,911)	–	(65,426)	69,810
Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	75,000	154,435	–	–	64,126	293,561
Accrued interest payable	22	1,568	–	(11,686)	12,459	–	2,341
Total liabilities from financing activities		367,850	157,300	(170,597)	12,459	(1,300)	365,712

Reclassification and others include the effect of reclassification of noncurrent portion of interest-bearing loans and borrowings to current due to the passage of time, deferred financing costs, and fair value adjustments of hedge contracts. This also include additions and terminations of lease liabilities.

40. SUBSEQUENT EVENTS

On 11 May 2023, the Company refinanced its US$100 million facility with BPI that was due to mature on 15 May 2023 for an additional period of 18 months up to 15 November 2024.

On 25 May 2023, the Company obtained a loan amounting to US$50.0 million from Union Bank of the Philippines, with an interest rate equal to 7.69155% per annum. The loan matures on 25 May 2024. The proceeds were used by the Company to settle a portion of its payable to DMPI. DMPI used the collection to repay a portion of its short-term loans.

STATISTICS OF ORDINARY SHAREHOLDERS

AS AT 7 JULY 2023

ORDINARY SHARES

Authorized Share Capital	:	US$30,000,000
Issued and Fully Paid-up Capital (including Treasury Shares)	:	US$19,449,358
Issued and Fully Paid-up Capital (excluding Treasury Shares)	:	US$19,163,646
Number of Shares Issued (including Treasury Shares)	:	1,944,935,826
Number of Shares Issued (excluding Treasury Shares)	:	1,943,960,024
Number of Treasury Shares held	:	975,802
Number of Subsidiary Holdings held	:	Nil
Class of Shares	:	Ordinary shares of US$0.01 each, with each ordinary shares entitled to one vote

Percentage of the aggregate number of Treasury Shares and Subsidiary Holdings held against the total number of issued ordinary shares: 0.05%

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	59	0.80	2,162	0.00
100 – 1,000	172	2.33	93,819	0.00
1,001 – 10,000	5,389	72.97	14,695,345	0.76
10,001 – 1,000,000	1,721	23.30	119,231,862	6.13
1,000,001 and above	44	0.60	1,809,936,836	93.11
Total	**7,385**	**100.00**	**1,943,960,024**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	NUTRIASIA PACIFIC LIMITED	1,196,539,958	61.55
2	HSBC (SINGAPORE) NOMINEES PTE LTD	193,566,772	9.96
3	LEE PINEAPPLE COMPANY PTE LTD	106,854,000	5.50
4	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	54,393,432	2.80
5	RAFFLES NOMINEES (PTE.) LIMITED	51,439,365	2.65
6	DBS NOMINEES (PRIVATE) LIMITED	24,732,943	1.27
7	CITIBANK NOMINEES SINGAPORE PTE LTD	19,403,959	1.00
8	WEE POH CHAN PHYLLIS	16,640,100	0.86
9	GOVERNMENT SERVICE INSURANCE SYSTEM	15,957,937	0.82
10	MAYBANK SECURITIES PTE. LTD.	11,041,595	0.57
11	BDO SECURITIES CORPORATION	10,128,982	0.52
12	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	9,016,280	0.46
13	COL FINANCIAL GROUP, INC.	8,406,865	0.43
14	JOSELITO JR DEE CAMPOS	7,621,466	0.39
15	PHILLIP SECURITIES PTE LTD	6,190,604	0.32
16	ABN AMRO CLEARING BANK N.V.	6,083,900	0.31
17	BANCO DE ORO - TRUST BANKING GROUP	4,845,876	0.25
18	TIGER BROKERS (SINGAPORE) PTE. LTD.	4,677,500	0.24
19	UOB KAY HIAN PRIVATE LIMITED	4,384,520	0.23
20	G.D. TAN & COMPANY, INC.	4,373,975	0.23
	TOTAL	**1,756,300,029**	**90.36**

SUBSTANTIAL ORDINARY SHAREHOLDERS

AS RECORDED IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 7 JULY 2023

	Direct Interest		Deemed Interest		Total Interest	
Name of Shareholders	Number of Shares	%[1]	Number of Shares	%[1]	Number of Shares	%[1]
Bluebell Group Holdings Limited	189,736,540[2]	9.76	–	–	189,736,540	9.76
Golden Sunflower International Limited	–	–	189,736,540[2]	9.76	189,736,540	9.76
Mr. Joselito D. Campos, Jr.	7,621,466	0.39	1,386,276,498[2][3]	71.31	1,393,897,964	71.70
NutriAsia Pacific Limited	1,196,539,958	61.55	–	–	1,196,539,958	61.55
NutriAsia, Inc.	–	–	1,196,539,958[4]	61.55	1,196,539,958	61.55
NutriAsia Holdings Limited	–	–	1,196,539,958[5]	61.55	1,196,539,958	61.55
Golden Chamber Investment Limited	–	–	1,196,539,958[5]	61.55	1,196,539,958	61.55
Star Orchid Limited	–	–	1,196,539,958[5]	61.55	1,196,539,958	61.55
Well Grounded Limited	–	–	1,196,539,958[5]	61.55	1,196,539,958	61.55
HSBC Trustee (Hong Kong) Limited	–	–	1,386,276,498[6]	71.31	1,386,276,498	71.31
HSBC International Trustee Limited	–	–	1,386,276,498[6]	71.31	1,386,276,498	71.31
HSBC International Trustee (Holdings) Pte. Limited	–	–	1,386,276,498[6]	71.31	1,386,276,498	71.31
The Hongkong and Shanghai Banking Corporation Limited	–	–	1,386,276,498[6]	71.31	1,386,276,498	71.31
HSBC Asia Holdings Limited	–	–	1,386,276,498[6]	71.31	1,386,276,498	71.31
HSBC Holdings plc	–	–	1,386,276,498[6]	71.31	1,386,276,498	71.31
Lee Pineapple Company (Pte.) Limited	106,854,000	5.50	–	–	106,854,000	5.50
Lee Foundation	–	–	106,854,000[7]	5.50	106,854,000	5.50

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HAND

Based on the information provided, to the best knowledge of the Directors and Substantial Shareholders of the Company, approximately 22.3% of the Company's Shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notes:

(1) The percentage of issued capital is calculated based on 1,943,960,024 Shares (being 1,944,935,826 Shares excluding 975,802 Treasury Shares) and there are no subsidiary holdings.

(2) Bluebell Group Holdings Limited ("**BGHL**") is wholly owned by Golden Sunflower International Limited ("**GSIL**"). GSIL is therefore deemed interested in the Shares of the Company held by BGHL.

GSIL is wholly owned by the Twin Palms Pacific Trust ("**TPP Trust**"), of which HSBC Trustee (Hong Kong) Limited ("**HKL**") is the trustee. The beneficiaries of the TPP Trust are Mr. Joselito D. Campos, Jr. ("**JDC**") and his children. JDC is therefore deemed interested in the Shares held by BGHL. The 189,736,540 Shares are held in nominee by HSBC (Singapore) Nominees Pte. Ltd.

(3) NutriAsia Pacific Limited ("**NPL**") is a substantial and controlling shareholder of the Company, holding 1,196,539,958 Shares in the Company. JDC and his family have beneficial interests in NPL (through Golden Chamber Investment Limited ("**GCIL**") and Star Orchid Ltd. ("**SOL**") which hold trusts in which they are beneficiaries). JDC is therefore deemed interested in the Shares held by NPL.

(4) NutriAsia, Inc. ("**NI**") owns 57.8% of NutriAsia Holdings Limited ("**NHL**"), which in turn owns 100% of NPL. NI is therefore deemed to be interested in the Shares held by NPL.

(5) NPL is wholly owned by NHL. NHL is therefore deemed interested in the Shares held by NPL.

NHL is in turn majority owned by NI (57.8%) and partly owned by Well Grounded Limited ("**WGL**") (42.2%). NI and WGL are therefore deemed interested in the Shares held by NPL.

NI is in turn majority owned by GCIL (65.4%) and WGL is in turn wholly owned by SOL. GCIL and SOL are therefore deemed interested in the Shares held by NPL.

(6) GCIL and GSIL are owned by the TPP Trust and SOL is wholly owned by The Star Orchid Trust, for which HKL acts as trustee for both trusts. HKL is therefore deemed interested in the Shares held by NPL and BGHL. The beneficiaries of the Star Orchid Trust are beneficially owned by the Campos family.

HKL is wholly owned by HSBC International Trustee Limited. HSBC International Trustee Limited is therefore deemed interested in the Shares held by NPL and BGHL.

HSBC International Trustee Limited is wholly owned by HSBC International Trustee (Holdings) Pte. Limited. HSBC International Trustee (Holdings) Pte. Limited is therefore deemed interested in the Shares held by NPL and BGHL.

HSBC International Trustee (Holdings) Pte. Limited is wholly owned by The Hongkong and Shanghai Banking Corporation Limited. The Hongkong and Shanghai Banking Corporation Limited is therefore deemed interested in the Shares held by NPL and BGHL.

The Hongkong and Shanghai Banking Corporation Limited is wholly owned by HSBC Asia Holdings Limited. HSBC Asia Holdings Limited is therefore deemed interested in the Shares held by NPL and BGHL.

HSBC Asia Holdings Limited is wholly owned by HSBC Holdings plc. HSBC Holdings plc is therefore deemed interested in the Shares held by NPL and BGHL.

(7) Lee Foundation, by virtue of its not less than 20% interest in Lee Pineapple Company (Pte.) Limited, had a deemed interest in the Company's Shares in which Lee Pineapple Company (Pte.) Limited had a direct or deemed interest.

INTERESTED PERSON TRANSACTIONS

FOR THE YEAR ENDED 30 APRIL 2023

The aggregate value of IPT conducted pursuant to shareholders' mandate obtained in accordance with Chapter 9 of the Singapore Exchange's Listing Manual was as follows:

US$'000 **Name of Interested Person**	**Nature of Relationship**	**Aggregate value of all IPTs (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)**		**Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)**	
		FY2023	**FY2022**	**FY2023**	**FY2022**
NutriAsia, Inc.	Affiliate of the Company	–	–	233	355
NutriAsia Pacific Limited	Affiliate of the Company	–	–	–	1,261
DMPI Retirement Fund	Retirement Fund of Subsidiary's Employees	–	–	1,878	1,841
NutriAsia, Inc. Retirement Fund	Retirement Fund of Affiliate's Employees	–	–	636	659
Aggregate Value		**–**	**–**	**2,747**	**4,116**

PROFORMA GROUP FINANCIAL INFORMATION*

FOR THE YEAR ENDED 30 APRIL 2023

(Amounts in Singapore Dollars)

	Year ended 30 April 2023 S$'000	Year ended 30 April 2022 S$'000	Year ended 30 April 2021 S$'000
Revenue	3,317,199	3,161,816	2,941,284
Cost of sales	(2,485,618)	(2,321,229)	(2,185,175)
Gross Profit	**831,581**	**840,587**	**756,109**
Distribution and selling expenses	(314,103)	(299,427)	(272,567)
General and administrative expenses	(164,858)	(174,570)	(195,912)
Other income (expenses) – net	(16,151)	(5,748)	486
Results from operating activities	**336,469**	**360,842**	**288,116**
Finance income	19,581	7,021	10,246
Finance expenses	(295,730)	(152,154)	(155,190)
Net finance expense	(276,149)	(145,133)	(144,944)
Share in loss of investments in joint ventures, net of tax	(2,036)	(6,688)	(2,082)
Profit (loss) before taxation	**58,284**	**209,021**	**141,090**
Tax credit (expense) – net	(23,519)	(53,055)	(37,091)
Profit (loss) for the year	**34,765**	**155,966**	**103,999**
Profit attributable to:			
Non-controlling interests	11,546	20,924	17,971
Owners of the Company	23,220	135,042	86,028

* Basis of presentation of Proforma Group Financial Information
The audited financial statements of the Group are expressed in United States dollars (US$).
Given the Company's listing on the SGX-ST, for the convenience of certain readers, the above financial information for the years 2023, 2022 and 2021 are presented in Singapore dollars (S$) obtained by measurement of the S$ figures using the exchange rate of S$1.37, S$1.35 and S$1.36, respectively. Such translations should not be construed as a representation that the US$ amounts have been or could be converted into S$ at this or any other rates. In addition, the above financial information does not form part of the audited financial statements of the Group.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Rolando C. Gapud
Executive Chairman

Mr. Joselito D. Campos, Jr.
Managing Director and CEO

Mr. Edgardo M. Cruz, Jr.
Executive Director

Mr. Benedict Kwek Gim Song
Lead Independent Director

Mr. Godfrey E. Scotchbrook
Independent Director

Dr. Emil Q. Javier
Independent Director

Mrs. Yvonne Goh
Independent Director

AUDIT AND RISK COMMITTEE

Mr. Benedict Kwek Gim Song
Chairman and Lead Independent Director

Mr. Godfrey E. Scotchbrook
Independent Director

Dr. Emil Q. Javier
Independent Director

Mrs. Yvonne Goh
Independent Director

NOMINATING AND GOVERNANCE COMMITTEE

Mrs. Yvonne Goh
Chairperson and Independent Director

Mr. Benedict Kwek Gim Song
Lead Independent Director

Mr. Godfrey E. Scotchbrook
Independent Director

Dr. Emil Q. Javier
Independent Director

Mr. Rolando C. Gapud
Board Executive Chairman

Mr. Edgardo M. Cruz, Jr.
Executive Director

REMUNERATION AND SHARE OPTION COMMITTEE

Mr. Godfrey E. Scotchbrook
Chairman and Independent Director

Mr. Benedict Kwek Gim Song
Lead Independent Director

Dr. Emil Q. Javier
Independent Director

Mrs. Yvonne Goh
Independent Director

EXECUTIVE OFFICERS

Mr. Joselito D. Campos, Jr.
Managing Director and Chief Executive Officer

Mr. Luis F. Alejandro
Chief Operating Officer

Mr. Ignacio C. O. Sison
Chief Corporate Officer

Mr. Parag Sachdeva
Chief Financial Officer

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

Mr. Ruiz G. Salazar
Chief Human Resource Officer

COMPANY SECRETARY

Mr. Antonio E. S. Ungson
10/F JY Campos Centre
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Taguig City 1634
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Fax: +632 8856 2628

AUDITORS

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Partner in-charge: Philip Ling Soon Hwa
(Date of appointment: since financial year ended 30 April 2021)

SyCip Gorres Velayo & Co.*
(A member firm of Ernst & Young)
6760 Ayala Avenue
1226 Makati City
Philippines
Partner in-charge: Johnny F. Ang
(Date of appointment: since financial year ended 30 April 2022)
*SGV is the auditor for the Philippine SEC filings

BANKERS

Australia and New Zealand Banking Group Limited
BDO Unibank, Inc.
Bank of Commerce
Bank of the Philippine Islands
CTBC Bank (Philippines) Corporation
Coöperatieve Rabobank U.A.
DBS Bank, Ltd.
Development Bank of the Philippines
Goldman Sachs Bank USA
The Hongkong & Shanghai Banking Corporation
JPMorgan Chase & Co.
KEB Hana Bank
Metropolitan Bank and Trust Company
Mizuho Bank Ltd.
Philippine Bank of Communications
Philippine National Bank
Rizal Commercial Banking Corporation
Robinsons Bank Corporation
Security Bank Corporation
Standard Chartered Bank (Singapore) Limited
UBS AG Singapore
Union Bank of the Philippines
Wealth Development Bank Corporation

REGISTERED OFFICE

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SINGAPORE SHARE TRANSFER AGENT

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Fax: +632 8878 4056

BVI REGISTRAR AND SHARE TRANSFER OFFICE

Nerine Trust Company (BVI) Limited
PO Box 905 Quastisky Building
Road Town, Tortola VG 1110
British Virgin Islands

LISTING & TRADING SYMBOLS

Listed on 2 August 1999 on the Singapore Exchange
Listed on 10 June 2013 on the Philippine Stock Exchange
Bloomberg: DELM SP and DELM PM
Reuters: DMPL.SI and DELM.PS

FOR FURTHER INQUIRIES, PLEASE CONTACT:

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