GROWING STRONGER TOGETHER

ANNUAL REPORT **FY2022**

CORPORATE PROFILE

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

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

DMPL's USA subsidiary, Del Monte Foods, Inc. (DMFI) (www.delmontefoods.com), owns other trademarks such as *Orchard Select*, *Fruit Refreshers*, *Veggieful* and *Bubble Fruit* while DMPL's Philippine subsidiary, Del Monte Philippines, Inc. (www.delmontephil.com), has the trademark rights to *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 95% 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.delmonte.com
www.swpremiumfood.com
www.contadina.com
www.collegeinn.com
www.delmontephil.com
www.lifegetsbetter.ph
www.delmontefoods.in

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

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GROWING STRONGER TOGETHER

Del Monte Pacific is stronger with two legs of growth, Del Monte Foods and Del Monte Philippines. Amidst the challenges of a global pandemic and high inflation, we thank our teams for their commitment, passion and hard work, especially during these unprecedented times. We look forward to ***Growing Stronger Together*** with our colleagues, business partners, consumers and communities.

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

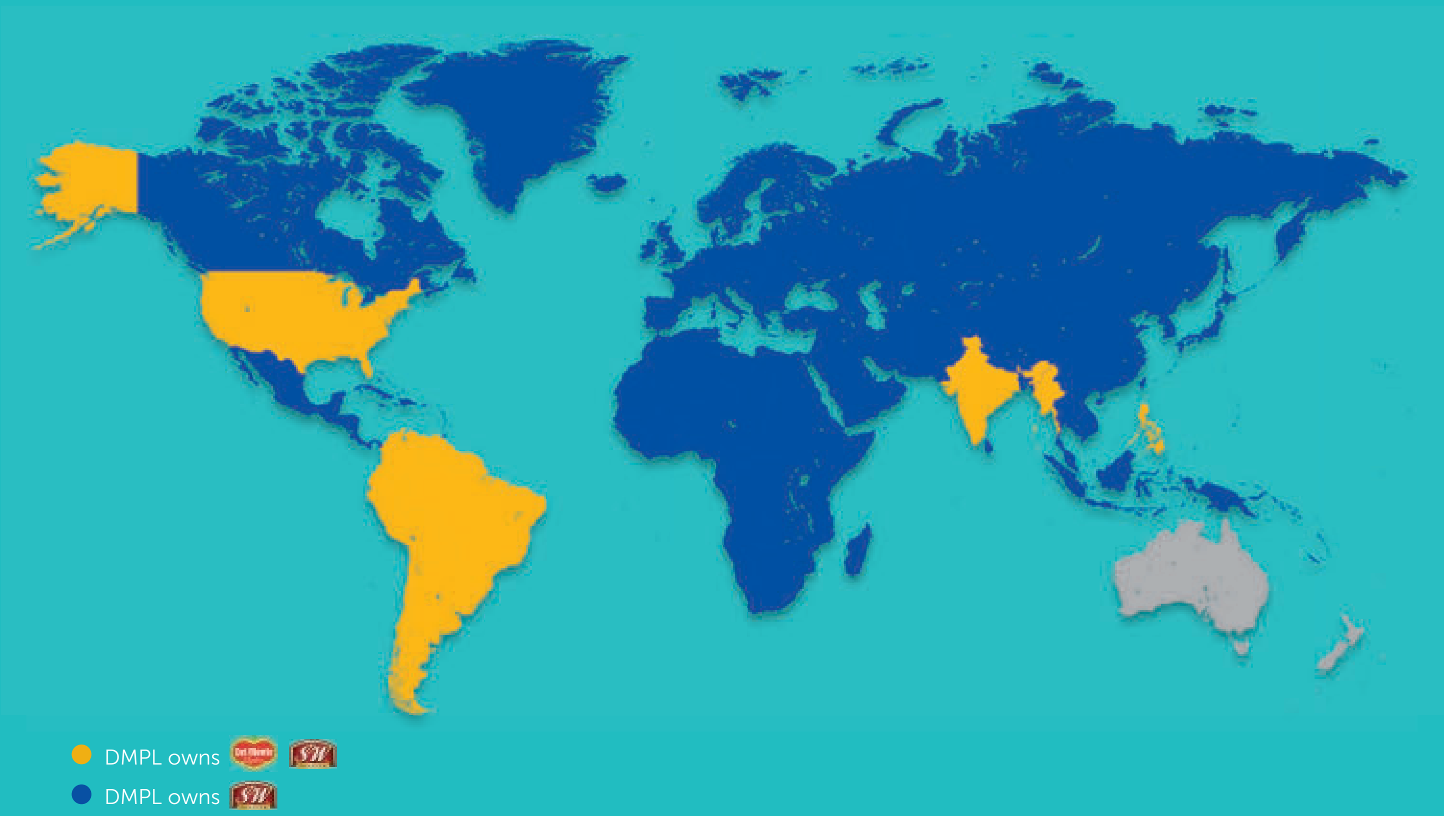
Championing Together	Healthy Families	Ownership with Integrity	Innovation	Commitment to Society and Environment	Excellence in Everything We Do
To champion together is our choice. Del Monte succeeds because we see ourselves as one team. We each work to our unique strengths and play a part in the group's collective greatness. When we collaborate, we achieve more.	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.	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.	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.	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.	We choose to be excellent in everything we do. No matter how large or small a task is, we understand the value of executing each one effectively and efficiently. We drive Quality and uphold doing the right things the right way.

OUR STRATEGY

Enablers

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

KEY BRANDS AND BRAND OWNERSHIP



DEL MONTE
(Packaged Products)

USA, SOUTH AMERICA, PHILIPPINES, INDIAN SUBCONTINENT AND MYANMAR

S&W
(For both Packaged and Fresh Products)

GLOBALLY EXCEPT AUSTRALIA AND NEW ZEALAND

CONTADINA COLLEGE INN

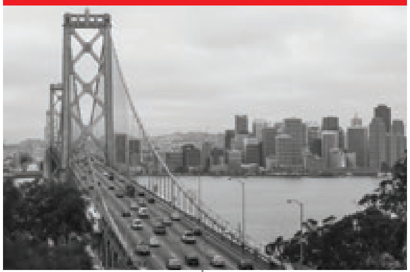
THE GROUP ALSO OWNS THE CONTADINA AND COLLEGE INN TRADEMARKS

PRODUCTION FACILITIES

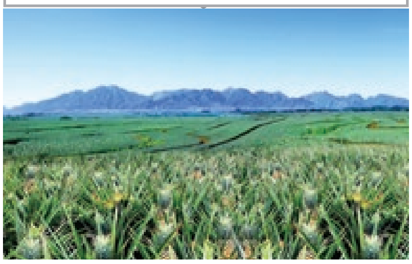
6 USA	**2** Mexico	**3** Philippines	**1** India

137 YEARS HERITAGE

1886
Del Monte is born in California



1926
Del Monte US sets up operations in the Philippines



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.

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

1988
KKR buys RJR-Nabisco

1989
KKR sells DMC and breaks up the Del Monte brand

1996
DMC fully divests from Del Monte Philippines (DMPI)

1997
TPG acquires DMC

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

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 to form FieldFresh Foods Private Ltd.

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

2017
DMPL lists its Preference Shares on the PSE

2020
Private equity firm owns 13% stake in DMPI

NOURISHING FAMILIES FOR GENERATIONS

FIVE-YEAR SUMMARY

Financial Year ending April (Amounts in US$ million unless otherwise stated)	FY2022	FY2021	FY2020	FY2019	FY2018
Profitability[1]					
Turnover	2,342.1	2,162.7	2,128.3	1,954.8	2,197.3
Gross Profit	622.7	556.0	452.2	395.0	432.5
EBITDA	351.5	309.0	142.2	143.7	102.3
Profit/(loss) from Operations	267.3	211.9	51.2	80.1	29.5
Net Profit Attributable to Owners	100.0	63.3	(81.4)	20.3	(36.5)
EPS (US cents)[2]	4.17	2.24	(5.20)	0.03	(2.70)
Gross Margin (%)	26.6	25.7	21.2	20.2	19.7
EBITDA Margin (%)	15.0	14.3	6.7	7.4	4.7
Operating Margin (%)	11.4	9.8	2.4	4.1	1.3
Net Margin (%)	4.3	2.9	na	1.0	na
EPS Growth (%)	86.2	143.1	nm	101.1	(323.1)
Return on Equity (%)	17.6	10.5	na	3.4	na
Return on Assets (%)	4.0	2.5	na	0.8	na
Balance Sheet					
Cash	21.9	29.4	33.5	21.6	24.2
Debt	1,567.4	1,285.7	1,396.0	1,478.7	1,465.2
Net Debt	1,545.5	1,256.3	1,362.6	1,457.0	1,441.0
Fixed Assets	577.6	544.8	517.6	582.0	610.9
Total Assets	2,584.9	2,417.9	2,554.4	2,398.7	2,509.1
Shareholders' Equity	494.7	642.5	565.9	601.1	608.3
Net Tangible Asset Per Share (US cents)	(18.4)	(21.3)	(25.2)	(23.1)	(23.4)
Net Debt to Equity (%)	312.4	195.5	240.8	242.4	236.9
Net Debt to EBITDA (x)	4.4	4.1	9.6	10.1	14.1
Cash Flow					
Cash Flow from Operations	280.7	315.3	377.4	181.9	357.0
Capital Expenditure	202.7	164.0	132.5	123.5	144.8
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	30.0
Singapore Exchange					
Share Price[5] (S$)	0.380	0.340	0.107	0.136	0.197
Share Price (US$ equivalent)	0.274	0.256	0.076	0.100	0.148
Market Capitalization (S$ m)	738.7	660.9	208.0	264.4	383.0
Market Capitalization (US$ m)	532.7	498.4	147.4	194.2	287.2
US$: S$	1.39	1.33	1.41	1.36	1.33
Price Earnings Multiple[1] (x)	10.0	10.0	na	nm	na
Philippine Stock Exchange					
Share Price[5] (Peso)	14.24	13.30	3.74	5.84	10.18
Share Price (US$ equivalent)	0.27	0.28	0.07	0.11	0.20
US$: PhP	52.3	48.2	50.4	52.1	51.7
Market Capitalization (US$ m)	528.9	536.9	144.1	217.9	382.6
Price Earnings Multiple[1] (x)	6.5	12.3	na	nm	na
Share Price: Series A-1 Preference Shares[4] (US$)	na	10.20	9.60	10.10	10.10
Share Price: Series A-2 Preference Shares[4] (US$)	10.16	10.06	9.70	10.00	10.24
Dividend					
Dividend Per Share[6] (US cents)	1.70	1.20	1.54	0.52	–
Dividend Per Share (Singapore cents)	2.39	1.62	2.12	0.71	–
Dividend Yield (%)	6.2	4.8	19.8	5.2	–
Dividend Payout (%)	33.0	37.0	na	50.0	–

1 The profitability of the Group from FY2018-2020 had been impacted by non-recurring items mostly in the USA.
2 EPS is calculated as earnings after preference share dividends resulting in negative figures for EPS without non-recurring items for FY2018-2019.
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.
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$77.0 million for DMPL.

FY2022 HIGHLIGHTS

- DMPL generated record sales of US$2.3bn in FY2022, up 8% from prior year on higher sales in the USA and international markets
- Del Monte Foods, Inc. (DMFI) accounted for US$1.65bn or 70% of Group revenue, driven by branded retail sales growth; canned vegetable market share reached a five-year high
- Del Monte Philippines, Inc. (DMPI) delivered record sales of US$729.5m, higher by 3%
- Group gross margin expanded 90 bps to 26.6% on better sales mix, proactive cost management and strategic price increases to cover increasing costs
- Delivered strong profitability with record EBITDA of US$351.5m, up 14% from US$309.0m, and highest ever net profit of US$100.0m, up 58% from US$63.3m; no one-off items in FY2021 and FY2022
- DMFI sustained its robust profit growth, more than tripled its net profit to US$54.3m
- DMPI, the Group's most profitable subsidiary, achieved record net profit of US$97.7m, up 3%
- Successfully redeemed and refinanced US$200m DMPL Preference Shares and US$500m DMFI Senior Secured Notes at much lower interest rates
- DMFI achieved a credit rating upgrade to "B2" from "B3" from Moody's and an upgrade to Positive Outlook from Standard & Poor, while DMPI maintained its triple A credit rating for its three and five-year bonds
- Final dividend of US$0.017, 42% higher over prior year
- DMPL received the Singapore Corporate Governance Award from the Securities Investors Association (Singapore), which included a weighting of 60% for Governance and 40% for Sustainability for the first time
- Two products were voted 2022 Product of the Year in different categories in the U.S.: Del Monte Fruit Infusions in Fruit Snack and Joyba Bubble Tea in Coffee and Tea
- Del Monte Philippines was verified carbon negative for scopes 1, 2 and 3 (for air travel and fuel used by vehicles) for its pineapple operations by the British Standards Institution

Notes on DMPL's Results

1. FY2022 is from 1 May 2021 to 30 April 2022.
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

Dear Shareholders,

We are pleased to report our strong growth in FY2022 despite the ongoing challenges of a global pandemic and high inflation. Del Monte Pacific's subsidiary in the United States, Del Monte Foods, Inc. (DMFI), sustained its profitability with a record performance building on its turnaround last year. Our Group is stronger with a new leg of growth in DMFI aside from Del Monte Philippines, Inc. (DMPI), historically our most profitable subsidiary, which also delivered a better performance.

Growing Stronger Together includes all our stakeholders as a company. We nourished our consumers, boosting their immunity with our portfolio of food and beverages. Our brands, led by the iconic Del Monte brand, continued to be sought by consumers for their trusted quality, great taste and health benefit.

We ensured the safety and well-being of our employees and their families. From the plantations to our plants to our points of distribution, our people were our frontliners who worked exceptionally hard to sustain our operations in order to meet consumer demand for healthy products.

As responsible corporate citizens, we provided nutrition to communities in need to mitigate the hardships caused by the pandemic, supporting food banks in the U.S. and partnering with over 950 organizations in the Philippines since the start of the pandemic.

FY2022 RESULTS

Del Monte Pacific generated record sales of US$2.3 billion in FY2022, up 8% driven by better revenue in the United States and international markets, and delivered a net profit US$100.0 million, its highest ever, soaring by 58% from the prior year.

The Group improved its sales mix and margins from increased sales of higher-margin branded segments and proactive cost management. The Group achieved record EBITDA of US$351.5 million, 14% higher versus last year. These results were made possible through the record profitability of our two main subsidiaries, DMFI and DMPI.

DMFI DELIVERS HIGHEST PROFITABILITY

Del Monte Foods, Inc. generated 12% higher sales of US$1.65 billion, about 70% of Group sales, and more than tripled its net profit to US$54.3 million. DMFI achieved its highest profitability from increased sales and better revenue mix, continued benefits from the asset-light strategy and other cost reduction initiatives, coupled with strategic price adjustments to help offset inflationary costs. DMFI delivered an EBITDA of US$213.6 million, significantly up by 25% versus prior year.

DMFI branded retail sales rose 13% primarily due to core branded retail driven by canned vegetables and fruits following improvements in supply and distribution gains. Its canned vegetable market share reached a five-year high of 24% during the year.

DMPI DELIVERS BETTER RESULTS

Del Monte Philippines, Inc., our second largest subsidiary, delivered its highest sales of US$729.5 million, up 3% versus the prior year, on increased exports of S&W branded fresh and packaged pineapple. DMPI achieved its highest EBITDA of US$154.2 million and a record net profit of US$97.7 million, up 1% and 3%, respectively. More than half of DMPI's sales are in the Philippines, with the balance in the international market.

LETTER TO SHAREHOLDERS

International sales of S&W fresh and packaged products led the growth, rising 13% to US$119.4 million on higher sales of fresh pineapple, canned pineapple and juice. The export market growth of our well-known S&W "Sweet 16" fresh pineapple has been a success story over the past decade. DMPL is the number 1 fresh pineapple exporter to China and among the Top 3 in Japan and South Korea.

DMPI had mixed results with sales in the Philippines slightly declining by 1% in peso terms and 4% in US dollar terms to US$377.9 million as seasonal and special occasion items were unfavorably affected by an inflationary environment plus a high base last year from pandemic buying. Compared to two years ago, sales in the Philippines were higher by 9%, while retail sales were up by 12%.

SUCCESSFUL REFINANCING

DMPL Group net debt amounted to US$1.5 billion, higher than prior year by US$200 million, the principal amount of our redemption of the Series A-1 preference shares before the end of FY2022 which we refinanced with debt. This led to higher gearing of 3.1x from 2.0x equity, and marginally higher debt/EBITDA at 4.4x from 4.1x. Although gearing is up, our refinancing of the preference shares results in a favorable cash flow impact with the lower interest rate of the loans versus the preferred dividends.

DMFI achieved a credit rating upgrade to "B2" from "B3" from Moody's and an upgrade to Positive Outlook from Standard & Poor, reflecting DMFI's strengthening operating performance. In the Philippines, DMPI has maintained its triple A credit rating for its three and five-year bonds.

After we closed the financial year, DMFI successfully redeemed its US$500 million Senior Secured Notes and refinanced these with much lower interest rates in May 2022. This transaction entailed a one-off redemption cost to be booked in FY2023. Details of the refinancing are in the Operating and Financial Review.

DIVIDENDS

In view of the Company's stellar performance, the Board approved a final dividend of US$0.017 per share to Common Shareholders for FY2022. This dividend represents a 42% increase over prior year's dividend.

STRATEGY OUTLOOK

Our operating subsidiaries will continue to be one of the leading CPG companies in the markets we serve. We will strive to maintain all our operating metrics at the highest possible levels. Our strong portfolio of branded health and wellness products, together with our entry into adjacent and new categories, will allow us to maintain our revenue and income growth over the years to come. We also expect a new growth stream from our new e-commerce infrastructure.

Amidst an inflationary environment, we remain vigilant in managing our operating expenses and have embarked on a number of cost optimization and revenue enhancing initiatives, mindful that the road ahead still holds many challenges. Barring unforeseen circumstances, the Group expects to generate a higher net profit before the one-off redemption cost in FY2023.

SUSTAINABILITY

Throughout the long history of the Del Monte brand, our Group has strived to operate a sustainable business that contributes to the economic, environmental and social well-being of the stakeholders we serve. Del Monte Pacific stands by its commitment to grow its business in a manner that maintains a healthy balance among diverse interests of all stakeholders – our consumers, employees, business partners, host communities and shareholders.

As a leading global food company, corporate sustainability is an important part of the Group's vision, strategy and core values. On pages 70-77 of this Annual Report, we highlight our contribution to the United Nations Sustainable Development Goals.

For the first time, we have also included a climate report based on Task Force on Climate-Related Financial Disclosures. Del Monte Philippines was verified carbon negative for scopes 1, 2 and limited scope 3 (for air travel and fuel used by vehicles) for its pineapple operations by the British Standards Institution (BSI) based on ISO standards.

More details are in our FY2022 Sustainability Report which we have published.

RECOGNITION

Del Monte Pacific was honored to receive the Singapore Corporate Governance Award from the Securities Investors Association (Singapore) or SIAS. The award this year included a weighting of 60% for Governance and 40% for Sustainability for the first time, a recognition of its importance in an ESG context. This is DMPL's 8th award from SIAS, which recognized the company in previous years for Corporate Governance, Transparency and Shareholder Communication Excellence.

On the commercial front, Del Monte Foods was a winner of the Product of the Year awards in the USA for the fourth straight year. The company won two awards for its newest innovations, Del Monte Fruit Infusions in the fruit snack category, and Joyba Bubble Tea in the coffee and tea category. Product of the Year is the world's largest consumer-voted award for product innovation.

We are humbled and inspired to continuously uphold our corporate governance, sustainability and innovation.

APPRECIATION

We thank our management and employees for their commitment, passion and hard work, especially during these unprecedented times, and encourage them to continue pursuing our vision, *Nourishing Families. Enriching Lives. Every Day.* We congratulate the management teams of both DMFI and DMPI for their record performances this past year.

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

We look forward to ***Growing Stronger Together*** with you.

MR. ROLANDO C. GAPUD
Executive Chairman

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

22 July 2022

BOARD OF DIRECTORS

MR. ROLANDO C. GAPUD
Executive Chairman, 80
Appointed on 20 January 2006 and last re-appointed on 17 September 2020

Mr. Rolando C. Gapud has over 45 years of experience in banking, finance and general management, having worked as CEO of several Philippine companies, notably Security Bank and Trust Company, Oriental Petroleum and Minerals Corp. and Greenfield Development Corp. He was also the COO of the joint venture operations of Bankers Trust and American Express in the Philippines. He has served in the Boards of various major Philippine companies, including the Development Bank of the Philippines, the development finance arm of the Philippine Government. Mr. Gapud is the Chairman of the Board of Del Monte Foods, Inc., DMPL's US subsidiary, and 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 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, 67
Appointed on 2 May 2006 and last re-appointed on 27 August 2021

Mr. Edgardo M. Cruz, Jr. is a member of the Board of the NutriAsia Group of Companies. Mr. Cruz is a Director of Del Monte Foods, Inc., DMPL's US subsidiary, and of Del Monte Philippines, Inc., DMPL's Philippine subsidiary. 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, the BG Group of Companies, 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, 71
Appointed on 20 January 2006 and last elected on 28 April 2006

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

MR. BENEDICT KWEK GIM SONG
Lead Independent Director, 75
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, 76
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 an Independent Director of Boustead Singapore Ltd. and a Non-Executive Director of Hong Kong-listed Convenience Retail Asia. He is a Fellow of the Hong Kong Management Association and also of the British Chartered Institute of Public Relations. Mr. Scotchbrook earned his DipCam PR having studied Media and Communications at City University, London.

DR. EMIL Q. JAVIER
Independent Director, 81
Appointed on 30 April 2007 and last re-appointed on 28 August 2019

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

MRS. YVONNE GOH
Independent Director, 69
Appointed on 4 September 2015 and last re-appointed on 28 August 2019

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 was recently appointed to the Board 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 Independent Director of Singapore-listed Boustead Singapore Ltd. (since 2000) and 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. Joselito D. Campos, Jr., Dr. Emil Q. Javier and Mrs. Yvonne Goh, all 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. Joselito D. Campos, Jr. Executive Director	Dr. Emil Q. Javier Independent Director	Mrs. Yvonne Goh Independent Director
Date of appointment	20 January 2006	30 April 2007	4 September 2015
Date of last re-appointment	28 April 2006	28 August 2019	28 August 2019
Age	71	81	69
Country of principal residence	Philippines	Philippines	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. Campos 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. Campos' re-appointment as a Director of the Company.	The NGC had recommended to the Board the re-appointment of Dr. Javier 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 Dr. Javier's re-appointment as a Director of the Company.	The NGC had recommended to the Board the re-appointment of Mrs. Goh as a Director and took into account her attendance at meetings, contributions and performance in its assessment and recommendation. The Board concurred with the NGC's recommendation on Mrs. Goh's re-appointment as a Director of the Company.
Whether re-appointment is executive, and if so, the area of responsibility	Yes, Mr. Campos is the Managing Director and CEO of DMPL	N.A.	N.A.
Job Title	Executive Director, Managing Director and CEO	Independent Director and Member of the NGC, Audit and Risk Committee (ARC) and Remuneration and Share Option Committee (RSOC)	Independent Director and Chairperson of the NGC, member of the ARC and RSOC
Professional qualifications	• Consul General in the Philippines for the Republic of Seychelles • Chairman of the Metropolitan Museum of Manila, Bonifacio Arts Foundation, Inc. and The Mind Museum • Trustee and Global Council Member of the Asia Society in the Philippines • Trustee of the Philippines-China Business Council and the Philippines Center for Entrepreneurship • National Advisory Council Member of the World Wildlife Fund-Philippines and a Director of the Philippine Eagle Conservation Program Foundation, Inc. • MBA from Cornell University	• 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 • Doctorate and Master's degrees in plant breeding and agronomy from Cornell University and University of Illinois at Urbana-Champaign, respectively • Bachelor's degree in agriculture at the University of the Philippines Los Baños	• Past Council Member and Vice Chairman of the Singapore Institute of Directors as well as Chairman of its Professional Development Committee • Past 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 • Fellow of the Singapore Institute of Directors • Qualified Chartered Secretary

Information as required in Appendix 7.4.1	Mr. Joselito D. Campos, Jr. Executive Director	Dr. Emil Q. Javier Independent Director	Mrs. Yvonne Goh Independent Director
Working experience and occupation(s) during the past 10 years	2012 – Present Director of various organizations. Please refer to the "Board of Directors" section	2012 – Present Director of various organizations. Please refer to the "Board of Directors" section	2012 – Present Director of various organizations. 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.	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	Mr. Campos is a substantial shareholder of the Company through his deemed interests through NutriAsia Pacific Ltd. and Bluebell Group Holdings Ltd., and direct interest under his name. His daughter Ms. Jeanette Beatrice Campos Naughton is the Vice President, Strategic Planning of the Company's USA subsidiary, Del Monte Foods, Inc.	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
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	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. • Del Monte Foundation, Inc. • S&W Fine Foods International Limited • NutriAsia Group of Companies • Fort Bonifacio Development Corp. • Ayala-Greenfield Development Corp. • San Miguel Corporation • Metropolitan Museum of Manila • Bonifacio Arts Foundation, Inc. • The Mind Museum • Philippine Eagle Conservation Program Foundation, Inc.	Past Directorships (for the last 5 years) Nil Present / Existing Directorships • Del Monte Foods, Inc. • Del Monte Philippines, Inc. • Centro Escolar University	Past Directorships (for the last 5 years) • EQUAL-ARK Singapore Ltd. Present / Existing Directorships • Del Monte Foods, Inc. • UNLV Singapore Limited • National Arthritis Foundation

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. Joselito D. Campos, Jr. Executive Director	Dr. Emil Q. Javier Independent Director	Mrs. Yvonne Goh Independent Director
(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	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	No
(c) Whether there is any unsatisfied judgment against him/her?	No	No	No
(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	No

Information as required in Appendix 7.4.1	Mr. Joselito D. Campos, Jr. Executive Director	Dr. Emil Q. Javier Independent Director	Mrs. Yvonne Goh Independent Director
(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	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	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	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	No

BOARD OF DIRECTORS

Information as required in Appendix 7.4.1	Mr. Joselito D. Campos, Jr. Executive Director	Dr. Emil Q. Javier Independent Director	Mrs. Yvonne Goh 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	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	No

Information as required in Appendix 7.4.1	Mr. Joselito D. Campos, Jr. Executive Director	Dr. Emil Q. Javier Independent Director	Mrs. Yvonne Goh Independent Director
(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	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 Chairman and CEO of the NutriAsia Group of Companies, a major food conglomerate in the Philippines. He is also Chairman of Fort Bonifacio Development Corp. and Chairman of Ayala-Greenfield Development Corp., two major Philippines property developers. He is a Director of San Miguel Corporation, one of the largest and oldest business conglomerates in the Philippines. Mr. Campos is the Vice Chairman of Del Monte Foods, Inc., DMPL's US subsidiary, and a Director of Del Monte Philippines, Inc., DMPL's Philippine subsidiary. He is also a Director of Del Monte Foods Private Ltd., a joint venture of the Company with the Bharti Group of India. He was formerly Chairman and CEO of United Laboratories, Inc. and its regional subsidiaries and affiliates. Unilab is the Philippines' largest pharmaceutical company with substantial operations in the Asian region. Mr. Campos is the Consul General in the Philippines for the Republic of Seychelles. He is also Chairman of the Metropolitan Museum of Manila, Bonifacio Arts Foundation, Inc., The Mind Museum and the Del Monte Foundation, Inc. He is a Trustee and Global Council Member of the Asia Society in the Philippines; a Trustee of the Philippines-China Business Council and the Philippines Center for Entrepreneurship; a National Advisory Council Member of the World Wildlife Fund-Philippines; and a Director of the Philippine Eagle Conservation Program Foundation, Inc. Mr. Campos holds an MBA from Cornell University.

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

Mr. Luis F. Alejandro is the COO of DMPL. He is the President and COO of Del Monte Philippines, Inc., DMPL's Philippine subsidiary. He has over 30 years of experience in consumer product operations and management. He started his career with Procter & Gamble where he spent 15 years in brand management before joining Kraft Foods Philippines, Inc. as President and General Manager. Later, he joined Southeast Asia Food, Inc. and Heinz UFC Philippines, Inc., two leading consumer packaged condiment companies of the NutriAsia Group, as President and Chief Operating Officer. He then became President and Chief Operating Officer of ABS-CBN Broadcasting Corporation, a leading media conglomerate in the Philippines. Mr. Alejandro is a Director of Del Monte Foods, Inc., DMPL's US subsidiary, and of Del Monte Foods Private Ltd., a joint venture of DMPL with the Bharti Group of India. He holds a Bachelor's degree in Economics from the Ateneo de Manila University and an MBA from the Asian Institute of Management.

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, strategic planning and investor relations. He is also the Chief Sustainability Officer and Head of Investor Relations 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 DMPL's previous parent company for three years. Among others, he also worked for Pepsi-Cola Products Philippines and SGV & Co., the Philippines' largest audit firm. Mr. Sison received the Best CFO award from the Singapore Corporate Awards in 2010. In recent years, DMPL's ESG / sustainability initiatives were recognized through Mr. Sison's thought leadership as a speaker at the Philippines Climate Change Commission conference, and webinars of the Singapore Exchange, Global Reporting Initiative and Financial Executives Institute of the Philippines. Mr. Sison is a member of the Advisory Board of the Ateneo Institute of Sustainability, Ateneo de Manila University, a leading local private university. He is Chair of the Finance and Budget Committee of the Board of the same university and was Chair 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 in Canada.

MR. PARAG SACHDEVA
Chief Financial Officer
Joined the DMPL Group on 21 September 2015

Mr. Parag Sachdeva is the CFO of DMPL and Del Monte Philippines, Inc., DMPL's Philippine subsidiary. He is also CFO and 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. 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.

MR. RUIZ G. SALAZAR
Chief Human Resource Officer
Joined the DMPL Group on 12 October 2016

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.

SENIOR MANAGEMENT

DEL MONTE FOODS, INC.

1 2 3 4 5 6 7 8

DEL MONTE PHILIPPINES, INC.

1 2 3 4 5 6 7 8 9 10 11 12 13

S&W FINE FOODS INTERNATIONAL LTD.

1 2 3 4 5 6 7 8 9 10 11

DEL MONTE FOODS, INC.

1. ERIC INGRAM
   Chief Human Resources Officer

2. PARAG SACHDEVA
   Chief Financial Officer and
   Chief Operations Officer

3. BIBIE WU
   Chief Marketing Officer

4. GREGORY LONGSTREET
   President and
   Chief Executive Officer

5. WILLIAM SAWYERS
   General Counsel,
   Chief Compliance Officer,
   Secretary

6. ASHISH MALLICK
   Chief Supply Chain Officer

7. DAVID STIS
   Chief Customer Officer

8. JEANETTE NAUGHTON
   Vice President,
   Strategic Planning

DEL MONTE PHILIPPINES, INC.

1. AMANTE AGUILAR
   Group Head,
   Supply Chain

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. CYNTHIA ICASAS
    Group Head,
    Marketing

11. ANGEL GATCHALIAN, JR.
    Group Head,
    Corporate Procurement

12. TAN CHOOI KHIM
    Group Head,
    International Commercial
    Operations

13. RUIZ SALAZAR
    Chief Human Resource Officer

S&W FINE FOODS INTERNATIONAL LTD.

1. MARIA ODETTE LAGUNILLA
   MD2 Business Development and
   Growth Optimization Manager

2. MARCO VERDEFLOR
   Senior Commercial Manager,
   China, Korea, Taiwan and
   Middle East (Fresh)

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 Manager,
   China, Korea, Hong Kong
   and Taiwan (Packaged)

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

INNOVATION IN PURSUIT OF HEALTH AND WELLNESS

As the Original Plant-Based Food Company®, Del Monte has spent 135+ years creating products centered around nourishment. Products deliver full servings of fruits and vegetables, while introducing new flavors and functional ingredients that highlight the depth of 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, our planet, and our communities.

USA

For over 135 years, DMPL's US subsidiary Del Monte Foods, Inc. and its predecessor companies have been bringing quality fruits and vegetables to families across the country. We have continued to evolve our product offerings with innovative products that deliver high-quality and accessible nutrition. The brands in our trusted portfolio make it easy and affordable to eat more fruits, vegetables, and better-for-you products every day.

Del Monte Beverages

Expanding beverages with Joyba Bubble Tea

As the bubble tea phenomena continues to grow, Del Monte Foods developed Joyba Bubble Tea to allow consumers to enjoy bubble tea anytime and anywhere. With the expanded launch of Joyba, consumers get a burst of joy in every sip. Joyba Bubble Tea is a first-of-its-kind retail line of boba shop-inspired beverages made with real brewed tea infused with vibrant fruit flavors and the perfect amount of popping boba.

Del Monte Fruit

As consumer needs have changed, Del Monte Foods has continued to deliver high-quality fruits, picked at the peak of freshness, to consumers in inventive new ways. Many of our growers are family farms that have been with us for generations. Together, we cultivate the best fruits with the essential nutrients that families and consumers crave.

Del Monte Fruit Infusions: Convenient snack with unique ingredients

As consumers strive for healthier lifestyles, it is not just meals they are looking to make healthier, but snacks too. This is why we enriched our new Del Monte Fruit Infusions with an antioxidant vitamin C to help support smart snacking. Each Fruit Infusion snack cup has unique ingredients that today's consumers love like coffee extract, acerola cherry, turmeric, elderberry extract and aloe.

In Spring 2022, the line was extended with "Happy Heart." Happy Heart contains delicious peaches and pears in cherry hibiscus flavored juice, infused with antioxidants and natural ingredients including acerola cherry and chia which are especially beneficial to a healthy lifestyle.

Joyba Bubble Tea delights consumers of all kinds — but especially those who love to try something new

Enjoy Fruit Infusions on the go, before a workout or for a quick and refreshing snack at home

Del Monte Vegetables

When it comes to weeknight meals that the whole family will enjoy, healthy eating can be challenging. Del Monte Foods' vegetable offerings make it easy for consumers to whip up a quick and delicious meal that is loaded with veggies.

Expanding frozen offerings with plant-based Veggieful Riced Veggies

Del Monte's Veggieful line of Riced Veggies provides delicious and unexpected ways to enjoy a daily serving of vegetables. Made with wholesome, non-GMO ingredients and mixed with add-ins like diced veggies, legumes and spices, this mouthwatering dish can be enjoyed alone or as the perfect complement to another main or side dish.

Veggieful line of Riced Veggies is available in a range of flavors, all packed with wholesome ingredients

New products accounted for 5.3% of total sales in USA in FY2022.

Del Monte Sustainability

As part of Del Monte Foods' purpose to grow a healthier and more hopeful tomorrow, the company has been focused on growing and producing our products using sustainable and earth-friendly practices.

Upcycled Products: A powerful way to reduce waste

Furthering our focus on reducing food waste, and in support of the company's commitment to achieve net-zero carbon emissions by 2050, Del Monte Foods is committed to identifying ways to upcycle nutritious foods within the value chain. By identifying better uses for small cuts of green beans and excess pineapple juice, we were able to launch four Upcycled Certified products last year - Farmhouse Style and Petite Cut Green Beans, which use the smaller green bean pieces, in addition to Gut Love and Boost Me Fruit Infusions, which include redirected pineapple juice. Our upcycling efforts will save approximately 600,000 pounds of green bean cuts and redirect an estimated 130,000 pounds of pineapple juice each year.

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.

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 cholesterol lowering and bone health advantage.

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 new 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.

Del Monte Fiesta with Mandarin Orange and Langka (Jackfruit)

INNOVATION IN PURSUIT OF HEALTH AND WELLNESS

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

Del Monte Fiesta in clear packaging

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
- Del Monte Fit 'n Right Juice Drinks offer personalized choices fit for young adults' fitness journey and come in 3 concepts: "Burn" that may help reduce fat, "Control" that can help control one's appetite by making one feel full longer and "Detox" that may help detoxify the body
- We launched seasonal Del Monte Juice Drink variants with delicious and healthy flavors to drive home consumption occasions. These include Melon Cucumber and Tropical Punch, and 100% Tipco Kiwi and Lychee
- We entered the fast-growing ready-to-drink milk category with Mr. Milk, a fruit- and yogurt-flavored milk drink which now carries 4 flavors: Plain, Strawberry, Green Apple and the fast-rising Mango. This launch in an affordable pack format increased category consumption for the past year
- 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.
  - 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;
  - Del Monte Vinamilk Yogurt Drink comes in strawberry and mixed fruit flavors, and is fortified with Power 10TM vitamins to help nourish even the pickiest of eaters;
  - Del Monte Vinamilk Fresh is made with 100% cow's milk with no extenders, no antibiotics and no preservatives added; and
  - Del Monte Vinamilk Tea Bliss is made with real black tea and creamy milk in a wintermelon milk tea flavor that delivers good vibes with every sip.

Innovative Del Monte Beverages including calcium-fortified Pineapple Juice

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.

Dominant market leader in tomato-based sauces, Del Monte also invested in growing beyond the core into new variants and formats:

- Del Monte Carbonara was relaunched with a new and refreshed pack design and upsized 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

Del Monte Carbonara in a bigger 400g pack

- 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

Del Monte Spaghetti, a delectable, al dente pasta

Snacking

Del Monte Philippines is a strong player in offering healthy ingredients for meal preparations, especially for lunch, dinner and even desserts. To participate in the huge snacking segment particularly Biscuits, Del Monte launched Del Monte Potato Crisp. These are delicious, crispy-thin and flavorful biscuits. Most importantly, these are baked and not fried which truly makes it a healthier snack compared to the usual chips and curls.

Del Monte Potato Crisp Biscuits deliver the crispy and flavorful goodness of eating chips, without the guilt. It is baked, not fried.

As an exciting alternative to chocolate and cream-filled cookie sandwiches that are common in the market, Del Monte launched Del Monte Fruity Munchsters, delightful cookies with fruit-flavored cream filling to make children's snacking occasions more fun and varied.

Del Monte Fruity Munchsters are delightful cookies with fruit-flavored cream filling

New products accounted for 6.5% of total sales in the Philippines in FY2022.

S&W IN ASIA

S&W is our brand platform for Asia outside of the Philippines and the Indian subcontinent, and it 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 November 2021 in China, Japan and South Korea 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.

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

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.

S&W customers using our NFC Pineapple Juice

INNOVATION IN PURSUIT OF HEALTH AND WELLNESS

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

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

With the rising global trend on healthy snacks, we are now in foodservice channels such as Quick Service Restaurants. We recently sealed a deal with McDonald's Canada. This is a big win riding on the momentum we have built over the years, following our success with KFC in the UK and McDonald's in the Middle East.

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

INDIA

Del Monte, now in its 14th year in India, continues to lead the way in offering great tasting, better-for-you Culinary and Alternate cuisine food products to its consumers.

In the past year, Del Monte has taken significant steps to improve the nutritional profile of its key products across its tomato ketchup, mayonnaise and fruit drinks portfolio. On its lead Eggless Mayo variant, we have been able to reduce the fat content by 30% with no discernible organoleptic difference as per consumers. We also reduced the sugar and salt content in our tomato ketchup by 30%, again with no difference in consumer preference versus the earlier recipe. In line with increasing consumer concerns around sugar

New Del Monte King Coconut Water, great for hydration

in packaged juices and fruit drinks, we have reduced the sugar content across our fruit drinks range by 10-15%, with a phase 2 target of 25% reduction by FY2024.

Del Monte also introduced the first King Coconut Water in the country in the first quarter of 2021. King Coconut Water is unique to the island of Sri Lanka and is known for its naturally sweeter taste. It is a low sugar, low calorie beverage that is great for hydration and will help strengthen our health and Better-For-You credentials moving forward.

The Group continues to innovate to offer health, wellness and nutrition through its shelf-stable, frozen and fresh product portfolio of trusted brands in pursuit of its vision, Nourishing Families. Enriching Lives. Every Day.

USA 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, S&W and Joyba

Today, Del Monte has

93%

CONSUMER AWARENESS

among grocery shoppers nationwide

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™**
- **Clean Eating Magazine Clean Choice Award**: Del Monte Veggieful Riced Veggies
- **#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

#1 brand in the Northeast, most developed broth market

#2 brand nationally

Canned Tomatoes

#1 Italian Tomato brand in Paste and Sauce segments

Highest household penetration of all Italian Tomato brands

#10

ON LINKEDIN'S 2022 TOP 25 COMPANIES LIST IN CONSUMER GOODS

for investing in talent and setting people up for long-term success

OUR DEL MONTE FRUIT INFUSIONS AND JOYBA BUBBLE TEA WON

2022 PRODUCT OF THE YEAR AWARD IN TWO CATEGORIES!*

99%

TOMATOES

are from the US with supply from Italy

99%

VEGETABLES

are from the US with supply from Brazil and China

70%

FRUITS

are from the US 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

681

GROWERS in USA

We support

143

FRUIT GROWERS in Mexico

Five in ten American households have a Del Monte product in their home

2022	VEGETABLES	TOMATOES	FRUITS (US)	FRUITS (MEXICO)
Tons	319,241	337,483	200,665	54,727
Growers	119	27	535	143

*Product of the Year is the world's largest consumer-voted award for product innovation, where winners are determined by the votes of 40,000 consumers in a national representative survey conducted by research partner Kantar, a global leader in consumer research

PRODUCTS

DEL MONTE IN THE UNITED STATES

DEL MONTE IN THE PHILIPPINES

PRODUCTS

S&W IN ASIA AND THE MIDDLE EAST


SPIRALI
CHIFFERI RIGATI
OLIVE POMACE OIL
EXTRA VIRGIN OLIVE OIL
SPAGHETTI


TOMATO KETCHUP
NO ONION NO GARLIC
TOMATO KETCHUP
CLASSIC BLEND
TOMATO KETCHUP
SWEET & SPICY
TOMATO KETCHUP
CLASSIC BLEND


eggless mayo
sandwich spread
achari mayo


Pineapple
Four Seasons
Green Apple
Peach
Pineapple Orange


PINEAPPLE SLICES
PEACH HALVES
PINEAPPLE TIDBITS
FRUIT COCKTAIL
SWEET CORN
CORN
BEANS
BLUEBERRIES
PRUNES
CRANBERRIES

ASIA CLAIMS TO FAME

Throughout our

96-year journey,

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

Our operations benefit about

100,000

INDIVIDUALS

LEADING MARKET POSITIONS IN ASIA

Beans
Top 2 in Hong Kong, Singapore and Indonesia

Apple Cider Vinegar
Top 2 in ASEAN

Canned Pineapple and Tropical Fruit
Top 2 in China, South Korea and Hong Kong

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

AWARDS AND RECOGNITIONS:

- DMPL's Independent Director **Dr. Emil Q. Javier** was declared a **National Scientist** by the President of the Philippines
- **14 awards** for 10 consecutive years from the Singapore Corporate Awards including **Best Managed Board**, **Best CFO**, **Best Investor Relations** and **Best Annual Report**
- **Ranked #19** in the **Singapore Governance Transparency Index** out of 519 SGX-listed companies; **3rd highest** ranked mid-cap company
- **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 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
100% Pineapple Juices with functional benefits

Tomato Sauce
#1 brand nationally
Versatile ingredient for various recipes

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

100%
of our Culinary products contain
ZERO TRANS FAT

Del Monte Kitchenomics has **3.2 MILLION** strong community on Facebook

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

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**

42%
of senior management are women

4
AVERAGE TRAINING HOURS
per employee

CARBON NEGATIVE
given plantation and forest cover

23,500
indigenous trees planted in FY2022

~28,000-hectare
PINEAPPLE PLANTATION

17%
of the Cannery's power requirement supplied by renewable energy

25,000
PATIENTS BENEFITED
from the Foundation's medical, dental and mobile missions

275
YOUTHS GRANTED SCHOLARSHIPS
to various schools in SY2021-22

AWARDS

GOVERNANCE

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. The award this year included a weighting of 40% for Sustainability for the first time and 60% for Governance. This is DMPL's 8th 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 3rd highest mid-cap company and 19th overall or Top 4% among 519 Singapore-listed companies evaluated in the Singapore Governance and Transparency Index in August 2021.

COMMERCIAL

Del Monte Foods Wins 2022 Product of the Year Award in Two Categories

Del Monte Foods, Inc. was a winner of the Product of the Year awards in the USA for the fourth straight year. The company won two awards for its newest innovations, Del Monte Fruit Infusions in the fruit snack category, and Joyba Bubble Tea in the coffee & tea category.

Product of the Year is the world's largest consumer-voted award for product innovation. Winners are determined by the votes of 40,000 consumers in a nationally representative survey conducted by research partner Kantar, a global leader in consumer research.

SIAS INVESTORS' CHOICE AWARDS
14 | 2021

Corporate governance and sustainability

Winners of the Singapore Corporate Governance Awards share how companies can prepare for the future

Receiving the Corporate Governance award is Mr. Benedict Kwek Gim Song, DMPL's Lead Independent Director. Together with him in the photo are Dr. Tony Tan Keng Yam, former President of Singapore (right), and Mr. David Gerald, SIAS President (left).

This recognition follows past wins for Veggieful Pocket Pies and Deluxe Gold Pineapple in 2021, Veggieful Veggie Bowls, Fruit Crunch Parfait, Contadina Pizzettas in 2020, Fruit & Oats in 2019 and Fruit Refreshers in 2017. As the Original Plant-Based Food Company℠, Del Monte continues to create delicious products that fit into every lifestyle and budget.

New innovations Del Monte Fruit Infusions and Joyba Bubble Tea received top honors

Clean Eating Magazine Clean Choice Award: Del Monte Veggieful Riced Veggies

Del Monte's Veggieful Riced Veggies (Garlic & Herbs) in USA was recognized in Clean Eating's 11th Annual Clean Choice Awards. The Clean Eating team tested more than 500 products to highlight the most exciting and innovative 50 offerings across 10 categories.

Riced veggies took top honors in the Savory Eats category as a clean product that helps simplify dinner.

Riced veggies recognized as a clean product that helps simplify dinner

Del Monte Philippines Wins E-Commerce Awards

1. Asia eCommerce Awards

Del Monte Philippines, Inc. bagged three awards and one finalist spot from Asia eCommerce Awards. The Asia eCommerce Awards recognizes and rewards excellence among brands, eRetailers and agencies in their e-commerce efforts across Southeast Asia, South Asia and ANZ regions. This is more meaningful amidst the challenging circumstances faced by companies and brands during the pandemic and how they utilized e-commerce well.

Del Monte Philippines bagged three awards from Asia eCommerce Awards

a. **Silver Award for Best eCommerce Campaign – B2C**
   This category recognizes the best eCommerce strategy or campaign designed to drive online business within a B2C target market.

b. **Silver Award for Best eCommerce Campaign – Social Media (Del Monte Kitchenomics)**
   This category recognizes the best social media marketing campaign demonstrating how the campaign captured shoppers' attention, engaged target audience and encouraged consumption.

c. **Bronze Award for Best in eCommerce (Marketplace / eRetailer) – Food and Beverage**
   This category recognizes Marketplace / eRetailers in the food & beverage industries who have established the best online storefront. Awards in this category will go to those who successfully expanded their business by establishing or improving an eCommerce platform and / or maximized their market share among competitors in this industry.

d. **Finalist for Best Integrated eCommerce Campaign**
   This category recognizes the best integrated campaign that was executed across multiple channels (at least 3 channels) to support the strategic approach and the results from the combined use.

2. Lazada Awards

DMPI was a nominee / Top 5 Finalist for Best in Groceries. The Lazada Awards is presented to exemplary sellers and brands who have exceeded business and operational metric targets through effective use of Lazada promo tools, marketing and campaign strategy within their specific category or segments.

DMPI was a nominee / Top 5 Finalist for Best in Groceries

AWARDS

HUMAN RESOURCES

Del Monte Foods Earns Top Score in Human Rights Campaign Foundation's 2022 Corporate Equality Index

Del Monte Foods received a score of 100 on the Human Rights Campaign Foundation's 2022 Corporate Equality Index (CEI), the United States' foremost benchmarking survey and report measuring corporate policies and practices related to LGBTQ+ workplace equality. Del Monte's efforts in satisfying all of the CEI's criteria earned it a top score and the designation as one of the Best Places to Work for LGBTQ+ Equality.

The company is committed to fostering a diverse and inclusive environment where everyone feels that they truly belong and are valued for their contributions. Del Monte Foods celebrates this important achievement with the whole Del Monte family as the company continues to advance inclusion.

Del Monte Foods earned the designation as one of the Best Places to Work for LGBTQ+ Equality

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 135+ years, Del Monte Foods, Inc. 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 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.

Walnut Creek, CA Del Monte Foods team members are proud to be Growers of Good

SUSTAINABILITY

Del Monte Foods Continues its Fight Against Food Waste with Four Upcycled-Certified Products

Furthering its focus on reducing food waste, and in support of its commitment to achieve net-zero carbon emissions by 2050, Del Monte Foods is proud to feature four products that have been Upcycled Certified™ by the Upcycled Food Association, the world's only third-party certification program for upcycled food ingredients.

Through Del Monte Gut Love and Boost Me Fruit Infusions, Del Monte Foods is re-directing approximately 130,000 pounds of pineapple juice each year, helping to provide nutritious and affordable food, while reducing greenhouse gas emissions.

Additionally, the company's Del Monte Blue Lake Petite Cut and Blue Lake Farmhouse Cut Green Bean products are 100% upcycled and sustainably grown green beans from Wisconsin and Illinois.

Upcycled small or irregular cuts of green beans

Re-directed pineapple juice

Del Monte Philippines' Pineapple Operations are Carbon Negative

Del Monte Philippines, Inc. is verified carbon negative for scopes 1, 2 and limited scope 3 (for air travel and fuel used by vehicles) for its pineapple operations. DMPI is one of few companies and probably the first in the Philippines to be verified as carbon negative. The quantification and reporting of the GHG emissions have been independently verified by British Standards Institution (BSI) against the specifications defined in ISO 14064-1:2018. The carbon negative verification is a major step to the company's commitment to net-zero emissions goal.

Receiving Del Monte Philippines' carbon negative certification from BSI are Mr. Luis Alejandro, DMPI's President and COO, and Mr. Ignacio Sison, DMPI's Chief Sustainability Officer

Other Sustainability Awards

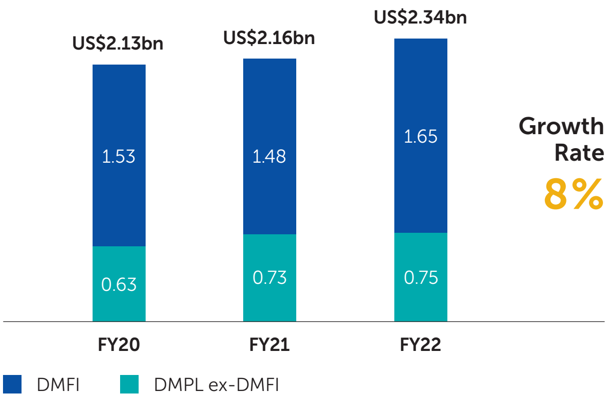
- DMPL was a finalist in the Asia Pacific Tambuli Awards 2022 in the Corporate Purpose category on Good Health and Well-Being. Companies need to demonstrate their initiatives in promoting a healthy and balanced lifestyle and quality of life for people
- Safety Seal Award from the Department of Labor and Employment Region-X affirming DMPI's compliance with the minimum public health standards set by the government. The COVID-19 prevention and control measures are strictly observed and enforced inside the company
- National Awardee for Best Family Welfare Program Implementer in the Philippines through DMPI's chairmanship of Northern Mindanao Federation of Family Welfare Committees
- Tripartite Partnership Award through DMPI's Chairmanship in Northern Mindanao Federation of Family Welfare Committees for contributing to the stability and growth of the industry and sustaining industrial peace

DMPI is a national awardee for Best Family Welfare Program Implementer in the Philippines

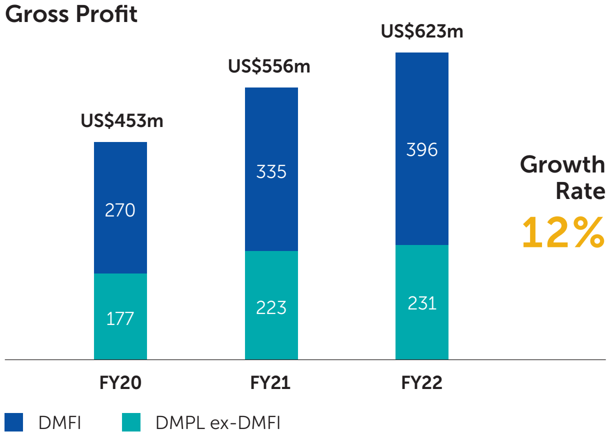
OPERATING AND FINANCIAL REVIEW

DMPL FINANCIAL PERFORMANCE

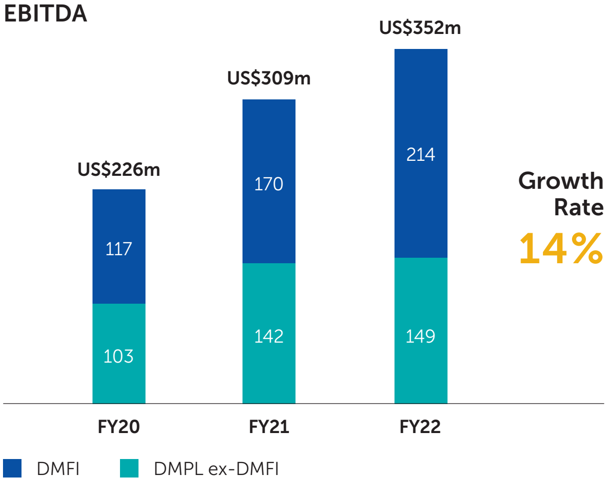
Net Sales



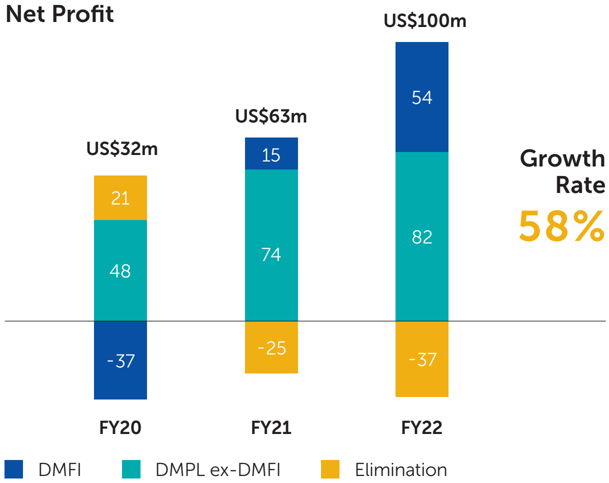
Gross Profit



EBITDA

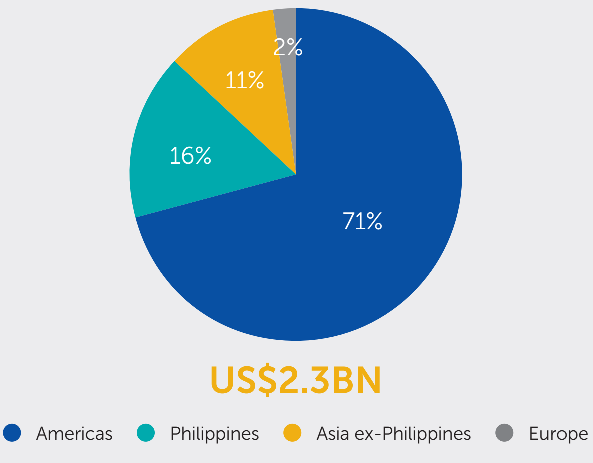


Net Profit

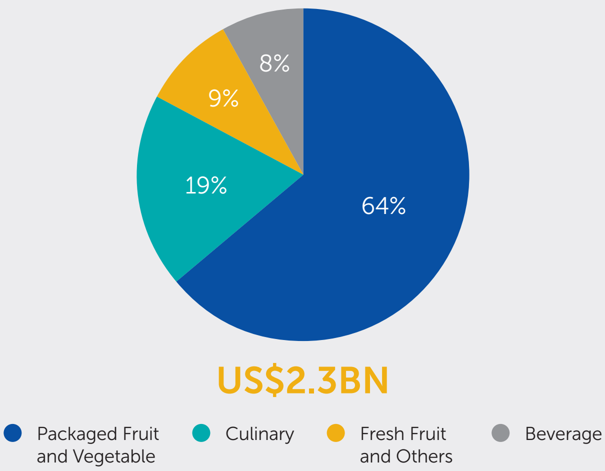


Notes: There were no one-off items in FY2021–22
The figures do not sum up to the totals due to elimination adjustments on consolidation

DMPL FY2022 SALES (BY GEOGRAPHY)



DMPL FY2022 SALES (BY PRODUCT)



SUMMARY

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

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

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

SALES

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

USA

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

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

Our exciting new products, from top to bottom – Fruit Infusions, Joyba Bubble Tea and Veggieful Riced Cauliflower

OPERATING AND FINANCIAL REVIEW

INNOVATION NOW ACCOUNTS FOR 5.3% OF SALES IN USA

New product sales reached US$90 million and contributed 5.3% to DMFI's total sales in FY2022.

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

Del Monte won Product of the Year Award again in 2022

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

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


Our frozen riced cauliflower and diced butternut squash being used in a dinner bowl with beef tenderloin

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

Market Position in Key Categories in the USA

Products	Market Position	Market Share	Change vs. prior year	Brands
Canned Vegetable	#1	22.0%	+4.6 ppts	Del Monte
Canned Fruit	#2	21.5%	+2.3 ppts	Del Monte
Fruit Cup Snacks	#2	26.5%	+1.3 ppts	Del Monte
Canned Tomato	#3	5.8%*	+0.4 ppt	Del Monte, S&W, Contadina
Broth	#2	6.5%	-0.2 ppt	College Inn

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

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

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

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

Promoting cooking with pineapple

Pasta sauce's "Del Monte's Distinct Taste" campaign

New refreshing flavors for our Juice Drinks

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

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

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

Market Leader in Various Categories in the Philippines

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

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

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

Del Monte's entry into the crème-filled cookies market

Del Monte's entry into the dairy segment through its JV with Vinamilk

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

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

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

OPERATING AND FINANCIAL REVIEW

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

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

Del Monte is in the Top 5 brands for Shopee and Lazada's major events

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

Del Monte Kitchenomics app featuring thousands of recipes

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

S&W in Asia and the Middle East

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

Sales in the fresh segment, majority of which are branded S&W, grew by 10% to US$131.1 million with strong sales in China and South Korea, largely due to expansion in tier 2 and 3 cities in China. Goodme and ChaBaiDao fruit tea shops also used S&W pineapple in their offerings.

S&W fresh pineapples sold in Coupang, South Korea's biggest e-commerce distributor

The Group's pineapples are ranked number 1 in the imported pineapple category of Pinduoduo.com while S&W fresh cut pineapple is the best-selling among fresh cut pineapple products on South Korea's largest e-commerce platform, Coupang.

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

Naturally-ripened extra sweet S&W Deluxe Premium

S&W Pineapple in Walmart China

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

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

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

With the rising global trend on healthy snacks, the Group's frozen pineapple is now in foodservice channels such as Quick Service Restaurants. The Group recently sealed a deal with McDonald's Canada. This is a big win riding on the momentum built over the years, following its success with KFC in the UK and McDonald's in the Middle East.

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

India

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

S&W Pineapple Juice in Jollibee Malaysia

Frozen pineapples sold in various countries

New Del Monte King Coconut Water, great for hydration

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

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

GROSS PROFIT AND MARGIN

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

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

EBITDA AND NET PROFIT

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

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

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

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

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

INVENTORIES

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

CAPEX

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

SENIOR NOTES ISSUANCE

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

REDEMPTION OF SERIES A-1 PREFERENCE SHARES

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

DEL MONTE FOODS REFINANCING

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

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

CASH FLOW AND DEBT

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

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

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

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

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

DIVIDENDS

In October 2021 and April 2022, respectively, the Company paid dividends to holders of the following:

- 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 Share for the six-month period from 8 April 2021 to 7 October 2021 and US$0.33125 for the six-month period from 8 October 2021 to 7 April 2022; and

- The 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 2021 to 7 October 2021 and US$0.325 for the six-month period from 8 October 2021 to 7 April 2022.

OPERATING AND FINANCIAL REVIEW

The Series A-1 Preference Shares were listed on the Philippine Stock Exchange on 7 April 2017 while the Series A-2 Preference Shares were listed on 15 December 2017. The Series A-1 were fully redeemed on 7 April 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 1.70 U.S. cents (US$0.0170) per share to Common Shareholders, a 42% increase over prior year's 1.20 U.S. cents (US$0.0120). This year's dividend represents a 33% payout of FY2022 net profit before preference dividends or 41% of net profit after preference dividends.

	For the fiscal year ended 30 April	
	2022	**2021**
Name of dividend	Final Ordinary	Final Ordinary
Type of dividend	Cash	Cash
Rate of dividend	**US$0.0170 per ordinary share**	**US$0.0120 per ordinary share**
Tax rate	Nil	Nil
Book closure date	13 July 2022	13 July 2021
Payable date	27 July 2022	27 July 2021

QUARTERLY RESULTS

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 attributable to owners of the Company	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

FY2021 Quarterly Results					
(Amounts in US$ million unless otherwise stated)	1Q	2Q	3Q	4Q	Total
Turnover	413.1	623.5	628.4	497.8	2,162.7
Gross Profit	94.1	159.7	168.9	133.2	556.0
EBITDA	42.4	94.4	99.0	73.1	309.0
Operating Profit	20.7	67.7	74.3	49.2	211.9
Net Profit attributable to owners of the Company	(3.2)	21.9	30.2	14.5	63.3
Gross Margin (%)	22.8	25.6	26.9	26.8	25.7
Operating Margin (%)	5.0	10.9	11.8	9.9	9.8
Net Margin (%)	na	3.5	4.8	2.9	2.9
EPS to common (cents)	(0.42)	0.87	1.30	0.49	2.24
Net Debt	1,240.5	1,464.8	1,325.9	1,256.3	1,256.3
Net Debt to Equity (%)	219.2	263.1	218.8	195.5	195.5
Net Debt to EBITDA (x)	5.4	5.8	4.5	4.1	4.1
Cashflow from operations	58.8	(122.8)	210.4	168.9	315.3

QUARTERLY RESULTS

FIRST QUARTER FY2022

The Group generated sales of US$462.1 million for the first quarter of FY2022, higher by 11.9% versus the prior year quarter driven by higher sales in USA across almost all major segments, higher exports of S&W fresh pineapples as well as processed pineapples and other products.

The Group's US subsidiary, Del Monte Foods, Inc. (DMFI) generated US$298.1 million or 64.5% of Group sales. DMFI's sales increased by US$29.9 million or 11.2% driven by improved volume across major categories primarily canned vegetables and fruits following improvement in supply and distribution gains. DMFI's branded retail and foodservice sales grew by a combined 17% which more than offset the decline in low-margin private label sales as planned.

DMFI continued to innovate and offer exciting products to consumers. In the Snacking area, it recently launched Del Monte Fruit Infusions and Joyba Bubble Tea. Fruit Infusions are delicious and energizing fruit cup snacks infused with antioxidants and other healthy functional ingredients. Joyba Bubble Tea is a new brand targeting Millennials and Gen Z with a line of boba shop-inspired beverages made with real brewed tea infused with vibrant fruit flavors and popping boba. In the Meals area, DMFI continued its Frozen Foods expansion with the launch of Del Monte Veggieful Riced Veggies, a line of flavorful vegetables replacing the higher calorie and carbohydrate regular rice. New products launched in the past three years contributed 4.8% to DMFI's total sales in the first quarter.

The strong sales performance in the first quarter resulted in DMFI generating a gross profit of US$77.3 million, significantly higher by 63.5% versus prior year quarter's US$47.3 million. This led to higher margin of 25.9% from 17.6% in the prior year quarter mainly driven by higher branded sales, favorable cost rate due to lower FY2021 pack costs, partially offset by freight headwinds.

DMPL ex-DMFI generated sales of US$183.4 million (inclusive of the US$19.3 million sales by DMPL to DMFI which were netted out during consolidation) which were 20.0% higher than the US$152.8 million sales in the prior year period. Higher sales were mainly driven by S&W fresh pineapples and exports of processed pineapples and packaged products.

DMPL ex-DMFI delivered a higher gross margin of 30.8% from 30.3% in the same period last year. Higher volume, lower product cost and better pricing in line with inflation led to overall margin improvement.

In the Philippines, sales rose 2.3% in US dollar terms but declined by 1.8% in peso terms. The strong growth behind packaged fruit, tomato sauce and spaghetti sauce in both retail and foodservice was offset by a slowdown in beverage coming off an exceptional quarter in the previous year. However, compared to the first quarter two years ago, sales in the Philippines grew by 24.5% in US dollar terms. Growth was delivered by continued promotions of Del Monte products in everyday meal recipes for pineapples and tomato sauce, as well as new simple desserts with mixed fruits. Spaghetti sauce continues to grow behind its superiority campaign "Iba ang Sarap Del Monte" (Del Monte's Distinct Taste), and focus behind its special Carbonara sauce now available in a larger family-sized pack. Three new Asian flavors - Green Curry, Red Curry and Teriyaki Marinade – were introduced by Del Monte Quick 'n Easy, bringing international flavors into consumers' homes. New products launched in the last fiscal year, Mr. Milk, a fruit and yogurt-flavored milk drink, and Potato Crisp Biscuits, also provided incremental revenue. Sales from adjacent categories of dairy and snacking contributed 2.7% to total Philippine sales in the first quarter.

Sales of S&W branded business increased by 20.0% in the first quarter mainly coming from higher sales of fresh pineapples in China and South Korea. Fresh pineapple continued its recovery from the first quarter last year which was impacted by the pandemic in China. It achieved strong sales in the current quarter on the back of expanded distribution coverage with 747 new stores for the company's top three distributors in China. 3,000 Goodme and 1,000 ChaBaiDao fruit tea shops also used S&W pineapple in their offerings. S&W fresh cut pineapple was also the best-selling among fresh cut pineapple products on South Korea's largest e-commerce platform, Coupang.

DMPL's share in the FieldFresh joint venture in India was a US$0.7 million loss, unchanged from prior year quarter share in losses of US$0.7 million, as business continued to recover driven by focus on retail including e-commerce partly offset by declines in culinary category as last year was characterized by heavy pantry loading at the onset of the pandemic in India.

DMFI delivered an EBITDA of US$37.5 million, significantly up by 259.3% versus the US$10.4 million in the prior year quarter due to higher gross profit as explained above, and lower general administrative expenses. DMFI generated a net profit of US$4.8 million, reversing the loss of US$14.3 million in the prior year quarter.

The Group's second largest subsidiary, DMPI, achieved sales of US$176.0 million, up 19.6% versus the prior year period, and generated a net profit of US$25.6 million, up 36.9%. DMPI benefited from the reduced corporate tax rate of 25% with the passage of the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) in March 2021. More than half of DMPI's sales are in the Philippines, with the balance in the international market and others.

DMPL ex-DMFI generated an EBITDA of US$37.8 million higher by 20.2% and a net profit of US$20.6 million that was significantly higher by 45.3% versus the US$14.2 million in the same quarter last year driven by higher margins as discussed above.

The Group generated an EBITDA of US$75.0 million which was higher versus prior year's US$42.4 million and a net income of US$18.3 million, a turnaround versus prior year quarter's net loss of US$3.2 million, mainly driven by strong performance from DMPL ex-DMFI and the significant turnaround in DMFI's operating results.

The Group notably reduced its net debt/adjusted EBITDA to 3.8x from 5.4x last year and gearing improved to 2.1x from 2.2x due to increased shareholder's equity attributed to earnings.

The Group's cash flow from operations in the first quarter was US$48.5 million, lower than last year's US$58.8 million mainly due to higher inventories and trade and other receivables.

SECOND QUARTER FY2022

The Group generated sales of US$651.0 million for the second quarter of FY2022, higher by 4.4% versus the prior year quarter driven by higher sales in USA across almost all major segments, higher exports of S&W fresh pineapples as well as processed pineapples and other products.

DMFI generated US$477.5 million or 73.3% of Group sales. DMFI's sales increased by US$30.7 million or 6.9% from continued robust performance of its core branded segments attributed to supply and distribution gains and shipments in preparation for holiday promotional activity. The foodservice business also grew significantly although on a small base as the economy reopened in the US with a majority of the population vaccinated.

New products launched in the past three years contributed 5.3% to DMFI's total sales in the second quarter. DMFI launched new items across center store categories including vegetables, tomato and broth in the second quarter. In addition, DMFI continued to expand distribution and build trial on items launched in the first quarter and prior year including Joyba Bubble Tea beverages, Del Monte frozen Veggieful Pocket Pies and frozen Veggieful Riced Vegetables, Del Monte refrigerated Fruit Infusions Snack Cups and Del Monte Deluxe Gold Pineapple.

The strong sales performance in the second quarter resulted in DMFI generating a gross profit of US$119.1 million, higher by 17.0% versus prior year quarter's US$101.8 million. This led to higher margin of 24.9% from 22.8% in the prior year quarter mainly driven by higher branded sales and selective price increases across channels to offset inflation.

DMPL ex-DMFI generated sales of US$190.2 million (inclusive of the US$16.5 million sales by DMPL to DMFI which were netted out during consolidation) which were 2.7% higher than the US$185.3 million sales in the prior year quarter. Higher sales were mainly driven by higher exports of processed pineapples and other packaged products and the S&W branded business across Asia.

DMPL ex-DMFI delivered a higher gross margin of 32.1% from 31.4% in the same period last year driven by abovementioned factors as well as price increases taken across all businesses in line with inflation.

In the Philippines, sales were lower by 5.8% in US dollar terms and 2.5% in peso terms, coming off a high base brought about by the pandemic. Growth behind packaged fruit and new products was offset by a reduction in the culinary and beverage categories. The Company continued to support key brands to drive regular consumption behind health (e.g. 100% Pineapple Juice for immunity) or culinary enjoyment (e.g. Everyday Sauce Special with Del Monte Tomato Sauce), as well as transitioning foundational improvements in the distribution network. New products launched in the past three years contributed 8.9% to total Philippine market sales in the second quarter. The foodservice channel has begun its recovery from the pandemic-induced horeca closures, expanding by 32.7% in the second quarter, but yet to fully recover to pre-pandemic levels, down 29.7% versus two years ago.

DMPI's strategic joint venture with Vietnam Dairy Products JSC (Vinamilk), a leading regional dairy company, launched new products following the announcement last August and generated incremental revenue. These include Del Monte-Vinamilk Fresh Milk, Del Monte-Vinamilk IQ Smart Flavored Milk, Del Monte-Vinamilk YoGurt Drink and Del Monte-Vinamilk Tea Bliss Milk Tea. The new products are co-branded, leveraging the trust in the Del Monte brand among Filipino consumers as well as DMPI's strength in marketing and distribution, combined with Vinamilk's expertise in dairy manufacturing and technology. The JV presents a growth opportunity as Del Monte expands into a new category with products consumed in Filipino households on a daily basis.

Sales of S&W packaged pineapple products increased significantly by 58.4% in the second quarter versus prior year quarter due to higher sales in North Asia and Middle East. Sales of fresh pineapples, the majority of which are branded S&W, declined by 17.2% in the second quarter mainly from lower supply attributed to timing of harvest. We expect this to be limited to second quarter only. S&W pineapples sold in China benefitted from expanded distribution coverage with 1,500 new stores for the Company's top three distributors in China. The Company expects improvement in the second half as it continues to expand into Tier 2-3 cities in China coupled with sustained strong support of distributors.

DMPL's share in the FieldFresh joint venture in India was unfavorable at US$0.5 million loss from a US$0.2 million loss in the prior year period as recovery in B2B business and surge in e-commerce sales were offset by the decline in fresh sales. Margins also continued to be under pressure due to inflationary trends.

DMFI delivered an EBITDA of US$70.8 million, significantly higher by 22.6% versus the US$57.7 million in the prior year quarter due to higher gross profit as explained above, lower marketing spend and administrative expenses partly offset by logistics headwinds. DMFI generated a net profit of US$22.7 million, 150.6% higher versus the net profit of US$9.1 million in the prior year quarter.

DMPL ex-DMFI generated an EBITDA of US$38.9 million, higher by 5.5% and a net profit of US$21.4 million, higher by 11.1% versus the US$19.3 million in the same quarter last year driven by higher margins as discussed above and lower taxes for DMPI.

The Group generated an EBITDA of US$107.4 million which was higher versus prior year's US$94.4 million and a net profit of US$35.8 million, 63.8% higher than prior year's net profit of US$21.9 million, driven by the strong operating performance of DMFI.

The Group's net operating cash outflow in the second quarter was US$144.3 million, higher than last year's net operating cash outflow of US$122.8 million mainly from build-up of inventories in preparation for the peak season partly offset by higher operating profit and increase in trade and other payables. Cash flows are expected to improve in the seasonally stronger second semester with peak sales around Thanksgiving and Christmas, as well as Easter in the last quarter ending April.

THIRD QUARTER FY2022

The Group generated sales of US$659.4 million for the third quarter of FY2022, higher by 4.9% versus the prior year quarter driven by higher sales in USA across almost all major categories, and higher exports of S&W branded premium fresh pineapples.

DMFI generated US$468.4 million or 71.0% of Group sales. DMFI's sales increased by US$28.4 million or 6.5% due to higher sales from branded retail primarily core canned vegetable and fruit which more than offset the planned reduction in private label sales. Sales from the foodservice channel grew significantly as the business continues to recover behind strong fruit sales in support of re-opening of schools and restaurants.

DMFI won the "Product of the Year" award for the fourth straight year. Product of the Year is the world's largest consumer-voted award. Winners were determined by the votes of 40,000 consumers in a national survey conducted by Kantar, a global leader in consumer research. DMFI won two awards for

Del Monte Fruit Infusions in the fruit snack category and Joyba Bubble Tea in the coffee and tea category. These latest wins build on past recognition for Del Monte Deluxe Gold Pineapple and Del Monte Veggieful Pocket Pies (2021) Del Monte Veggie Bowls, Fruit Crunch Parfait and Pizzettas (2020), Fruit & Oats (2019), and Fruit Refreshers (2017).

New products launched in the past three years contributed 5.8% to DMFI's total sales in the third quarter.

DMFI generated a gross profit of US$97.7 million, lower by 9.1% versus prior year quarter's US$107.5 million. Gross margin decreased to 20.9% from 24.4% in the prior year quarter as higher manufacturing cost driven by commodity headwinds, weather-related events and freight headwinds particularly ocean freight on co-pack products more than offset benefit from increase in sales.

DMPL ex-DMFI generated sales of US$202.5 million (inclusive of the US$11.2 million sales by DMPL to DMFI which were netted out during consolidation) were higher than the US$200.6 million sales in the prior year quarter. Higher sales were mainly driven by higher exports of S&W branded fresh pineapples to North Asia.

DMPL ex-DMFI delivered a higher gross margin of 32.5% from 31.6% in the same period last year driven by above factors, price increases taken across all product categories in line with inflation and efficiencies across supply chain.

In the Philippines, sales rose 4.2% in peso terms despite a higher base a year ago driven by the pandemic. Some growth was seen across almost all categories despite continued lockdown and lower foot traffic due to the pandemic. The beverage segment grew by 6.9% during the quarter, while innovations delivered a 36% growth. In addition, sales from the foodservice channel increased steadily by 11.4% as hotels and restaurant businesses recover from the pandemic-induced horeca closures, but yet to fully recover to pre-pandemic levels, down 10.3% versus two years ago. However, total sales declined marginally by 0.7% in US dollar terms to US$117.3 million from US$118.1 million in prior year quarter due to a weaker peso.

New products launched in the past three years contributed 4.7% to total Philippine market sales in the third quarter. These include pipelining of dairy products that we have launched with Vietnam Dairy Products JSC (Vinamilk) in September 2021.

Sales of S&W branded business increased by 11.2% mainly driven by higher sales of fresh pineapples in North Asia and Singapore. S&W pineapples sold in China benefitted from expanded distribution coverage in tier two and three cities by the Company's distributors.

DMPL's share in the FieldFresh joint venture in India was unfavorable at US$0.5 million loss from a US$0.1 million loss in the prior year period as growth in processed business was offset by the decline in fresh sales. Margins also continued to be under pressure due to inflationary trends.

DMFI delivered an EBITDA of US$47.6 million and a net profit of US$7.7 million, lower versus the EBITDA of US$61.2 million and net profit of US$15.8 million in the prior year quarter due to lower gross profit as explained above, partly offset by lower administrative expenses.

DMPL ex-DMFI generated an EBITDA of US$43.8 million, higher by 10.0% and a net profit of US$26.0 million, higher by 9.5% versus the US$23.7 million in the same quarter last year driven by favorable operating results from international markets both from exports of S&W branded fresh pineapples, and processed pineapples and other products.

The Group generated an EBITDA of US$91.0 million which was lower versus prior year's US$99.0 million and a net profit of US$25.9 million, 14.0% lower than prior year's net profit of US$30.2 million driven by DMFI as discussed above.

In December 2021, DMPL successfully issued new 3-year unrated Senior Notes amounting to US$90.0 million due 2024 with a 3.75% fixed coupon rate payable semi-annually. The proceeds from the bonds are intended to refinance certain indebtedness including redemption of the Company's preferred shares in April 2022. The transaction marks DMPL's inaugural issuance in the international debt capital markets, establishing a new source of funding.

The Group's net operating cash inflow in the third quarter was US$173.1 million, lower than last year's net operating cash inflow of US$210.4 million mainly from lower trade payables and higher

QUARTERLY RESULTS

inventory buildup during FY2022 pack to support growth and also due to increased costs from inflationary trends.

FOURTH QUARTER FY2022

The Group generated sales of US$569.5 million for the fourth quarter of FY2022, higher by 14.4% versus the prior year quarter driven by strong sales growth across major segments in the USA, and higher exports of S&W branded premium fresh pineapples. Of the 14.4% growth, volume/mix accounted for 8.2% whereas pricing, net of forex, was 6.2%.

DMFI generated US$411.0 million or about 72% of Group sales. DMFI's sales significantly improved by US$82.8 million or 25.2% higher on strong branded retail sales driven by canned vegetable and fruit volume growing double digit, led by increased product supply and merchandising support for the Easter holiday. Del Monte canned vegetable, which had the highest contribution to branded retail sales, saw a 4ppt increase in market share on the back of strong commercial execution, increased distribution of core products, and new product expansion, all supported by superior supply chain service. Canned fruit, canned tomato and fruit cup snacks also achieved higher shares.

DMFI continues to pursue its innovation efforts and expand on new product offerings in the recent years. New products launched in the past three years contributed 5.3% to DMFI's total sales in the fourth quarter.

The strong sales performance in the fourth quarter resulted in DMFI generating a gross profit of US$102.1 million, higher by 29.9% versus prior year quarter of US$78.6 million. Gross margin increased to 24.8% from 23.9% driven by higher branded sales and retail price increases implemented to counter cost inflation from higher input prices of raw materials and packaging as well as freight headwinds.

DMPL ex-DMFI generated sales of US$175.8 million (inclusive of the US$16.9 million sales by DMPL to DMFI which were netted out during consolidation) which were 7.2% lower than the US$189.3 million sales in the prior year quarter. Lower sales were mainly driven by lower volume from the Philippines, lower export of S&W packaged pineapple and other products partly offset by higher exports of S&W branded fresh pineapple to China and South Korea.

DMPL ex-DMFI delivered a lower gross margin of 27.0% from 29.0% as improvements in pricing could not completely offset higher product cost brought about by the surge in cost of tin plates, fuel, sugar and other imported materials, among others.

In the Philippines, sales declined by 7.3% in peso terms to US$68.3 million mainly on lower sales of Mixed Fruit and Spaghetti Sauce with increased activity from competition. Packaged fruit and spaghetti sauce category consumption was down due to shifting consumer priorities in the face of food inflation. Despite volume decline, Del Monte's market share of packaged fruit increased from sustained marketing programs. However, spaghetti sauce lost share from low-priced brands. Sales of 100% pineapple juice declined as some consumers shifted to multi-flavored juice drinks, growing by 53.8%. In addition, foodservice sales rose 13.9% as consumers dined out more. All major retailers did continue to experience slowdown in 1Q of calendar year 2022 with lower shopper traffic in January and February due to lockdowns implemented to avoid further spread of COVID-19.

New products launched in the past three years contributed 8.9% to total Philippine market sales in the fourth quarter. These include dairy products that we have launched with Vietnam Dairy Products JSC (Vinamilk) in September 2021.

Sales of the S&W branded business in Asia grew on the back of strong sales of the premium fresh pineapple segment in China and South Korea. In China, sales benefitted from expanded distribution coverage from existing distributors, plus new distributors which have supported the continued expansion into tier 2 and 3 cities. The Company launched the extra sweet S&W Deluxe Premium in China, Japan and South Korea in the earlier quarter with sustained favorable market feedback. This premium fresh variety is gaining traction in China's retail segment. The Company also started supplying 100% pineapple juice to Jollibee Malaysia, supporting their key outlet with an S&W-labelled juice dispenser.

DMPL's share in the Del Monte Foods (previously named FieldFresh) joint venture in India was a loss of US$1.5 million during the quarter. No loss was recorded during the prior year quarter. The joint venture loss this quarter included one-off costs related to the closure of the low-margin fresh business.

DMFI delivered an EBITDA of US$57.8 million, 40.3% higher versus prior year's US$41.2 million. Net profit quadrupled to US$19.0 million from US$4.6 million due to the higher gross profit as explained above as well as lower administrative expenses.

DMPL ex-DMFI generated an EBITDA of US$27.7 million, lower by 17.4% and a net profit of US$13.0 million, lower by 21.1% versus the US$16.4 million in the same quarter last year driven by lower gross profit as discussed above and higher freight cost partly offset by lower administrative cost.

The Group generated an EBITDA of US$78.2 million which was higher versus the US$73.1 million in prior year quarter and a net profit of US$20.0 million, 37.8% higher than prior year's US$14.5 million driven by DMFI as discussed above.

DMPL redeemed US$200 million of its DMPA1 Preference Shares in April 2022 which had a dividend rate of 6.625% p.a. This was refinanced by a combination of fixed rate Senior Notes at 3.75% p.a. and floating rate loans with a much lower current average rate of 3.8% p.a.

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 Term Loan B's much lower interest rate will result in about US$20-30 million of pre-tax interest savings per year. The total one-off pre-tax transaction costs amount to about US$70 million which includes redemption and other fees, and a non-cash write-off of deferred financing cost in relation to the Notes. These one-off costs will be booked in FY2023.

The Group's net operating cash inflow in the fourth quarter was US$203.4 million, higher than last year's net operating cash inflow of US$168.9 million mainly from higher sales of DMFI which lowered inventory as well as higher trade payables.

BUSINESS OUTLOOK

DMPL's growth in FY2022 was no small feat amidst the ongoing challenges of a pandemic and high global inflation. Through our trusted portfolio of quality products, strategic pricing actions and increasing efficiencies across our business, we successfully navigated these unprecedented challenges and demonstrated our resilience.

True to our vision, "Nourishing Families. Enriching Lives. Every Day.", we will continue to improve and expand our offering of high-quality products, and making these more readily available to consumers through traditional and digital channels including e-commerce, and through more convenient formats. Del Monte's strong brand equity and loyal following allows it to capitalize on growth opportunities in new, differentiated products in adjacent categories. We will also focus on business segments which are on trend, pursue innovation for more convenient, healthy and flavorful solutions. In the international market, we will continue to unlock market opportunities in key markets while further penetrating underserved markets. The Group aims to strengthen its market leadership domestically and internationally with these initiatives.

The road ahead still holds many challenges. Amidst a high-cost environment, DMPL remains vigilant in managing its costs and laser-focused in its revenue-enhancement with an improved sales mix, higher new product contribution and diversified channels to expand the Group's brand footprint. Barring unforeseen circumstances, the Group expects to generate higher net profit (before one-off redemption expenses) in FY2023.

These one-off expenses amount to about US$70 million (of which US$26 million is non-cash) and will be booked in FY2023.

USA

We believe we have laid down a strong foundation for growth with our product portfolio that is on-point with consumer behavior. We have also expanded across multi-channel white space including convenience stores, drugstores, club stores, discount stores, frozen and perimeter of stores and e-commerce. The innovation pipeline remains robust and there will be new products and new brands in tiered portfolio. Strategic pricing for FY2023 was already executed on 1 June, effective 1 September 2022.

Cost management is in its fourth year of ongoing improvements. Asset-light strategy continues in warehousing and logistics with consolidation of distribution centers in FY2023 delivering savings. Direct labelling is driving more efficient deployment reducing warehousing needs. There is also increased use of rail instead of trucks to save on fuel cost. There will be increased automation, lower maintenance costs and increased plant efficiency.

We expect higher profit before the one-off redemption fees as DMFI drives both sales expansion and proactive cost management.

ASIA

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

S&W, both packaged and fresh, 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.

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 stance and strengthening equity behind the premium line-up.

We will continue to build momentum in the convenience cooking and desserts category in the Philippines, capitalizing on trends highlighting the need for health and wellness and continued home cooking. In the healthy beverages and snacks category, we will further develop the new dairy and biscuits segments which we entered two years ago by building distribution and increasing awareness of these new products.

The Group will continue to drive increased consumption frequency among a wider base of consumers through expanded trade availability and 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, neighbourhood stores. We will expand our high-growth e-commerce channel leveraging third-party partnerships and the Kitchenomics ecosystem with over 3 million consumer base. Marketing, including digital communications, will continue to highlight health and wellness as well as meal planning and preparation, aside from product quality and taste, in order to sustain growth.

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 newly launched more premium fresh pineapple, S&W Deluxe Premium, in China, Japan and South Korea is expected to gain more traction. This variety 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 Japan and South Korea, where we are among the top three exporters, while also increasing e-commerce sales.

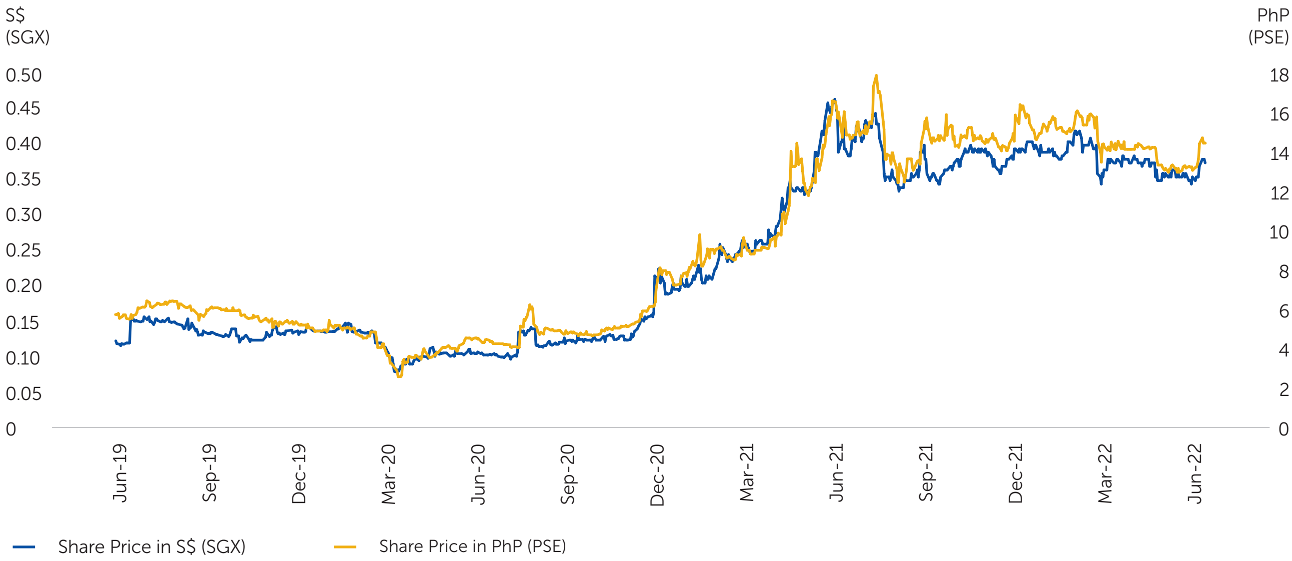
We will further grow value-added pineapple offerings such as Nice Fruit frozen pineapple sticks and Not From Concentrate pineapple juice. Prospects for frozen pineapple sticks are promising as fast food chains and convenience stores start to offer this product as a healthier dessert or snack alternative.

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 on e-commerce. This trend is expected to continue with broader and deeper reach in retail, sustained focus on e-commerce 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 30 June 2022	2021	2020	2019	up to 30 June 2022	2021	2020	2019
Low	0.345	0.194	0.067	0.116	13.00	7.26	2.50	4.82
High	0.420	0.465	0.225	0.157	16.16	17.98	8.10	6.85
End of period	0.375	0.405	0.196	0.137	14.50	15.52	7.21	4.85
Average	0.378	0.338	0.114	0.137	14.47	12.82	4.72	5.91

*Calendar Year basis

CALENDAR FOR FY2023 (MAY 2022 - APRIL 2023)

26 Aug 2022	FY2022 Annual General Meeting
8 Sep 2022	1Q FY2023 results announcement
8 Dec 2022	2Q FY2023 results announcement
9 Mar 2023	3Q FY2023 results announcement
22 Jun 2023	4Q FY2023 results announcement

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

Del Monte Pacific's virtual AGM

RISK MANAGEMENT

RISK MANAGEMENT

The Del Monte Pacific Group 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 performance and reputation.

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.

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' interest 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 action to mitigate the risks based on objectives, goals, strategies and measures, management responsible, 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 resilience.

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 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	The Del Monte Pacific Group's subsidiaries are experiencing cost increases on raw materials, packaging and other inputs, including tin plate, fuel and labor. Inflation, geo-political conflict, the pandemic and supply chain challenges put pressure on the company's margins.	• 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 focusing on fruits • 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 by 3% year-on-year • Fast-track base weight reduction through down gauge and downsize, and carton optimization • Minimize increases in overhead spending
Workforce Management – Labor Shortage	In the U.S., seasonal labor is scarce and the minimum wage is high, especially in California and Washington State. Capabilities and skills need to be sustainable. Wages including overtime and training cost increases need to be addressed. Challenges abound in locating, retraining and managing seasonal labor.	• Implement people strategy in the supply chain to address recruitment, retention, training and development, and identify areas to minimize reliance on seasonal workforce • Ensure labor availability during pack season by improving the workforce plan and measure achievement by monitoring seasonal labor metrics • Shift to year-round labor and centers of excellence to minimize overall labor • Address cost inefficiencies through labor contract negotiation and management, and improve Human Resources systems to monitor costs and compliance • Ensure labor standards and processes are at par with competitors to address inefficiencies and waste • Automate work processes to reduce dependence on seasonal labor • Roll out standardized work and visual factory methodologies to reduce inconsistencies

Principal Risk	Specific Risk We Face	Mitigation
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 • Optimize transportation rates through third parties • Maximize rail transportation to realize savings • Monitor inventory issues on quality, aging, slow moving and damaged products regularly to proactively provide solutions through the Waste Task Force • Conduct regular contract review to seek cost saving opportunities and assess creative ways to ensure labor availability during the pack season • Put in place a process with clear performance expectations and targets, and benchmarking per plant
Market Trends and Commercial Excellence	The Group's results depend highly on the performance of our products in the categories where we compete. Inability to meet the plan may result to impairment of goodwill and the Group's ability to fund operations, manage obligations, and maintain its reputation. Volume loss due to price increases, reduced promotional and marketing activities, category growth assumptions, acceptance of new products, private labels, customer service and execution are market challenges the Group needs to hurdle to deliver the objectives. Consumer 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. Trade promotion activity is still significant and requires proactive monitoring and analysis.	• Monitor and manage price gaps • Increase trade funding to reinstate price gaps by monitoring competitive price points • Adjust customer price brackets to cover transportation cost based on weight and semi-annual analysis • Enhance sales processes to improve forecasting and a new profit mindset to increase gross margin • Enhance relevance of existing portfolio and brands through consumer communication and marketing strategy • Identify categories and products that perform well • Improve new products forecast accuracy from added knowledge from customers, velocities and marketing support needed • Implement brand rationalization 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 • Implement a quarterly customer business review with executive management to address challenges • Minimize customer service issues • Monitor market trends and vaccine distribution leading to reopening of schools, offices and food service businesses • Drive distribution in new channels • Build Latin America customer base by expanding distribution to all channels and countries, and improve profitability

RISK MANAGEMENT

<table>
<tr><th>Principal Risk</th><th>Specific Risk We Face</th><th>Mitigation</th></tr>
<tr><td>Effective Systems and Automation</td><td>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.</td><td>• 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
• 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 with harmonized business processes and integrated with SAP
– Procurement report analysis
– One planning solution for sales and promotion planning, supply and demand planning
– Toll manufacturing process
– Production grower payments
– Quality documents
– Maintenance management
– Digital asset management upgrade
• SAP 2.0 implementation to address key activities within the Supply Chain:
– Improve fill rate between plants and distribution centers, reduce supply chain cost and manual effort in deployment
– Establish new supply chain metrics on safety stocks, reorder points and logistics
– Reduce inventory costs and waste
– Synchronize planning between production and supply planning
– Enable asset light business strategy
• The Group develops and implements the following measures to counter and eliminate cyberattacks from outside sources:
– Use of software protection across all Del Monte regions
– Implement a dedicated Security Incident Monitoring and Operations group to address and monitor malicious activities identified by our system and vulnerability scans
– Security Information and Event monitoring
– Enhance firewalls at every site to protect traffic logs which are sent to our system for monitoring
• Routine employee Security and Privacy training</td></tr>
<tr><td>Talent and Culture</td><td>The Group's capability to recruit and retain diverse talents have an impact on the execution of the strategic plan and critical in enhancing organization success.

Organizational changes can cause employee fatigue, increase workload and job uncertainty.</td><td>• Recruit and retain talents who can execute corporate strategies:
– Rally behind the New Employee Value Proposition through all internal and external channels
– Rebrand DMFI Careers Website as well as Talent Network to generate candidate pipelines
– Improve recruitment and retention metrics
• Continue the positive momentum on corporate inclusion and diversity
• Assess the risk of the global Great Resignation phenomenon to the Group
• New employee onboarding and training and development programs.</td></tr>
</table>

Principal Risk	Specific Risk We Face	Mitigation
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. Below plan pineapple tonnage brought about by climate change, pests and plant disease may affect our ability to meet our targets.	• Improve supply planning capability to match demand • Reduce promotional spend and increase weeks supply to targeted levels • Pack early season green bean products • Supplement fresh pack supplies of certain vegetables with Individually Quick Frozen (IQF) – peas, peas and carrots, cream corn and whole kernel corn • Develop alternate raw product sourcing and implement a global sourcing strategy • Extend the growing season to improve plant capacity and utilization • Identify alert fields • Intensify soil conservation measures • Convert the plantation to 50% big planting materials in five years • Sustain better root health thru better pest and plant disease management • Install grubs traps and fast-track alternative safe chemicals to control pest and disease
Effective Third Party Risk Management	DMFI has strategic relationships with a number of key third parties. The frequency and scale of use 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. Current 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 to seek cost savings • 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
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 may be inconsistent and/or not optimized. This could lead to poor business decisions on cost, regulatory compliance and business interruptions.	• Effective and energized leaders were put in place in Sales, Operations, Information Technology, 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 • Use Information Technology and SAP functionality to drive process improvements • Reduce variations through a revised packaging strategy and assessment to eliminate complexity and waste

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, especially amid the coronavirus pandemic, change in business strategy or development plans, international business operations, production efficiencies, input costs and availability, disruption of logistics and transportation facilities, litigious counterparties, insurgent activities 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, especially in relation to the pandemic, 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 • 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 natural calamities or climate change 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 and has implemented programs and initiatives to mitigate the effects of climate change • The Group has Good Agricultural Practices certifications and complies with agricultural standards • Execute soil conservation initiatives and work on achieving Rainforest Alliance certification • Increase renewable energy sources by implementing solar power • Develop a strategic plan to address possible changes in regulations on sustainable packaging • Implement phase-out program for hazardous materials through replacement with alternative 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 • Monitor and reduce carbon emissions
Innovation	The Group's branded business in the US, the Philippines and the Indian subcontinent through the 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
COVID-19 Pandemic	The coronavirus pandemic could affect our business and results of operations. The Group may experience volatility in demand for and supply of our products due to pantry-loading, supply chain challenges, lockdown restrictions, closing of businesses and unemployment, among others. The pandemic poses a risk to our employees' health and well-being and may reduce employee productivity due to illness, government restrictions, lack of reliable internet access and public transport.	• Capitalize on the Group's offering of health, wellness and nutrition, and long-shelf life culinary products suitable for home consumption as consumers stay at home and prepare more meals and snacks • Leverage improved momentum of new products catering to health and wellness • Leverage the trust in the Group brands' reputation for safety and reliability to sustain demand • Marketing, including digital campaigns, highlighting the functional health benefits of the Group's products • Foodservice take-out business apart from dine-in • Increase sales in e-commerce channel and direct to customer deliveries • Implement safeguards and protocols to minimize operational disruption, while adhering to government regulations on health and safety: – Implement guidelines of global and national health agencies, including the Department of Health, Department of Labor and Employment and Inter-Agency Task Force to protect our employees – Increase the Company's booster vaccination roll-out – Use personal protective equipment such as face masks and sanitizers provided by the company to employees; conduct temperature checks, maintain physical distancing, disinfect facilities, encourage frequent hand washing and other safety protocols – Partner with third party medical providers to test if employees are infected – Provide work-from-home arrangement based on mandated quarantine levels with technology support allowing employees to have continuous access to the ERP network, various applications, emails, files and other necessary information – Leverage the use of videoconferencing technology

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
- 2021 Singapore Corporate Governance Award

Nurturing Employees
- 42% women leaders in senior management
- 5,900 full-time employees

Preserving nature
- Pineapple operations certified as carbon negative
- 630k trees planted to date

Developing communities
- 25K availed of the medical and dental service
- 500k people nourished during the pandemic

OUR PERFORMANCE

Consumers

Product Quality and Safety	100	percent of DMPL-owned facilities with quality certifications
Health and Nutrition	100	percent of vegetable products sold in the US with positive nutrients
Product Innovation	9	SKUs awarded product of the year in four consecutive years*
Traceability	4	maximum number of hours to trace their product origin**

Employees

Freedom of Association	76	percent of the Group's employees are part of labor unions
Diversity	42	percent of senior management are women
Occupational Health and Safety	17	percent reduction in the Group's total injuries
Talent Management	4	average training hours per employee of the Group

Communities

Medical and Dental Missions	25,000	availed of the services of the mobile medical and dental missions
Community Health and Wellness	18,000	patients served by the Phillips Memorial Hospital annually
Community Assistance	1,100	organizations nourished by DMPI's products during the pandemic
ZEP2030	500	indigent families uplifted

Nature

Environment	630,000	indigenous and commercial trees planted by DMPI and partner organization
Carbon Footprint	548,000	$MTCO_2eq$ net sequestration of DMPI's pineapple operations
Energy and GHG Emissions	17	percent of the cannery's power sourced from renewable energy
Waste Management	10	percent usage reduction of rigid plastic packaging materials
Water Management	3	percent better than target water use ratio of the Group's manufacturing facilities

Governance

ASEAN Corporate Governance Scorecard	23	ranking out of 100 Singapore-listed companies in 2018
Singapore Governance Transparency Index	19	ranking out of 519 SGX-listed companies in 2021
Singapore Corporate Awards	14	SCA awards across four categories since 2010
Securities Investors Association Singapore	8	SIAS awards across three types of recognition since 2001

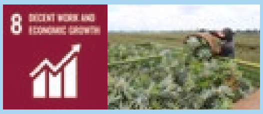
Growth

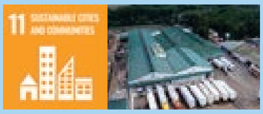
Economic Impact	100,000	individuals directly and indirectly depend on DMPI
Growers	824	total number of Del Monte growers in the US and Mexico
Suppliers	60	percent of DMPI's suppliers are small and medium enterprises
Group Revenue	2.3	billion DMPL Group revenue in USD

Footnotes:
* Winners determined by the votes of 40,000 consumers in a national survey conducted by Kantar, a global leader in consumer research
** Based on Brand Reputation Compliance Global Standards (BRCGS)

DMPL'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

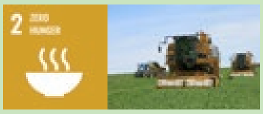
Sustaining growth

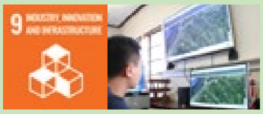


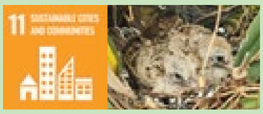


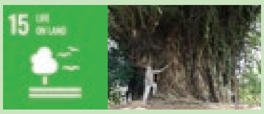
Strengthening governance

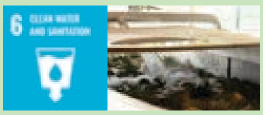
Preserving nature











Nourishing consumers

Nurturing employees

Developing communities

DMPL'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

Members of the United Nations pledged to implement 17 Sustainable Development Goals (SDGs) from 2015 to 2030 to end poverty by promoting prosperity while sustaining the planet and its people. The SDGs include environmental, social and economic goals.

We have aligned DMPL's Sustainability Pillars with the SDGs based on our material priorities. We benchmarked our initiatives with peer companies and best practices of other industries. We partnered with various institutions to uplift people's lives, protect the environment and build a sustainable future.

UN SDGs	Description	DMPL's Position	Contribution to the SDGs	Linked to
	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 **25,000** employees and service provider workers in Del Monte Philippines, Inc. (DMPI) are paid the minimum wage or higher • 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 202-1
	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 per year	• DMFI works with growers and the **Stewardship Index of Specialty Crops (SISC)** to implement sustainable farming practices and cultivate a culture of transparency • DMFI and its growers use **CropTrak™** software to track various data, including traceability, sustainability, and customer audit information • DMPI soil erosion rate in the plantation is **12-14 metric tons** per hectare per year • DMPI has a **Smart Farm Roadmap** that uses big data analytics, from field-to-fork and harness technology in farm management from planting to harvest, and use of analytics to observe the individual needs of crop	Task Force on Climate-Related Financial Disclosure (TCFD) GlobalG.A.P.

UN SDGs	Description	DMPL's Position	Contribution to the SDGs	Linked to
	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 by offering - nutritious food and beverage products across demographic segments	• In FY2022, DMPI reduced sugar and sodium by an average of **29%** and **27%**, respectively • DMFI conducts regular nutrition education activities and programs which achieved over **23.1 million social media impressions** during the community quarantine • Close to **18,000** DMPI qualified employees and dependents are treated and given medical attention annually in our Phillips Memorial Hospital. • Over **25,000** availed of the Foundation's Mobile clinic services during the fiscal year • DMPI supported Department of Health by deploying medical teams in administering COVID vaccination in the municipalities of Manolo Fortich and Libona in Bukidnon	GRI 403-10c

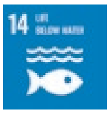
	Goal 4: Quality Education
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
		DMPL ensures equal opportunity for employees to develop their skills through training courses for all women and men and, through the Del Monte Foundation, provide communities with access to proper education and skills training	• Provided training to DMPL employees:
			  • **5.0 average training hours** for male
			  • **4.0 average training hours** for female
			• The Foundation supported **275 scholars** from high school to college levels during the school year 2021-2022
			• Provided technical skills training to **78 out-of-school youths** on various discipline such as shielded metal arc welding, electrical installation and driving
			• **60 certified welders** trained in the Foundation's Training Center accredited by TESDA
				GRI 404-1

DMPL'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

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	• **42%** of the senior management team are women • Workforce gender ratio: **63% men**, **37% women**	GRI 405-1
	Goal 6: Clean Water and Sanitation Ensure availability and sustainable management of water and sanitation for all	DMPL pledges to improve its water consumption efficiency, provide clean drinking water, adequate sewage disposal, and provide access to clean, safe water and sanitation	• The Foundation, through the ZEP2030 initiative, provided Level 2 water system installations in 3 locations in Bukidnon benefitting more than **500 families** and made water more accessible to community residents • Provided **2 handwashing facilities** to community health centers in Bukidnon to help implement their COVID health safety protocols through the Del Monte Foundation • Through partnership with the local government units and primary stakeholders of five communities, the Foundation built **320 toilets** for identified extremely poor families that helped improve sanitation and hygiene	GRI 303-1-C
	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 operation	• In the US, Del Monte's solar panels in Hanford produced **401 megawatt-hours** of electricity • DMPI's waste-to-energy facility contributed **17% of the electricity** of the cannery	GRI 302-1
	Goal 8: Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	DMPL ensures to comply with the labor laws where we operate, promote safe and decent work environment for all workers	• DMPL's total recordable injuries **decreased by 17%** in FY2022 • **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 403-1b GRI 102-41

UN SDGs	Description	DMPL's Position	Contribution to the SDGs	Linked to
	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 and leverage 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 • DMFI won **Product of the Year** for the **4th straight year** for its newest innovations, Del Monte® Fruit Infusions in the fruit snack category, and Joyba® Bubble Tea in the coffee and tea category • Del Monte in the Philippines entered the **Dairy category** via a joint venture with Vinamilk, the largest dairy company in Southeast Asia	GRI 201-1
	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 gender	• DMPL has **5,900 full time** employees in the US and the Philippines, and close to **3,100 seasonal workers** in the US • 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 102-8
	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 12 dormitories** for plantation workers • The **camp sites** around the plantation, where DMPI employees and their families reside, have schools, churches and sports facilities	GRI 203-1

DMPL'S CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS

UN SDGs	Description	DMPL's Position	Contribution to the SDGs	Linked to
	**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 products are packed in corrugated boxes, which contains **33 percent recycled content** • DMFI's paper-based products are **100 percent certified by** Sustainable Forestry Initiative® or Forest Stewardship Council® • By re-directing approximately 130,000 pounds of pineapple juice each year, DMFI received **four Upcycled Certified™ recognition from Upcycled Food Association** • DMPI reduced rigid plastic bottles and caps material usage by **10%** and stand-up pouches by **4.4%**	GRI 301-2
	**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** • DMPI's pineapple operations have been independently **verified carbon negative** for scopes 1, 2 and scope 3 (for air travel and fuel used by vehicles) by BSI based on ISO 14064-1:2018 • DMFI's scope 1 carbon emissions **decreased by 7%** and scope 2 emissions **by 32%**	GRI 305-1 GRI 305-2 GRI 305-3
	**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 / ltr**	GRI 306-1
	**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	• Close to **23,500 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	GHG 305-1

UN SDGs	Description	DMPL's Position	Contribution to the SDGs	Linked to
	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 205-2
	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, Sustainable Packaging Coalition and 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 207-3

CLIMATE-RELATED REPORT

Peach orchard in the US

INTRODUCTION

This is DMPL's first climate-related report in the Annual Report. This report describes climate-related risks, how they may impact our business, the Group's plans to mitigate the potential risks and opportunities to ensure DMPL's resilience. DMPL understands that climate risks continue to evolve and will continue to adjust its risk mitigation plans accordingly.

DMPL recognizes the risks brought about by climate change. The company's operations have experienced first-hand how climate change has impacted its operations. In the US, extreme weather and water stress have affected operations. Our operations in the Philippines have experienced drought from the El Niño weather pattern, heavy rainfall from La Niña, and more frequent typhoons in recent years.

DMPL's report uses the framework of the Task Force on Climate-Related Financial Disclosures (TCFD) for each of the following pillars:

- Governance
- Strategy
- Risk Management
- Metrics and Targets

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 in the COP26 meeting in Glasgow, Scotland, in 2021 for countries to limit global temperature rise to 1.5°C.

Del Monte Foods, Inc. (DMFI) has announced its commitment to net-zero emissions by 2050. 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 aligned with SBTi criteria.

In 2022, Del Monte Philippines, Inc. (DMPI) became one of the few companies to be certified as carbon negative for scopes 1, 2 and 3 (air travel and fuel used by vehicles) and probably the first in the Philippines for its pineapple operations. The quantification and reporting of the GHG emissions have been independently verified by the British Standards Institution (BSI) against ISO 14064-1:2018 specifications. The verification activity has been carried out in accordance with ISO 14064-3:2019 and the principles of ISO 14065:2020.

Del Monte invests in programs and projects that reduce greenhouse gas (GHG) emissions:

- Reduce energy used in production
- Invest in renewable energy
- Improve transport efficiency
- Use post-consumer recycled content

DMPI's waste-to-energy facility in the cannery

A more detailed discussion of the Group's projects can be found in the Sustainability Report.

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.

The Group develops its metrics and targets with various stakeholders based on an assessment and understanding of climate-related risks. Under different climate scenarios, DMPL 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

Del Monte Pacific Board of Directors, Rolando C. Gapud, Benedict Kwek Gim Song, Godfrey E. Scotchbrook, Yvonne Goh, Joselito D. Campos, Jr., Edgardo M. Cruz, Jr., Emil Q. Javier with Del Monte Foods Directors, Luis F. Alejandro and Jeanette Naughton

DMPL is committed to the highest 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. As part of the Board's oversight on climate change, sustainability is part of the Board 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 oversees their progress and disclosures in the Annual Report and Sustainability Report.

The Nominating and Governance Committee, headed by an independent director, is tasked with ensuring compliance with, and proper observance of, corporate governance principles and practices.

Risk assessment and evaluation is an integral part of the Annual Operating Plan. Climate-related risks are reviewed quarterly by the Audit and Risk Committee as part of the Risk Management report on principal risks. Having identified key climate-related risks, mitigating action plans are formulated with respect to each significant risk. Identified risks are also included and monitored in the corporate risk register, and mitigating measures are followed up with the relevant stakeholders.

The Board convened a special session on sustainability last 1 March 2022. The agenda included the Group's sustainability plan, the Board's ESG Responsibility and the sustainability journey of a company belonging to the top 100 in the Corporate Knights list of sustainable companies. One of the key topics discussed was climate change and the Group's net-zero emissions goal. Included in the discussion was the one-time training on sustainability for directors, as prescribed by the Singapore Exchange.

Management's Role

The Chief Corporate Officer leads the sustainability agenda of the Group and updates the Board and management on sustainability. 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 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

The Company's materiality assessment had been conducted by a third party and involved consultation with stakeholders. Our next steps include updating the Group's materiality assessment based on GRI 2021 which will include the business impact of climate-related risks and opportunities. DMPL will continue to benchmark with the best practices of leading organizations, engage third party experts on climate change, and include climate-related challenges in decision making on strategy and performance objectives.

DMPI leadership with Luis F. Alejandro, President and Chief Operating Officer

STRATEGY AND RISK MANAGEMENT

Scenario Analysis

As prescribed by TCFD, 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.

Scenario modeling has several limitations and scenarios are not forecasts. Scenarios help evaluate a range of hypothetical outcomes, considering a variety of possible future conditions under a given limited set of assumptions. Modeling assumptions use historical data. Each risk will be modeled independently. The longer the timeline, the more unpredictable and uncertain the risk especially in the context of how companies will transition to a low carbon operation.

TCFD requires companies to assess their resilience under different external conditions. Companies can use the Intergovernmental Panel

Solar energy used in DMFI's Hanford facility in the US on Climate Change (IPCC) and the Representative Concentration Pathway (RCP) on greenhouse gas emissions using climate model simulations to project their consequences. The scenarios would include the following:

1. RCP 2.6, below 2ºC (stringent mitigation scenario)
2. RCP 4.5 and RCP 6.0 ~ 2.5ºC to ~ 3.5ºC (intermediate scenario)
3. RCP 8.5, above 4ºC (business as usual)

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 will be classified as physical or transition risks. Physical risks relate to the physical impact of climate change such as extreme weather conditions (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.

After companies make a proper assessment of their climate-related risks, they will have a better understanding of the impact of climate change and its effect on the business.

Climate-related Risks in the US

Tomato field in California, USA

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. Seventy nine percent of DMFI's revenue in the Fiscal Year 2022 was comprised of packaged vegetable and fruit. Key products under this segment are canned green beans, corn, peaches, and tomatoes sold in the United States.

The company's concentration in the procurement, manufacturing and sale of these crops may increase the potential impact of adverse climate on the Company affecting the growth and harvest, manufacturing, and distribution of vegetables and fruits, or the demand for these products in general, any of which may materially impact the Company's business and financial performance.

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. 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.

CLIMATE-RELATED REPORT

For example, in 2019, extreme precipitation, flooding, and subsequent disease in the Midwest destroyed a portion of the pea crops that DMFI was contracted to purchase. DMFI had to source more expensive alternative peas to meet the demand for canned peas, but was unable to pass on all the increased costs to its customers. Any disruption in growing conditions, including those caused by acute physical impacts of climate change such as storms and flooding, will lead to increased pricing for contracted crops due to limited supply. If product quality and timing impacts production throughput and capacity, DMFI could also be subject to increased variable costs. It is difficult to estimate the financial impact of rising mean temperatures or other extreme weather events due to climate change, and as such we have provided our raw materials and packaging materials inventories spend to provide context of the magnitude of the financial impact.

In FY22, our cost of products sold was US$1,258,800,000, and we estimate that physical climate risks to our growers and other commodities could add a 2% increase to those costs. Therefore, the potential financial impact could be about US$25 million. DMFI has implemented various measures to protect itself from the business impacts of climate change:

1. We have bred seeds for peas, beans, corn, and spinach to exhibit beneficial characteristics such as high yield, hardiness, and pest-resistance which in turn increases their resilience to chronic climate-related events/changing climatic zones, such as drought and increasing pest pressures.
2. Through our breeding and other innovation programs, we are able to closely monitor and establish varieties that not only continue to deliver quality crops, but crops that grow with less strain on the environment.
3. To manage our raw product inventory, we issue crop reports monthly during planting and harvesting seasons which detail how weather events affect the quality and recovery of our contracted crops.
4. We have also sourced raw materials from a number of regions instead of a single region and have back-up procurement on hand.
5. We work with our growers to mitigate their GHG emissions and manage their water use.
6. We invest in water efficiency and water reuse projects.
7. We embarked on an irrigation optimization project with our growers, other food processors, and the California Tomato Growers Association to optimize water use while maintaining crop productivity, thus lessening the strain of drought.
8. Our Modesto, California plant implemented multiple initiatives to minimize the impact of climate change. As part of continuous improvement efforts, the plant installed a combined heat and power system, selective catalytic reduction unit, condensing economizer, and backpressure turbine generator in the boiler system. These upgrades cut natural gas use by 20%. Lighting, compressed air, and other electric efficiency upgrades also reduced energy use by 12%.
9. In Hanford, California, we purchased a previously leased solar power generation installation in order to reduce our energy bills and emissions.

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.

Climate-related Risks in the Philippines

Del Monte Philippines, Inc. (DMPI), a subsidiary of Del Monte Pacific Limited, operates a 28,000-hectare pineapple plantation in Bukidnon, 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 63% of the Company's total revenue was from the sale of pineapple-related products sourced from its Mindanao plantation. The Company's concentration in the production, manufacturing and sale of pineapples and pineapple-related products may increase the potential impact of adverse weather on the growth and harvest, manufacturing or packing, and distribution of processed or fresh pineapple, or the demand for pineapple products in general, any of which may materially impact the Company's results of operation and financial performance.

Del Monte Philippines' pineapple plantation in Bukidnon

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, has 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. 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. Droughts, typhoons and flooding are 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 higher cost of operations, decreased production output and profitability.

In 2016, for example, the Company's sales were impacted by reduced pineapple supply as a result of the El Niño weather pattern, which led to an estimated loss of over 20,000 tons or an estimated US$5.8 million (₱290 million) in lost sales for the fiscal year ended April 30, 2016. Furthermore, in 2019, the Company's sales were impacted by reduced pineapple supply as a result of the El Niño weather pattern which led to decreased exports of packaged pineapple.

In January 2020, the Taal Volcano, which is located in Luzon, was in a period of intense unrest beginning with phreatic or steam-driven activity in several points inside the main crater that progressed into magmatic eruption. The Philippine Institute of Volcanology and Seismology ("PHILVOCS") raised the alert level to Alert Level 4 on January 12, 2020. Pursuant to such events, PHILVOCS ordered the total evacuation of the Volcano island and high-risk areas within a 14-Kilometer radius from the Taal main crater. Although PHILVOLCS has since lowered the Alert Level covering Taal to Level 1, there is no assurance that the Taal Volcano will not increase seismic activity or erupt in the future.

Super Typhoon Rolly/Goni and Typhoon Ulysses/Vamco in November 2020 and Super Typhoon Odette/Rai in December 2021 brought strong winds and rain to the country. These back-to-back weather disturbances caused major destruction to property and massive flooding in various parts of the Philippines. Natural catastrophes, such as another eruption of the Taal Volcano or strong typhoons, may cause damage and materially disrupt and adversely affect the operations and financial condition of the Company.

DMPI implemented various measures to mitigate the effects of climate change:

1. Del Monte embarked on prudent measures in the field, such as continuous enforcement of land preparation activities, soil management practices and reinforcing root health, among others.
2. The Company implements the Seed-to-Mouth program and strictly complies with good agricultural and manufacturing best practices to ensure the quality of processes and products.
3. To manage the potential impact from drought or heavy rainfall and floods, plantings are done in various locations over a large area to minimize tonnage loss.
4. DMPI also implements a number of measures to mitigate against the impact of drought or heavy rainfall and flooding, such as soil management practices and reinforcing root health.

5. Backhoe and wheel tractors are used as towing units to ensure the continuity of harvest during wet conditions.
6. The Company has disaster recovery plans and business continuity plans to minimize the adverse effects of environmental incidents and initiatives to mitigate the effects of El Niño and La Niña.
7. DMPI uses unmanned aerial vehicle (UAV) more commonly known as drones to monitor the pineapple crop health and plan roads, canals, and ditches, among others.
8. The Company implements proactive cost management across all other areas of its plantation to make up for higher pineapple costs resulting from climate-related risks.
9. Del Monte carries business interruption insurance, however, it is not certain that the Company will be able to recover the potential damage and economic loss that may result from such natural catastrophes.

While DMPI implements these measures, continuously 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.

Risk Management

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

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

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

The Board believes that risk management provides the framework for management to assess climate-related risk 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 climate change, managing water use and reducing waste. The Group measures and discloses these three focus areas, and other metrics and targets in our operations.

DMPL commits to net-zero emissions goals by 2050. The goal is to reduce scopes 1, 2 and 3 carbon emissions and supports the call in the COP26 meeting in Glasgow, Scotland, for countries to limit global temperature rise to 1.5°C.

	UM	DMFI	DMPI
Carbon Emissions			
Scope 1	MT CO_2eq	106,715	62,761
Scope 2	MT CO_2eq	28,522	37,056
Scope 3	MT CO_2eq		58,378
Carbon sequestration	MT CO_2eq		706,078
Water Consumption			
Water used for operations	'000 liters	4,254,520	7,256,168
Water use ratio	L/Kg produced	5.66	25.10
Waste			
Waste diverted to landfills	MT	497,663	58,671

Notes:
1 DMFI scopes 1 & 2 emissions for FY2021
2 DMPI emissions for pineapple operations for the year 2020
3 DMPI scope 3 is for air travel and transportation only

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.

For more information please refer to our FY2022 Sustainability Report

Luis F. Alejandro, DMPI President and COO, and Ignacio C.O. Sison, DMPI Chief Sustainability Officer, receive the Carbon Footprint verification report from representatives of the BSI

CORPORATE GOVERNANCE REPORT

SUMMARY OF DISCLOSURE

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

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CORPORATE GOVERNANCE REPORT

Del Monte Pacific Limited (Company or DMPL) is committed to the highest standards of corporate governance and supports the principles of openness, integrity and accountability 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 (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 2022).

The Board is responsible for the overall policies and integrity of the Group to ensure success. The Board will, among other things, review on an annual basis: (i) the vision and strategy of the Company; and (ii) Management's performance. The Board had, on 23 June 2022, reviewed and confirmed the vision and strategy of the Company.

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 activities of the Group. The Board, on the recommendation of the Remuneration and Share Option Committee (RSOC), also approves all remuneration matters of Directors and Key Management Personnel.

Management are 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;

- Board succession plan;
- 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 requires Directors to abstain from participating in Board discussions on a particular agenda item if they are conflicted. In addition, all Directors are required to declare if they have a conflict of interest in any corporate transactions, and to voluntarily recuse themselves from all discussions and decisions pertaining to such corporate transactions.

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 its performance 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, business partners, suppliers, communities (in areas where the Group has a presence), customers and employees. 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 operations and performance, and to address key policy matters.

Board meetings are scheduled to enable the Board to perform its duties. An annual calendar of meetings is prepared before the start of each financial year. Management has an obligation to supply the Board with complete, adequate information, in a timely manner. It endeavors to provide the Board papers and related materials, background, or explanatory information, relating to matters to be brought before the Board, at least five business days before the date of meetings.

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

During the year under review, the Board held five 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.

Attendance for FY2022
(from 1 May 2021 to 30 April 2022)

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	5	NA	NA	1	1
Mr. Joselito D. Campos, Jr.	5	NA	NA	NA	1
Mr. Edgardo M. Cruz, Jr.	5	NA	NA	1	1
Mr. Benedict Kwek Gim Song	5	4	2	1	1
Mr. Godfrey E. Scotchbrook	5	4	2	1	1
Dr. Emil Q. Javier	5	4	2	1	1
Mrs. Yvonne Goh	5	4	2	1	1
Total No. of Meetings Held	**5**	**4**	**2**	**1**	**1**

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

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

DIRECTORS AND OFFICERS TRAINING AND SEMINARS ATTENDED IN FY2022 (MAY 2021 - APRIL 2022)

Date	Location	No. of hours	Training/Seminar/Conference	Organizer	Attendees
21 May 2021	Online	1.0	Excellence in Everything We Do to Delight our Customers	Del Monte Philippines, Inc.	Ignacio Sison
21 Jul 2021	Online	1.5	Do Companies Need a Chief Sustainability Officer?	GRI	Ignacio Sison
3 Sep 2021	Online	1.0	Succeeding in Sustainability	Rabobank	Ignacio Sison
6 Oct 2021	Online	2.0	Impact and Influence	Del Monte Philippines, Inc.	Ignacio Sison

Date	Location	No. of hours	Training/Seminar/Conference	Organizer	Attendees
29 Oct 2021	Online	4.0	Board Primer on Managing the Sustainability Reporting Process Overview of Philippine Law on Public Integrity Orientation on the US Foreign Corrupt Practices Act Designing and Implementing an FCPA-Oriented Integrity Compliance Program	Center for Global Best Practices	Joselito Campos, Jr.
6 Nov 2021	Online	3.0	Strategic IT Governance Issues and Cyber Security Building Business Resilience in Corporate Strategy	Institute of Corporate Directors (Philippines)	Emil Javier
10 Nov 2021	Online	2.0	Understanding Environmental, Social and Governance (ESG) for Investing	SIAS	Ignacio Sison
15-18 Nov 2021	Online	4.0	Leadership for Enterprise Sustainability Asia	Asia School of Business	Ignacio Sison
25 Nov 2021	Online	1.5	Sustainability Dialogue	Rabobank	Ignacio Sison
13 Jan 2022	Online	1.0	Sustainable Agriculture	Rabobank	Ignacio Sison
27 Jan 2022	Online	2.0	Sustainability Reporting	SGX	Ignacio Sison
17 Feb 2022	Online	1.5	Winning in a Dislocated Economy	Ernst & Young	Edgardo Cruz, Jr.
17 Feb 2022	Online	1.5	Pioneering the Next Wave of Sustainability	Makati Business Club	Ignacio Sison
1 Mar 2022	Online	4.0	Special Board Meeting on Sustainability	Del Monte Pacific Ltd.	All Directors and Senior Management
17 Mar 2022	Online	1.0	Sustainability Plan	Del Monte Philippines, Inc.	Ignacio Sison
24 Mar 2022	Online	1.5	Creating Long-Term Value with ESG strategy	Ernst & Young	Edgardo Cruz, Jr.
26 Apr 2022	Online	1.5	Changing the Game with Digital Ecosystems	Ernst & Young	Edgardo Cruz, Jr.
2022	Online	2.5	Sustainability Reporting for the Future Launch	PwC and NUS Centre for Governance and Sustainability	Ignacio Sison
	Online	1.0	ESG Update Sessions	Boustead and Convenience Retail Asia	Godfrey Scotchbrook
	Online	1.0	Sustainability Sessions	Young Presidents Organization and Chief Executives Organization	Godfrey Scotchbrook
	Online	1.0	Cyber Security	PwC	Godfrey Scotchbrook
	Online	1.0	Digital Marketing	PwC	Godfrey Scotchbrook
	Online	1.0	Trade Issues Emerging from the War on Ukraine	Chief Executives Organization	Godfrey Scotchbrook
	Online	1.0	COVID Briefings and Impact on Companies and Supply Chains		Godfrey Scotchbrook

All seven Directors have also registered for ESG courses in 2022, 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 has formalized procedures for the selection, appointment and re-appointment of Directors. Letters of appointment are issued to new Directors setting out their duties, obligations, and terms of appointment, as appropriate.

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

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 standards of corporate governance.

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.	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 on 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 27 August 2021, 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.

The Directors also 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 effectiveness of the Board 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 strategic roadmap of the Company 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 of 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 operations of the Company 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 Company's industry and market 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, for which direct contact through normal channels of the Chairman, CEO or Management has failed to resolve, or for which such contact is inappropriate. Questions or feedback can 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.

Principle 4
Board Membership

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 main activities of the NGC 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 this process and has adopted procedures for the selection, appointment and re-appointment of Directors in order to increase transparency of the nominating process.

The NGC evaluates the balance of skills and competencies on 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.

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 two board seats 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 are 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. Joselito D. Campos, Jr.
Managing Director and CEO
Appointed on 20 January 2006
Last elected on 28 April 2006

Dr. Emil Q. Javier
Independent Director
Appointed on 30 April 2007
Last re-appointed on 28 August 2019

Mrs. Yvonne Goh
Independent Director
Appointed on 4 September 2015
Last re-appointed on 28 August 2019

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 Dr. Javier nor Mrs. Goh 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 Dr. Javier nor Mrs. Goh 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 Dr. Javier's and Mrs. Goh's directorships in other listed companies and other principal commitments (where applicable).

Accordingly, the NGC supports the nomination of Mr. Campos, Dr. Javier and Mrs. Goh 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 was 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 one meeting.

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 as an internal exercise and involves Board members completing a questionnaire covering mainly the following areas of assessment:

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

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

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

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

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

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

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

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

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

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 the Directors and Key Management Personnel. For the year under review, the RSOC did not engage any remuneration consultants.

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 undertaken as an internal exercise 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 provides 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 executives to run the Company successfully. The level and structure of remuneration are aligned with the long-term interests and risk 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 FY2022, the RSOC continued to adopt a framework based on guidelines of the Singapore Institute of Directors, which comprises a base fee, fees for membership on Board Committees, as well as fees for chairing Board Committees. The fees take into consideration the amount of time, responsibilities and effort that each Board member is required to devote to their role.

<u>Directors' Fee Structure</u>

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

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

Principle 8
Disclosure on Remuneration

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

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

Although the disclosure is not in compliance with provision 8.1 of 2018 Code, the Board is of the view that it is in the best interest of the Company not to disclose such remuneration information in detail, given the confidentiality and commercial sensitivity (within the industry and within the Group itself) attached to remuneration matters and for personal security reasons, disclosure in bands of S$250,000/– in excess of S$500,000/– is not provided. As for personal security reasons, the names of, and the aggregate remuneration paid to, the Company's top five Key Management Personnel is 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$700,000-S$800,000. 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 FY2022

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.	39	2	59	–
Mr. Rolando C. Gapud	79	21	–	–
Mr. Edgardo M. Cruz, Jr.	71	11	18	1
NON-EXECUTIVE DIRECTORS				
Below S$250,000				
Mrs. Yvonne Goh	–	100	–	–
Dr. Emil Q. Javier	51[1]	44	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 FY2022

REMUNERATION BANDS AND NUMBER OF KEY EXECUTIVES	FIXED SALARY %	VARIABLE INCOME / BONUS %	BENEFITS IN KIND %
Above S$500,000			
1	45	54	1
1	54	41	5
1	75	24	1
S$250,000 to below S$500,000			
1	80	19	1
1	87	11	2

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.

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

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

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

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

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

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

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

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

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

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 audit function. Likewise, it reviews the non-audit services provided by the Company's external auditors.

For FY2022, 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 tax and business advisory. A breakdown of the aggregate fees paid for audit and non-audit services is set out below:

	Year ended 30 April 2022 (US$'000)
Audit fees	
– paid to auditors of the Company	95
– paid to other auditors	1,346
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 2022 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 2022, 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 2022:

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 and Indian subcontinent, "College Inn" in the United States, Australia, Canada and Mexico, "Today's" in the Philippines, and "S&W" in Asia (excluding Australia and New Zealand), Middle East, Western Europe, Eastern Europe and Africa. 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 Group has recognized US$2.0 million impairment in the Group's investment in Del Monte Foods Private Limited (formerly FieldFresh Foods Private Limited). The ARC was satisfied that there is no other impairment 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$116.7 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$116.3 million.

Measurement of Defined Benefit Liability	Actuarial valuations of the Group's defined benefit obligations are undertaken annually, using the projected unit credit method. Accounting treatment for the defined pension plan can be found in note 4 Significant Accounting Policies, section 12. The ARC reviewed the reasonableness of the valuation of the Group's defined benefit plans, termination and retirement rates discount rate and compensation increase assumptions, as well as the independence and competency of the valuer appointed to perform the valuations. The ARC also considered the external auditor's evaluation of the key actuarial assumptions and valuation methodology used by Management. The ARC was satisfied with the valuation process used.

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 2022 have been addressed by the ARC and covered in the above commentary. The KAMs in the auditors' report can be found on pages 117-120 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 FY2022.

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 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, where 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 that evidences unsafe, unlawful, unethical, fraudulent or wasteful practices. It does 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 Chairman of the ARC, 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: +6388 855 2090, +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 online 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 9 to 24 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 24 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.

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.

The Internal Audit department has unfettered access to all company documents, records, properties and personnel, including access to the ARC.

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

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

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

In view of the COVID-19 situation, the AGM held in respect of FY2021, was convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronically accessed live audio-visual webcast, or live audio-only stream; submission of questions to the Chairman of the Meeting in advance of the AGM; addressing of substantial and relevant questions at, or prior to, the AGM; and voting by appointing the Chairman of the Meeting as proxy at the AGM; was put in place for the AGM.

The Company had appointed independent scrutineers, Drewcorp Services Pte. Ltd. in Singapore and Ortega Law Office in the Philippines, to validate the votes submitted for the said meeting held on 27 August 2021.

The Chairman of the Board, the respective Chairperson of the ARC, NGC and RSOC, three other Directors, Senior Management including the CEO, and the external auditors were present at the most recent AGM held on 27 August 2021, to assist the Board in addressing shareholders' questions.

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

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

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

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

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

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

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

The Company's dividend policy for Ordinary Shares is to distribute a minimum of 33% of full year profit. The holders of Ordinary Shares are entitled to receive dividends, as declared from time to time, after dividends of Preference Shares are paid. For FY2022, the Company declared a final dividend of S$0.017 or a 33% payout to Ordinary shareholders.

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

Principle 12
Engagement with Shareholders

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

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

The Company strengthens its relationships with the investing community (shareholders, potential investors and stock brokers) and solicits their views through one-on-one meetings, participation in conferences, forums and road shows organized by stock broking and investing companies. Between May 2021 and April 2022, the Company met with 100 equity and fixed income investment firms and five stock broking analysts. It also participated in CIMB's group meeting and joined two webinars organized by Phillip Securities and Smartkarma. The two webinars had about 150 participants combined. For the quarterly results in FY2022, DMPL had on average more than 40 attendees per meeting. The Company did two roadshows for its last bond offering.

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 due to the pandemic 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 website is mobile-responsive and accessible from tablets and smartphones.

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.

Del Monte Pacific 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 for the Best Managed Board and Best Investor Relations. DMPL is one of less than ten companies from 665 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 less than 20 companies to have achieved this.

The Company has won a total of 14 awards for ten consecutive years from 2010 to 2019. No awards were given out by the SCA in 2020 due to the pandemic, while 2021 was a special edition.

Del Monte Pacific also won the Corporate Governance Award from the Securities Investors Association (Singapore) or SIAS in October 2021. It has received a total of 8 awards from SIAS since 2001 including 3 corporate governance awards.

The Company was ranked 19th among 519 Singapore-listed companies included in the ranking or within the top four percentile in the August 2021 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 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 and significance to the Group's operations, 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 FY2022 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 and interest coverage ratios, and fulfilling them. In the US, we engage 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. To the extent that it makes business sense, the Group also considers bond and equity financing. DMPL monitors and maintains a level of cash and cash equivalents and enough standby credit lines. Above all these, the key is to have a solid business plan and execution to generate consistent profit and growth to service loan and interest requirements.

DEALINGS WITH 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 members 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 2022.

OPINION OF THE DIRECTORS

In the opinion of the Directors,

(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 2022 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. As at 30 April 2022, the Group had a working capital of US$168.4 million. 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.	(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 2021	As at end of the year 30 April 2022	As at 21 May 2022	As at beginning of the year 1 May 2021	As at end of the year 30 April 2022	As at 21 May 2022
<u>**The Company**</u>						
Ordinary shares of US$0.01 each						
Mr. Rolando C. Gapud	2,651,203	2,651,203	2,651,203	–	–	–
Mr. Joselito D. Campos, Jr.	7,621,466	7,621,466	7,621,466	1,386,276,498	1,386,276,498	1,386,276,498
Mr. Edgardo M. Cruz, Jr.	2,984,632	2,984,632	2,984,632	–	–	–
Dr. Emil Q. Javier	611,828	611,828	611,828	–	–	–
Mr. Benedict Kwek Gim Song	117,092	117,092	117,092	–	–	–
Mr. Godfrey E. Scotchbrook	117,092	117,092	117,092	–	–	–

Directors' Interest in Options:

All unexercised options granted to Directors pursuant to the Del Monte Pacific Executive Stock Option Plan 1999 had lapsed on 6 March 2018.

Directors' Interest in Share Awards:

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

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 Notes 25 and 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 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 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)

Except as disclosed above, 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.

AUDIT AND RISK COMMITTEE

The Audit Committee was 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. For the financial year ended 30 April 2022, the 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 2021 to 30 April 2022, 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 2022, 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.

DIRECTORS' STATEMENT

INTERNAL CONTROLS

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 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 2022.

AUDITORS

The auditors, Ernst & Young LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Mr. Rolando C. Gapud
Executive Chairman

Mr. Joselito D. Campos, Jr.
Executive Director

Date: 15 July 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DEL MONTE PACIFIC LIMITED

REPORT ON THE AUDIT OF 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 2022, 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 2022, and their financial performance 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 judgement, 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 Matters (cont'd)

Key audit matter	How our audit addressed the matter
Fair value of biological assets	
As at 30 April 2022, the Group has biological assets amounting to US$50.1 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 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 related to biological assets.
Impairment assessment of goodwill and indefinite life trademarks	
As at 30 April 2022, the Group carries goodwill of US$203.4 million and indefinite life trademarks of US$408.0 million, representing 13% and 26% 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" and "College Inn" amounting to US$394.0 million. The Group uses the value in use calculation to estimate the recoverable amount of the CGU for purposes of assessing whether there is any impairment to be recognized.	We obtained an understanding of the Group's impairment assessment process and the related controls. We tested 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.

Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the matter
Impairment assessment of goodwill and indefinite life trademarks (cont'd)	
(a) *Goodwill and indefinite life trademarks allocated to Del Monte Foods, Inc. and its subsidiaries (cont'd)*	
The annual impairment test is significant to our audit because the assessment process is complex, involves significant management judgement and is dependent on certain key estimates such as expected cash flow covering a four-year period and the long-term growth rate and discount rate of the CGU. The Group's disclosures relating to the goodwill and indefinite life America trademarks allocated to DMFI, sources of estimation uncertainty and sensitivity of the recoverable amounts are included in Note 8 to the financial statements.	We 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 2022, other indefinite life trademarks, comprising of "Del Monte" in the Philippines and India, "S&W" in Asia, and "Today's" in the Philippines, are carried at US$14.1 million. The annual impairment test is significant to our audit because the assessment process is complex, involves significant management judgment and is dependent on certain estimates that can be affected by future market and economic conditions as well as trademark and royalty rates in the market. The Group used the Relief-from-Royalty methodology in valuing its Philippines and S&W Asia trademarks. This approach relies on the forecasted revenue for the related brand or trademark and applies the royalty rates observed in the market. For the India trademark, the Group used the discounted cash flows of the related CGU. This method relies on forecasted financial results which uses significant assumptions such as revenue growth rates, EBITDA and long-term margins, terminal growth rates and discount rates. The Group's disclosures relating to its indefinite life trademarks, sources of estimation uncertainty and sensitivity of the recoverable amounts are included in Notes 7 and 8 to the financial statements.	We assessed the forecasted revenue and royalty rates used to derive the recoverable amount of the brand and trademarks by comparing against available market and historical information. We also evaluated the significant assumptions used in the financial forecast of the CGU, which include revenue growth rates, EBITDA and long-term margins, terminal growth rates and discount rates, by comparing them against management plans, historical data and available market information in light of current market and economic conditions. We involved our internal specialist in evaluating certain key assumptions and methodologies used. We performed independent sensitivity analysis on the key assumptions to consider the extent of reasonable change in these assumptions that individually or collectively would result in impairment of these assets. We also reviewed the Group's disclosures in Notes 7 and 8 to the financial statements, about those assumptions to which the outcome 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.

Key Audit Matters (cont'd)

Key audit matter	How our audit addressed the matter
Recognition of deferred tax assets	
As at 30 April 2022, the Group has recognized net deferred tax assets of US$116.7 million, of which US$113.2 million was attributable to DMFI. The recognition of the deferred tax asset was significant to our audit because it 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 recoverability of deferred tax assets recognized by comparing it to the taxable income forecast. We tested the key assumptions in estimating the taxable income forecast such as revenue growth rates and gross and EBITDA margins against available market information, management plans, historical performance and industry/market outlook in light of current market and economic conditions. We compared the consistency of management's taxable income forecasts with those included in the budget approved by the Board of Directors. We also evaluated the reasonableness of the timing of the reversal of future taxable and deductible temporary differences by considering the taxable income forecast and current tax laws. We assessed the robustness of management's forecasting process by comparing the actual results of the subsidiary against prior year forecast. We involved our internal tax specialist in reviewing the deductibility of the temporary differences.
Valuation of defined benefit liability and asset	
As at 30 April 2022, the Group has defined benefit plans attributable to DMFI, giving rise to net defined benefit liability of US$18.2 million, which is measured using the projected unit credit valuation methodology. We considered this to be a key audit matter because of the magnitude of the amounts, management's judgement in the use of assumptions such as future salary increases, discount rates, mortality rates and health care trends and technical expertise required to determine these amounts. The Group's disclosures relating to its defined benefit liability and asset and sources of estimation uncertainty are included in Note 20 to the financial statements.	Our procedures included, among others, involving our internal specialist to assist us in reviewing the valuation methodology and the actuarial and demographic assumptions used by management to value the Group's pension obligations attributable to DMFI. We evaluated the competence, capabilities and objectivity of management's specialist. We evaluated the key actuarial assumptions such as future salary increases, discount rates, mortality rates and health care trends by comparing them to market data and historical information. We tested the employees' payroll data on a sample basis, and reviewed the reconciliation of the membership census data used in the actuarial models to the payroll data of the Group.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Group's 2022 Annual Report, but does not include the financial statements and our auditor's report thereon. The Group's 2022 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 2022 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 skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

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

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

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

Ernst & Young LLP.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore
15 July 2022

STATEMENTS OF FINANCIAL POSITION

AS AT 30 APRIL 2022 AND 2021

(In US$'000)

		Group		Company	
	Note	30 April 2022	30 April 2021	30 April 2022	30 April 2021
Noncurrent assets					
Property, plant and equipment – net	5	**577,647**	544,776	**–**	–
Right-of-use assets	23	**123,539**	135,208	**132**	25
Investments in subsidiaries	6	**–**	–	**980,008**	901,015
Investments in joint ventures	7	**17,172**	22,530	**2,836**	2,789
Intangible assets and goodwill	8	**688,047**	694,697	**–**	–
Deferred tax assets – net	9	**116,745**	130,538	**–**	90
Biological assets	11	**2,735**	2,655	**–**	–
Pension assets	20	**9,799**	7,889	**–**	–
Other noncurrent assets	10	**30,411**	25,325	**49**	–
		1,566,095	1,563,618	**983,025**	903,919
Current assets					
Biological assets	11	**47,346**	44,913	**–**	–
Inventories	12	**685,958**	557,602	**–**	–
Trade and other receivables	13	**214,553**	185,049	**84,832**	82,282
Prepaid expenses and other current assets	14	**49,052**	37,286	**931**	998
Cash and cash equivalents	15	**21,853**	29,435	**2,129**	2,104
		1,018,762	854,285	**87,892**	85,384
Total assets		**2,584,857**	2,417,903	**1,070,917**	989,303
Equity					
Share capital	16	**29,449**	49,449	**29,449**	49,449
Share premium		**298,339**	478,339	**298,478**	478,478
Retained earnings	17	**140,320**	83,349	**140,320**	83,349
Reserves	17	**(42,541)**	(29,953)	**(42,541)**	(29,953)
Equity attributable to owners of the Company		**425,567**	581,184	**425,706**	581,323
Non-controlling interests		**69,138**	61,312	**–**	–
Total equity		**494,705**	642,496	**425,706**	581,323
Noncurrent liabilities					
Loans and borrowings	18	**1,088,012**	953,290	**434,587**	293,561
Employee benefits	20	**24,342**	31,866	**12**	376
Environmental remediation liabilities	21	**203**	7,429	**–**	–
Lease liabilities	23	**91,771**	103,690	**–**	–
Deferred tax liabilities – net	9	**12,421**	6,599	**8**	–
Other noncurrent liabilities	19	**23,023**	18,697	**–**	–
		1,239,772	1,121,571	**434,607**	293,937
Current liabilities					
Loans and borrowings	18	**479,354**	332,453	**170,571**	69,810
Employee benefits	20	**36,958**	38,275	**–**	–
Trade payables and other current liabilities	22	**302,833**	254,729	**40,029**	44,233
Lease liabilities	23	**29,549**	25,113	**–**	–
Current tax liabilities		**1,686**	3,266	**4**	–
		850,380	653,836	**210,604**	114,043
Total liabilities		**2,090,152**	1,775,407	**645,211**	407,980
Total equity and liabilities		**2,584,857**	2,417,903	**1,070,917**	989,303

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

INCOME STATEMENTS

YEARS ENDED 30 APRIL 2022, 2021 AND 2020

(In US$'000)

		Group			Company		
	Note	Year ended 30 April 2022	Year ended 30 April 2021	Year ended 30 April 2020	Year ended 30 April 2022	Year ended 30 April 2021	Year ended 30 April 2020
Revenue	24, 29	**2,342,086**	2,162,709	2,128,343	**–**	–	–
Cost of sales		**(1,719,429)**	(1,606,746)	(1,676,186)	**–**	–	–
Gross profit		**622,657**	555,963	452,157	**–**	–	–
Distribution and selling expenses		**(221,798)**	(200,417)	(213,414)	**–**	–	–
General and administrative expenses		**(129,311)**	(144,053)	(120,010)	**(12,983)**	(13,158)	(11,099)
Other (expenses) income – net		**(4,258)**	357	(67,547)	**1,674**	1,714	1,524
Results from operating activities		**267,290**	211,850	51,186	**(11,309)**	(11,444)	(9,575)
Finance income	26	**5,201**	7,534	7,738	**145**	851	22,111
Finance expense	26	**(112,707)**	(114,110)	(120,493)	**(13,238)**	(13,134)	(16,323)
Net finance (expense) income		**(107,506)**	(106,576)	(112,755)	**(13,093)**	(12,283)	5,788
Share in net (loss) income of joint ventures and subsidiaries	7	**(4,954)**	(1,531)	(3,085)	**124,437**	86,990	(77,592)
Profit (loss) before taxation	25	**154,830**	103,743	(64,654)	**100,035**	63,263	(81,379)
Tax expense – net	27	**(39,300)**	(27,273)	(29,176)	**(4)**	(7)	(15)
Profit (loss) for the year		**115,530**	76,470	(93,830)	**100,031**	63,256	(81,394)
Profit (loss) attributable to:							
Owners of the Company	28	**100,031**	63,256	(81,394)	**100,031**	63,256	(81,394)
Non-controlling interests		**15,499**	13,214	(12,436)	**–**	–	–
		115,530	76,470	(93,830)	**100,031**	63,256	(81,394)
Earnings (loss) per share							
Basic earnings (loss) per share (US cents)	28	**4.17**	2.24	(5.20)	**–**	–	–
Diluted earnings (loss) per share (US cents)	28	**4.17**	2.24	(5.20)	**–**	–	–

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

STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED 30 APRIL 2022, 2021 AND 2020

(In US$'000)

	Note	Year ended 30 April 2022	Year ended 30 April 2021	Year ended 30 April 2020
Group				
Profit (loss) for the year		**115,530**	76,470	(93,830)
Other comprehensive income (loss)				
Items that will or may be reclassified subsequently to profit or loss:				
Currency translation difference		**(15,302)**	6,900	5,401
Effective portion of changes in fair value of cash flow hedges		**(8,805)**	4,283	962
Tax impact on share in cash flow hedges		**2,193**	(1,049)	(236)
		(21,914)	10,134	6,127
Items that will not be reclassified to profit or loss:				
Remeasurement of retirement plans	20	**12,760**	54,580	(28,993)
Tax impact on remeasurement of retirement plans	9	**(3,255)**	(13,880)	6,113
Gain on property revaluation	5	**–**	–	4,066
Impact of tax on revaluation reserve	9	**–**	629	(1,220)
		9,505	41,329	(20,034)
Other comprehensive income (loss) for the year, net of tax		**(12,409)**	51,463	(13,907)
Total comprehensive income (loss) for the year		**103,121**	127,933	(107,737)
Total comprehensive income (loss) attributable to:				
Owners of the Company		**89,196**	110,777	(93,041)
Non-controlling interests		**13,925**	17,156	(14,696)
		103,121	127,933	(107,737)

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

STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED 30 APRIL 2022, 2021 AND 2020

(In US$'000)

	Year ended 30 April 2022	**Year ended 30 April 2021**	**Year ended 30 April 2020**
Company			
Profit (loss) for the year	**100,031**	63,256	(81,394)
Other comprehensive income (loss)			
Items that will or may be reclassified subsequently to profit or loss:			
Currency translation difference	**(13,351)**	6,026	5,378
Effective portion of changes in fair value of cash flow hedges	**(8,239)**	4,008	860
Tax impact on share in cash flow hedges	**2,052**	(982)	(210)
	(19,538)	9,052	6,028
Items that will not be reclassified to profit or loss:			
Remeasurement of retirement plans	**11,685**	50,856	(26,014)
Tax impact on remeasurement of retirement plans	**(2,982)**	(12,934)	5,493
Gain on property revaluation	**–**	–	4,066
Derecognition (impact) of tax on revaluation reserve	**–**	547	(1,220)
	8,703	38,469	(17,675)
Other comprehensive income (loss) for the year, net of tax	**(10,835)**	47,521	(11,647)
Total comprehensive income (loss) for the year	**89,196**	110,777	(93,041)

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

STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED 30 APRIL 2022, 2021 AND 2020

(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	2, 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.

STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED 30 APRIL 2022, 2021 AND 2020

(In US$'000)

		Attributable to owners of the Company											
	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure-ment Retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
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.

STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED 30 APRIL 2022, 2021 AND 2020

(In US$'000)

	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure -ment of retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		Attributable to owners of the Company											
Group													
2020													
At 30 April 2019		49,449	478,339	(93,375)	10,885	17,648	(2,452)	1,753	(286)	96,074	558,035	43,106	601,141
Effect of adoption of IFRS 16, *Leases*		–	–	–	–	–	–	–	–	(1,013)	(1,013)	–	(1,013)
At 30 April 2019		49,449	478,339	(93,375)	10,885	17,648	(2,452)	1,753	(286)	95,061	557,022	43,106	600,128
Total comprehensive loss for the year													
Loss for the year		–	–	–	–	–	–	–	–	(81,394)	(81,394)	(12,436)	(93,830)
Other comprehensive income (loss)													
Currency translation differences		–	–	5,378	–	–	–	–	–	–	5,378	23	5,401
Gain on property revaluation, net of tax		–	–	–	2,846	–	–	–	–	–	2,846	–	2,846
Remeasurement of retirement plans, net of tax	20					(20,521)					(20,521)	(2,359)	(22,880)
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	650	–	–	–	650	76	726
Total other comprehensive income (loss)		–	–	5,378	2,846	(20,521)	650	–	–	–	(11,647)	(2,260)	(13,907)
Total comprehensive income (loss) for the Year		–	–	5,378	2,846	(20,521)	650	–	–	(81,394)	(93,041)	(14,696)	(107,737)
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	–	–	–	–	–	–	–	–	76,958	76,958	26,410	103,368
Dividends	17	–	–	–	–	–	–	–	–	(29,862)	(29,862)	–	(29,862)
Total contributions by and distributions to owners		–	–	–	–	–	–	–	–	47,096	47,096	26,410	73,506
At 30 April 2020	16, 17	49,449	478,339	(87,997)	13,731	(2,873)	(1,802)	1,753	(286)	60,763	511,077	54,820	565,897

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

STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED 30 APRIL 2022, 2021 AND 2020

(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.

STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED 30 APRIL 2022, 2021 AND 2020

(In US$'000)

	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasurement 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 CHANGES IN EQUITY

YEARS ENDED 30 APRIL 2022, 2021 AND 2020

(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											
2020											
At 30 April 2019		49,449	478,478	(93,375)	10,885	17,648	(2,452)	1,753	(286)	96,074	558,174
Effect of adoption of IFRS 16, *Leases*	3	–	–	–	–	–	–	–	–	(1,013)	(1,013)
At 30 April 2019		49,449	478,478	(93,375)	10,885	17,648	(2,452)	1,753	(286)	95,061	557,161
Total comprehensive loss for the year											
Loss for the year		–	–	–	–	–	–	–	–	(81,394)	(81,394)
Other comprehensive income (loss)											
Currency translation differences		–	–	5,378	–	–	–	–	–	–	5,378
Gain on property revaluation, net of tax		–	–	–	2,846	–	–	–	–	–	2,846
Remeasurement of retirement plans, net of tax	20	–	–	–	–	(20,521)	–	–	–	–	(20,521)
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	650	–	–	–	650
Total other comprehensive income (loss)		–	–	5,378	2,846	(20,521)	650	–	–	–	(11,647)
Total comprehensive income (loss) for the year		–	–	5,378	2,846	(20,521)	650	–	–	(81,394)	(93,041)
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	–	–	–	–	–	–	–	–	76,958	76,958
Dividends	17	–	–	–	–	–	–	–	–	(29,862)	(29,862)
Total contributions by and distributions to owners		–	–	–	–	–	–	–	–	47,096	47,096
At 30 April 2020	16, 17	49,449	478,478	(87,997)	13,731	(2,873)	(1,802)	1,753	(286)	60,763	511,216

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

STATEMENTS OF CASH FLOWS

YEARS ENDED 30 APRIL 2022, 2021 AND 2020

(In US$'000)

		Group			Company		
	Note	**Year ended 30 April 2022**	**Year ended 30 April 2021**	**Year ended 30 April 2020**	**Year ended 30 April 2022**	**Year ended 30 April 2021**	**Year ended 30 April 2020**
Cash flows from operating activities							
Profit (loss) for the year		**115,530**	76,470	(93,830)	**100,031**	63,256	(81,394)
Adjustments to reconcile profit (loss) for the year to net cash flows:							
Depreciation of property, plant and equipment	5	**146,480**	139,950	137,887	**–**	–	–
Finance expense		**111,986**	113,615	119,198	**12,977**	13,116	16,317
Amortization of right-of-use assets	23	**40,369**	40,720	35,179	**93**	106	–
Tax expense – current	27	**20,605**	33,059	55,424	**22**	51	21
Tax credit – deferred	9, 27	**18,695**	(5,786)	(26,248)	**(18)**	(44)	(6)
Amortization of intangible assets	8	**6,650**	6,650	6,650	**–**	–	–
Share in losses (earnings) of joint ventures and subsidiaries	7	**4,954**	1,531	3,085	**(124,437)**	(86,990)	77,592
Allowance for inventory obsolescence	13	**4,135**	7,043	9,649	**–**	–	–
Finance income		**(2,629)**	(7,028)	(7,738)	**(11)**	(846)	(22,111)
Impairment loss in joint ventures	7	**2,000**	2,096	–	**–**	–	–
Equity-settled share-based payment transactions		**(1,960)**	–	–	**–**	–	–
Unrealized foreign exchange (gain) loss		**(1,851)**	(11)	1,295	**127**	13	6
Impairment (reversal) of trade and nontrade receivables	13	**1,060**	144	(292)	**–**	–	–
(Gain) loss on disposal of property, plant and equipment	25	**789**	(1,333)	2,502	**–**	–	–
Impairment loss of property, plant and equipment	5	**–**	–	40,746	**–**	–	–
Ineffective portion of cash flow hedges		**–**	–	941	**–**	–	–
		466,813	407,120	284,448	**(11,216)**	(11,338)	(9,575)
Changes in:							
Other assets		**(9,039)**	3,853	(28,190)	**(49)**	–	–
Inventories		**(139,021)**	(79,117)	172,695	**–**	–	–
Biological assets		**(6,311)**	18,716	(7,505)	**–**	–	–
Trade and other receivables		**(40,020)**	24,053	(48,722)	**1**	55	(29)
Prepaid expenses and other current assets		**(9,334)**	(3,161)	(6,824)	**(110)**	(868)	(17)
Employee benefits		**1,809**	18,345	14,144	**192**	90	17
Trade payables and other current liabilities		**31,757**	(43,071)	44,377	**(494)**	2,236	1,837
Operating cash flows		**296,654**	346,738	424,423	**(11,676)**	(9,825)	(7,767)
Taxes paid		**(15,916)**	(31,464)	(46,982)	**(6)**	(76)	(22)
Net cash flows provided by (used in) operating activities		**280,738**	315,274	377,441	**(11,682)**	(9,901)	(7,789)

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

STATEMENTS OF CASH FLOWS

YEARS ENDED 30 APRIL 2022, 2021 AND 2020

(In US$'000)

	Note	Group			Company		
		Year ended 30 April 2022	**Year ended 30 April 2021**	**Year ended 30 April 2020**	**Year ended 30 April 2022**	**Year ended 30 April 2021**	**Year ended 30 April 2020**
Cash flows from investing activities							
Acquisitions of property, plant and equipment		**(202,659)**	(163,974)	(132,453)	**–**	–	–
Interest received		**1,169**	514	756	**11**	14	1
Investments in joint ventures	7	**(1,001)**	–	(1,530)	**–**	–	–
Advances to joint ventures		**(595)**	(840)	(140)	**(595)**	(840)	(140)
Proceeds from disposal of property, plant and equipment and noncurrent assets held for sale		**231**	11,705	29,238	**–**	–	–
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)	–
Advances to related company		**–**	–	–	**(67,874)**	(33,505)	(235,388)
Dividend received		**–**	–	–	**33,519**	242,721	230,474
Net cash flows (used in) provided by investing activities		**(202,855)**	(37,121)	(104,129)	**(34,939)**	58,390	(5,053)
Cash flows from financing activities							
Proceeds from borrowings	39	**2,848,113**	4,299,181	788,696	**333,000**	157,300	105,000
Repayment of borrowings	39	**(2,547,034)**	(4,380,653)	(891,423)	**(89,810)**	(158,911)	(115,000)
Redemption of preference share capital	16	**(200,000)**	–	–	**(200,000)**	–	–
Interest paid		**(89,359)**	(77,349)	(87,117)	**(11,004)**	(11,686)	(15,637)
Dividends paid to equity holders of the parent	17	**(43,060)**	(49,805)	(29,862)	**(43,060)**	(49,805)	(29,862)
Payments of lease liability	23	**(38,870)**	(43,377)	(41,958)	**(52)**	(107)	–
Dividends paid to non-controlling interests		**(5,892)**	(12,865)	–	**–**	–	–
Payment of debt related costs		**(2,383)**	(20,551)	–	**(2,383)**	(1,948)	–
Net collections (repayments) of advances from related companies		**–**	–	–	**20,941**	(238,611)	(46,864)
Advances from related companies		**–**	–	–	**39,034**	256,597	115,036
Net cash flows (used in) provided by financing activities		**(78,485)**	(285,419)	(261,664)	**46,666**	(47,171)	12,673

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

STATEMENTS OF CASH FLOWS

YEARS ENDED 30 APRIL 2022, 2021 AND 2020

(In US$'000)

		Group			Company		
	Note	**Year ended 30 April 2022**	**Year ended 30 April 2021**	**Year ended 30 April 2020**	**Year ended 30 April 2022**	**Year ended 30 April 2021**	**Year ended 30 April 2020**
Net (decrease) increase in cash and cash equivalents		**(602)**	(7,266)	11,648	**45**	1,318	(169)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		**(6,980)**	3,236	181	**(20)**	20	49
Cash and cash equivalents at beginning of year		**29,435**	33,465	21,636	**2,104**	766	886
Cash and cash equivalents at end of year		**21,853**	29,435	33,465	**2,129**	2,104	766

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

These notes form an integral part of the financial statements.

The accompanying financial statements were approved and authorized for issuance by the Board of Directors (the "Board") on 15 July 2022.

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 2022, 2021 and 2020, 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. On 7 April 2022, the Company redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares (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 2022 and 2021 and for each of the three years in the period ended 30 April 2022, comprise the Company and its subsidiaries (together referred to as the "Group", and individually as "Group entities"), and the Group's interests in joint ventures.

2. GOING CONCERN

The Company's current liabilities were higher by US$122.7 million compared to current assets as at 30 April 2022 (30 April 2021: US$28.7 million). The Group's at a consolidated level is in net current asset position of US$168.4 milion as at 30 April 2022 (30 April 2021: US$200.4 milion)

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

- The Group's net current asset position of US$168.4 million as at 30 April 2022, and the Company continues to receive dividend payments from its subsidiaries and expects the same in the next 12 months;

- The Group generated net operating cash flows of US$280.7 million for the current year (30 April 2021: US$315.3 million) and remains vigilant in managing its cost. Management has undertaken various measures to improve operating costs such as Del Monte Foods, Inc.'s ("DMFI") asset light strategy undertaken in FY2020 and cost optimization initiatives including distribution center consolidations, among others, which has contributed to DMFI's improved operating performance following prior year's major operational restructuring and refinancing. The Group continuously reviews its manufacturing and distribution footprint in the US as well as continue to improve and streamline its operations to further promote operational efficiency with the intent of increasing future operating cash flows.

- The Company continues to find new sources of funding and had issued a 3-year unrated Senior Notes amounting to US$90.0 million which was utilized to redeem its Series A-1 Preferred Shares on 7 April 2022 which were otherwise due for a step-up rate on 7 April 2022.

- 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.

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 judgements

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

3. BASIS OF PREPARATION (CONT'D)

3.4 Use of estimates and judgements (cont'd)

Judgements

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	–	Determination of control over subsidiaries
Note 6	–	Deconsolidation of Del Monte Andina C.A.
Note 6	–	Recognition of Share Purchase Agreement as at 30 April 2020
Note 6	–	Debt versus equity classification
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
Note 36	–	Contingencies

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	–	Recoverability of investments in subsidiaries
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 valuation of derivative liability on the call option
Note 7	–	Recoverability of investments in joint ventures
Note 8	–	Useful lives of intangible assets and impairment of goodwill and intangible assets
Note 9	–	Realizability of deferred tax assets
Note 11	–	Future cost of growing crops and fair value of livestock, harvested crops, and produce prior to harvest and future volume of harvest
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 21	–	Estimation of environmental remediation liabilities
Note 22	–	Estimation of trade promotion accruals
Note 23	–	Determination of incremental borrowing rate for lease liabilities
Note 27	–	Measurement of income tax
Note 34	–	Determination of fair values
Note 36	–	Contingencies

3. BASIS OF PREPARATION (CONT'D)

3.5 Measurement of fair value

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

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

The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- 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 or a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics, and risks of the asset or liability and the level of fair value hierarchy as explained above.

3. BASIS OF PREPARATION (CONT'D)

3.6 Adoption of New or Revised Standards, Amendments to Standards and Interpretations

The accounting policies adopted are consistent with those of the previous fiscal year, except that the Group has adopted the following new accounting pronouncements starting 1 May 2021. Unless otherwise indicated, adoption of these new standards did not have any significant impact on the Group's consolidated financial statements.

- Amendments to IFRS 16, *COVID-19-related Rent Concessions.* The amendments provide relief to lessees from applying the IFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

  - The rent concession is a direct consequence of COVID-19;
  - The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
  - Any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
  - There is no substantive change to other terms and conditions of the lease.

  A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

  The amendment is effective for annual reporting periods beginning on or after 1 April 2021. Early adoption is permitted.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, *Interest Rate Benchmark Reform – Phase 2*. The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

  - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
  - Relief from discontinuing hedging relationships
  - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

  The Group shall also disclose information about:

  - The nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
  - Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(i) Business combination (cont'd)

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.

(ii) Investments in subsidiaries

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

- power over the investee (i.e., existing rights that give the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Company has less than majority of the voting rights or similar rights to an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Company's voting rights and potential voting rights.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date control is transferred to the Company and cease to be consolidated from the date control is lost. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the income statement from the date the Company gains control until the date the Company ceases to control the subsidiary.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(ii) Investments in subsidiaries (cont'd)

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. For the measurement of goodwill on initial recognition, see Note 8.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. In respect of the joint ventures, the carrying amount of goodwill is included in the carrying amount of the investment, and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the joint ventures.

Impairment of goodwill is discussed in Note 4.11.

(vi) Investments in joint ventures

Joint ventures are those entities in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint control is the contractually sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.1 Basis of consolidation (cont'd)

(vi) Investments in joint ventures (cont'd)

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 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.

4.2 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.2 Foreign currency (cont'd)

(i) Foreign currency transactions (cont'd)

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are recognized in the income statement, except for differences which are recognized in 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.4 Intangible assets (cont'd)

(iv) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the income statement as incurred.

(v) Amortization

Amortization 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 intangible 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.

(i) 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*.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

(ii) 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.

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 insignificant investment in club shares 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".

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

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:

- 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;

- the risks that affect the performance of the business model and how those risks are managed;

- 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

- 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.

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:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable-rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Assessment Whether Contractual Cash Flows are Solely Payments of Principal and Interest ("SPPI") (cont'd)

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)

(iii) 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.

(iv) 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)

(v) 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.5 Financial instruments (cont'd)

(v) Offsetting (cont'd)

Derivative financial instruments, including hedge accounting (cont'd)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Construction-in-progress represents plant and properties under construction or development and is stated at cost. This includes cost of construction, plant and equipment, borrowing costs directly attributable to such asset during the construction period and other direct costs. Construction-in-progress is not depreciated until such time when the relevant assets are substantially completed and available for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item, and is recognized net within other income/ other expenses in the income statement.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the income statement as incurred.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Property, plant and equipment (cont'd)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation (except bearer plants) is recognized in the income statement on a straight-line basis over their estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Freehold land is not depreciated.

Depreciation is recognized from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current period and comparative years are as follows:

Buildings, land improvements and leasehold improvements	–	3 to 50 years or lease term, whichever is shorter
Machineries and equipment	–	3 to 30 years

For bearer plants, units of production method is used. Depreciation is charged according to the cost of fruits harvested at plant crop and ratoon crop harvest months.

Bearer plants are depreciated based on the ratio of actual quantity of harvest over the estimated yield for both plant crop and ratoon crop harvests. Plant crop harvest usually occurs within 16 to 18 months after planting while ratoon crop harvest occurs at the 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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.6 Property, plant and equipment (cont'd)

(iv) Borrowing costs (cont'd)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

The estimated useful lives are as follows:

Buildings, land improvements and leasehold improvements	–	2 to 6 years
Land	–	2 to 26 years
Machineries and equipment	–	2 to 17 years

The right-of-use assets are presented separately in the statement of financial position.

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.8 Leases (cont'd)

Lease liabilities (cont'd)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

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.

(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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Impairment (cont'd)

(ii) *Non-financial assets (cont'd)*

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.

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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.11 Impairment (cont'd)

(ii) Non-financial assets (cont'd)

Goodwill (cont'd)

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).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.12 Employee benefits (cont'd)

(v) Termination benefits

Termination benefits are recognized as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits arising from involuntary termination are recognized as an expense once the Group has announced the plan to affected employees.

(vi) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(vii) Share-based payment transactions

The Group grants share awards and share options to employees of the Group. The fair value of incentives granted is recognized as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and accounted for as described below.

Share awards

The fair value, measured at grant date, is recognized over the period during which the employees become unconditionally entitled to the shares.

Share options

The fair value, measured at grant date, is recognized over the vesting period during which the employees become unconditionally entitled to the options. At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable. It recognizes the impact of the revision of original estimates in employee benefit expense and as a corresponding adjustment to equity over the remaining vesting period.

4.13 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.13 Share Capital and Retained earnings (cont'd)

(i) Share capital (cont'd)

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.

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. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

4.15 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.

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Revenue recognition (cont'd)

(i) Sales of goods (cont'd)

The Group provides allowances under trade promotions to customers and coupons to end consumers which are reimbursable by the Group to customers when redeemed. Allowances and coupons are generally considered as reductions of the transaction price and recognized at the later of when the Group recognizes revenue for the transfer of the related goods and when the Group pays or promises to pay the allowances or coupons.

Variable amounts related to these allowances and coupons are estimated using the expected value method and included in the transaction price to the extent it is highly probable that a significant revenue reversal will not subsequently occur. Accruals for trade promotions are based on expected levels of performance. Settlement typically occurs in subsequent periods primarily through an off-invoice allowance at the time of sale or through an authorized process for deductions taken by a customer from amounts otherwise due to the Group. Evaluation of trade promotions are performed monthly and adjustments are made where appropriate to reflect changes in the Group's estimates. The Group accrues coupon redemption costs based on estimates of redemption rates that are developed by management. Management's estimates are based on recommendations from independent coupon redemption clearing-houses as well as historical information. Should actual redemption rates vary from amounts estimated, adjustments may be required.

(ii) Sales returns

The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. The amount of revenue and the receivable recognized is adjusted for expected returns, which are estimated based on the historical data. No right of return asset (and corresponding adjustment to cost of sales) is recognized for the right to recover products from a customer since Group's policy is to dispose all goods to be returned.

(iii) 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).

4. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

4.15 Revenue recognition (cont'd)

(iii) Contract balances arising from revenue with customer contracts (cont'd)

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:

- 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;

- 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 judgements about future events. New information may become available that causes the Group to change its judgement 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

Standards 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 May 2022

- Amendments to IFRS 3, *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, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of 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.

  The amendments are effective for annual reporting periods beginning on or after 1 May 2022 and apply prospectively.

- Amendments to IAS 16, *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.

  The amendment is effective for annual reporting periods beginning on or after 1 May 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

- 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.

  The amendments are effective for annual reporting periods beginning on or after 1 May 2022. The Group will apply these amendments to contracts for which it has yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

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 May 2022 (cont'd)

- *Annual Improvements to IFRSs 2018-2020 Cycle*

  – Amendments to IFRS 1, *First-time Adoption of Philippines 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 by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D15(a) of IFRS 1.

    The amendment is effective for annual reporting periods beginning on or after 1 May 2022 with earlier adoption permitted.

  – 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. An entity applies the amendment to financial liabilities that are modified or exchange on or after the beginning of the annual reporting period in which the entity first applies the amendment.

    The amendment is effective for annual reporting periods beginning on or after 1 May 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

  – 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.

    An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 May 2022 with earlier adoption permitted.

Effective beginning on or after 1 May 2023

- Amendments to IAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction.* The amendment narrows 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 judgement (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 May 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 May 2023 (cont'd)

- 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 May 2023 with earlier adoption permitted.

- Amendments to IAS 1 and IFRS Practice Statement 2, *Disclosure of Accounting Policies.* The amendment provides guidance and examples to help entities apply materiality judgements 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 May 2023. Early application is permitted as long as this fact is disclosed.

Effective beginning on or after 1 May 2024

- Amendments to IAS 1, *Classification of Liabilities as Current or Non-current.* The amendments clarify paragraphs 69 to 76 of IAS 1, *Presentation of Financial Statements*, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

  o What is meant by a right to defer settlement

  o That a right to defer must exist at the end of the reporting period

  o That classification is unaffected by the likelihood that an entity will exercise its deferral right

  o 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 o or after 1 January 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than 1 January 2024.

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 May 2025

- IFRS 17, *Insurance Contracts*. IFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

  - A specific adaptation for contracts with direct participation features (the variable fee approach)

  - A simplified approach (the premium allocation approach) mainly for short-duration contracts

  IFRS 17 is effective for reporting periods beginning on or after 1 January 2025, with comparative figures required. Early application is permitted.

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 Financial Reporting Standards Council (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	229,900	602,399	57,384	382,782	61,878	1,334,343
At 1 May 2020	224,926	561,392	29,151	361,982	63,294	1,240,745
Additions	4,328	3,725	36,430	121,586	–	166,069
Disposals	(8,095)	(9,897)	–	–	(870)	(18,862)
Write off – closed fields	–	–	–	(125,362)	–	(125,362)
Reclassifications from CIP	2,897	28,295	(31,192)	–	–	–
Currency realignment	3,463	10,381	564	16,597	721	31,726
At 30 April 2021	227,519	593,896	34,953	374,803	63,145	1,294,316
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
Write off – closed fields	–	–	–	(95,754)	–	(95,754)
Disposals	(138)	(11,098)	–	–	–	(11,236)
Other adjustments	–	62	–	–	–	62
Currency realignment	(3,185)	(14,930)	–	(17,918)	–	(36,033)
At 30 April 2022	117,622	424,819	–	205,719	8,536	756,696
At 1 May 2020	101,750	371,508	–	241,366	8,536	723,160
Charge for the year	10,553	43,990	–	87,715	–	142,258
Write off – closed fields	–	–	–	(125,362)	–	(125,362)
Disposals	(3,223)	(7,702)	–	–	–	(10,925)
Currency realignment	1,702	7,788	–	10,919	–	20,409
At 30 April 2021	110,782	415,584	–	214,638	8,536	749,540
Carrying amounts						
At 30 April 2022	112,278	177,580	57,384	177,063	53,342	577,647
At 30 April 2021	116,737	178,312	34,953	160,165	54,609	544,776

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$3.0 million as of 30 April 2022 (2021: US$2.9 million) presented 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$4.2 million as of 30 April 2022 (2021: to US$1.1 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$3.7 million (2021: US$0.2 million). The cost of fields closed and written off in 2022 amounted to US$95.8 million, which have been fully depreciated during the year (2021: US$125.4 million).

Bearer Plants

	Group	
	30 April 2022	**30 April 2021**
Hectares planted with growing crops:		
– Pineapples	16,130	15,027
– Papaya	123	111
Fruits harvested from the growing crops: (in metric tons)		
– Pineapples	785,876	778,464
– Papaya	1,266	1,008

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 2022 and 2021, 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 2022 in various locations:

Located in	30 April 2022 US$'000	30 April 2021 US$'000	Date of Latest Valuation
The Philippines	10,799	11,809	2020 (Various)
United States of America	32,459	32,459	1 May 2020
Singapore	10,084	10,341	18 May 2020
	53,342	54,609	

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. In relation to the revaluation of its freehold land in DMFI, management believes that the cost approximates their fair values as at 30 April 2022 and 2021.

In fiscal year 2022, the Group disposed freehold land with a net book value amounting to nil (2021: US$0.9 million).

The carrying amount of the Group's freehold land as at 30 April 2022 would be US$34.6 million (2021: US$34.8 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 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 are expected to be completed by fiscal year 2023.

Major items in CIP as of 30 April 2021 include plastic sleeveless cartooning for Modesto, various line improvements such as capacity upgrade of Plover, installation of can making equipment from Ball Corporation, installation of automated line for 2.3kg tidbits and the integration of 202 cans in the filling process, which are the same major items for fiscal year 2020. These projects are expected to be completed in fiscal year 2023.

Capitalized borrowing costs for the year ended 30 April 2022 amounting to US$0.01 million is related to the installation of additional FDM 202 Line, Can Making Equipment, installation of Automated Line for 2.3kg Tidbits and Acquisition of 307 Line 6 Autocaser. For the year ended 30 April 2021, capitalized borrowing costs amounting to US$0.03 million is related to the installation of Can Making Equipment and installation of Automated Line for 2.3kg Tidbits.

5. PROPERTY, PLANT AND EQUIPMENT – NET (CONT'D)

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

The Group also capitalized interest expense arising from general borrowings and lease liabilities to bearer plants amounting to US$1.2 million and US$1.0 million for the years ended 30 April 2022 and 2021, respectively. Average capitalization rate used is 2.25% and 2.62% for the fiscal years ended 30 April 2022 and 2021, respectively.

Plant closures and divestiture of Sager Creek business

In connection with the plant closures, the Group recognized impairment losses amounting to US$40.7 million in fiscal year 2020.

Vegetable plants

The Group announced on 20 August 2019 its intention to close its Sleepy Eye plant in Minnesota, its Mendota plant in Illinois, the sale of its Cambria plant in Wisconsin to new ownership, and intends to sell the production assets from its Crystal City plant in Texas. In connection with the Sleepy Eye and Mendota plant closures, the Group recognized impairment losses on related property, plant and equipment amounting to US$21.1 million for the year ended 30 April 2020. In connection with the Cambria plant sale on 1 November 2019, the Group recognized impairment losses on related property, plant and equipment amounting to US$5.1 million for the year ended 30 April 2020. In connection with the Crystal City production equipment sale, the Group recognized impairment losses on related property, plant and equipment amounting to US$14.6 million for the year ended 30 April 2020.

Under these plant closures, approximately 910 employees were terminated as of 30 April 2020. During the fiscal year 2020, the Group recognized provisions for employee severance benefits amounting to US$4.5 million, with nothing outstanding as of 30 April 2021 (2020: US$2.3 million). The employee severance benefits are presented under "Employee benefits" (see Note 20) and were fully paid in fiscal year 2021. Environmental liabilities of US$9.6 million were also recognized as of 30 April 2020 (see Note 21). The majority of this liability relates to the obligations to treat and remove the waste-water ponds at Sleepy Eye, Mendota and Crystal City. In fiscal year 2021, the Group released its provision amounting to US$1.8 million due to adjustment of Mendota lagoon cost based on the purchase and sale agreement entered by DMFI with the City of Mendota on 22 March 2021. Remaining balance pertains to US$0.4 million provision for Crystal City and Gilroy that were already settled. Related inventory and property, plant and equipment write-downs amounting to US$9.2 million were recognized for the year ended 30 April 2020.

In connection with these announcements, the Group has recorded expenses of US$68.4 million in "Other (expenses) income – net" for the year ended 30 April 2020.

As of 30 April 2020, the assets from Cambria, Crystal City, Sleepy Eye and Mendota, have been sold.

5. PROPERTY, PLANT AND EQUIPMENT – NET (CONT'D)

Plant closures and divestiture of Sager Creek business (cont'd)

Plymouth Plant

In relation to the closure of its Plymouth, Indiana plant in fiscal year 2018, the Group sold its Plymouth building and land in fiscal year 2019. As of 30 April 2022 and 2021, a non-current receivable of US$1.0 million has been recorded in "Note receivables" under "Other Non-current Assets" related to this sale (see Note 10). This receivable is due on 2 July 2023.

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 judgement.

In fiscal year 2020, the recoverable amount of the impaired assets was based on fair value less cost to sell, which is subject to estimation. Such estimate relies on comparable sales in the market adjusted to account for the differences in the characteristics of the assets (Level 3).

6. INVESTMENTS IN SUBSIDIARIES

	30 April 2022 US$'000	30 April 2021 US$'000
Unquoted equity shares, at cost, at the beginning of the year	1,020,215	640,699
Conversion of loan receivable to investment in equity	–	229,516
Investment in preference shares	–	150,000
Unquoted equity shares, at cost, at the end of the year	1,020,215	1,020,215
Amounts due from subsidiaries (nontrade)	237,516	237,074
	1,257,731	1,257,289
Accumulated share in losses at the beginning of the year	(356,274)	(257,746)
Dividends declared by subsidiaries	(33,519)	(242,721)
Share in net profit of subsidiaries	124,985	87,504
Share in other comprehensive income (losses) of subsidiaries, net of tax	(11,162)	47,554
Reserve from sale of shares of a subsidiary	–	6,570
Change in fair value of the derivative liability for the call option	–	2,565
Cancelled options of a subsidiary	(1,753)	–
	(277,723)	(356,274)
Interests in subsidiaries at the end of the year	980,008	901,015

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.

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

On 15 May 2020, the Company invested US$150.0 million of additional paid-in capital to DMPLFL in exchange for 423.95 shares of preferred stock.

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 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:

- 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.

- 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.

- 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.

- 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.

- 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.

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%.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Share Purchase Agreement and Shareholders' Agreement with Sea Diner Holdings (S) Pte. Ltd. ("SEA Diner") (cont'd)

Terms of the RCPS (cont'd)

As at 30 April 2020 up to the time the RCPS were converted back to common shares on 2 March 2021, the Group is in compliance with the terms set out for the RCPS.

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 to 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.

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, the 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 completion of the closing date;

  (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", 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", 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 2022 and 2021. The change in fair value amounting to nil (2021: US$2.6 million) was recognized in equity reserve in fiscal year 2021.

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 as at 30 April 2020

   The Share Purchase Agreement is 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 are 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 are 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 has accounted for the instrument as RCPS in substance as at 30 April 2020.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Significant judgments (cont'd)

2. Equity Classification

Management assessed that the RCPS sold to SEA Diner met the equity classification since both conditions below are met:

(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

(b) The RCPS which is convertible to common shares at the ratio of 1:1 does not include any contractual obligation for DMPI to deliver a variable number of its own equity instruments upon conversion.

Source of estimation uncertainty

1. Obligation to Deliver Additional RCPS

The Shareholders' Agreement between the Company, CARI, DMPI and SEA Diner provides for a conditional obligation for DMPI to deliver additional RCPS if DMPI would be unable to meet a certain level of net income and adjusted equity value as defined in the agreement for fiscal year ended 30 April 2021. Management assessed that the Group's derivative liability to deliver additional RCPS has a carrying value of nil as at 30 April 2022 and 2021 based on its actual net income for the year ended 31 April 2021 which has 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.

2. 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 2022 and 2021 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.

3. Fair Value of Derivative Liability on the Call Option

The fair value of the derivative liability related to the call option is measured using Cox-Ross-Rubinstein ("CRR") binomial tree 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 2022 and 2021 as the estimated pre-money market capitalization is higher than the threshold in the Call Option Agreement.

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2022 %	Effective equity held by the Group 30 April 2021 %
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]	Trading food products mainly under the brand names: "Del Monte" and buyer's own label	Federal Territory of Labuan, Malaysia	100.00	100.00
S&W Fine Foods International Limited ("S&W") [6]	Selling processed food products under the "S&W" trademark; Owner of the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa	British Virgin Islands	100.00	100.00
DMPL Foods Limited ("DMPLFL") [7] [9]	Investment holding	British Virgin Islands	93.57	93.57
Held by DMPRL				
Central American Resources, Inc. ("CARI")[6]	Investment holding	Panama	100.00	100.00
Dewey Limited ("Dewey") [7]	Mainly investment holding	Bermuda	100.00	100.00
Held by CARI				
DMPI [1] [2]	Growing, processing and distribution of food products mainly under the brand name "Del Monte"	Philippines	87.00	87.00
South Bukidnon Fresh Trading Inc ("SBFTI") [1]	Inactive	Philippines	100.00	100.00

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2022 %	Effective equity held by the Group 30 April 2021 %
Held by DMPI				
Philippine Packing Management Services Corporation ("PPMSC") [1] [2]	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	95.13	95.13
Held by S&W				
S&W Japan Limited [7]	Support and marketing services	Japan	100.00	100.00
Held by DMPLFL				
Del Monte Foods Holdings Limited ("DMFHL") [1] [9]	Investment holding	British Virgin Islands	93.57	93.57
Held by DMFHL				
Del Monte Foods Holdings II, Inc. ("DMFHII") [5] [9]	Investment holding	State of Delaware, U.S.A.	93.57	93.57
Held by DMFHII				
Del Monte Foods Holdings Inc. ("DMFHI") [5] [9]	Investment holding	State of Delaware, U.S.A.	93.57	93.57
Held by DMFHI				
Del Monte Foods, Inc. ("DMFI") [5] [9]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A	93.57	93.57
Held by DMFI				
Sager Creek Foods, Inc. (formerly Vegetable Acquisition Corp.) [5] [9]	Real estate holding	State of Delaware, U.S.A.	93.57	93.57
Del Monte Andina C.A. [8] [9]	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	–	–

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2022 %	Effective equity held by the Group 30 April 2021 %
Held by DMFI (cont'd)				
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
Held by DM Ventures				
Del Monte Avo, LLC [b][9]	Development, production, marketing, sale and distribution of UHP avocado products	State of Delaware, U.S.A.	47.72	47.72
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 C.A.				
Del Monte Argentina S.A. [7]	Inactive	Argentina	–	–

6. INVESTMENTS IN SUBSIDIARIES (CONT'D)

(a) DMTDI is consolidated as the Group has de facto control over the entity. Even with less than the majority voting rights, the Group concluded that DMTDI is a subsidiary and that it has power to direct the relevant activities of DMTDI due to DMPI having majority seats in the Board through a shareholders agreement with the other shareholders of DMTDI. The key management personnel (i.e., President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Treasurer and Corporate Secretary) of DMPI also serve in the same positions in DMTDI. In its special meeting held on 22 April 2019, DMTDI's Board approved the dissolution and liquidation of DMTDI by shortening its corporate term. As at 30 April 2022, 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 2022 and 2021.

[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. 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 US$1.1 million. On 15 May 2020, DMFHL issued 0.42395 of ordinary shares to DMPLFL and DMPLFL issued 423.95 shares of preferred stock to the Company in exchange for US$150.0 million of additional paid-in capital. As a result, DMFHL recorded US$150.0 million of additional paid-in capital related to this transaction.

Information relating to the Group's subsidiaries with shareholder/s with material non-controlling interests are disclosed in Note 38.

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

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 judgement 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 2022 %	30 April 2021 %
FieldFresh Foods Private Limited ("FFPL") [1]	Production and sale of fresh and processed fruits and vegetable food products	India	47.56	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	–

1 Audited by Deloitte Haskins & Sells, Gurgaon, India. It had been renamed to Del Monte Foods Private Limited.
2 Audited by Ernst and Young Hong Kong.
3 Audited by SyCip Gorres Velayo & Co. ("SGV"), member firm of Ernst & Young Global.

DVDPI is a new joint venture entered into by Del Monte Philippines, Inc. with 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 summarized financial information of a material joint venture, FFPL, not adjusted for the percentage ownership held by the Group, is as follows:

	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Revenue	66,871	71,055
Loss from continuing operations [a]	(6,810)	(2,035)
Other comprehensive income	–	–
Total comprehensive loss	(6,810)	(2,035)
[a] Includes:		
– depreciation	59	66
– interest expense	1,681	1,760
Noncurrent assets	11,600	11,962
Current assets	23,686	23,501
Noncurrent liabilities	(21,890)	(22,572)
Current liabilities	(12,879)	(12,595)
Net assets	517	296
Proportion of the Group's ownership including non-controlling interest	50%	50%
	259	148
Goodwill	20,000	20,000
Impairment loss	(4,096)	(2,096)
Translation adjustment	(1,827)	1,689
Carrying amount of investment	14,336	19,741

7. INVESTMENTS IN JOINT VENTURES (CONT'D)

	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Carrying amount of interest in FFPL at beginning of the year	19,741	22,855
Capital injection during the year	–	–
Impairment loss	(2,000)	(2,096)
Group's share of:		
– loss from continuing operations	(3,405)	(1,018)
– other comprehensive income	–	–
total comprehensive loss	(3,405)	(1,018)
Carrying amount of interest at end of the year	14,336	19,741

In fiscal year 2022, the Group recognized an impairment loss amounting to US$2.0 million due to the continuous net loss position of FFPL (2021: US$2.1 million). The impairment loss was included in "other (expenses) income – net" in the income statement.

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

	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Carrying amount of interest in NFHKL at beginning of the year	2,789	2,462
Additional advances during the year	595	840
Group's share of:		
– loss from continuing operations	(548)	(513)
– other comprehensive income	–	–
total comprehensive loss	(548)	(513)
Carrying amount of interest at end of the year	2,836	2,789

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

	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Carrying amount of interest in DVDPI at beginning of the year	–	–
Capital injection	1,001	–
Group's share of:		
– loss from continuing operations	(1,001)	–
– other comprehensive income	–	–
total comprehensive loss	(1,001)	–
Carrying amount of interest at end of the year	–	–

7. INVESTMENTS IN JOINT VENTURES (CONT'D)

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

	Group		Company	
	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Group's interest in joint ventures				
FFPL	14,336	19,741	–	–
NFHKL	2,836	2,789	2,836	2,789
Carrying amount of investments in joint ventures	17,172	22,530	2,836	2,789

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 FFPL, 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

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 judgement 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 FFPL 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 2022 %	30 April 2021 %
Pre-tax discount rate	14.9	14.1
Revenue growth rate	5.0 – 19.6	5.0 – 23.0
EBITDA margin	1.2 – 10.4	4.1 – 10.2
Long-term EBITDA margin	10.4	10.2
Terminal growth rate	5.0	5.0

In fiscal year 2022, discount rate is a pre-tax measure estimated based on past experience, and industry average weighted average cost of capital, which is based on a rate of debt leveraging rate of 23.60% in 2022 (2021: 22.78%), at a market interest rate of 7.80% in 2022 (2021: 8.13%).

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 7% (2021: -23%) 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 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 (2021: US$2.1 million) was recognized.

Management has identified that a reasonably possible change in two key assumptions could cause 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% (2021: 0.5%) in the long-term growth rate would result in a further impairment of approximately US$1.1 million (2021: US$0.5 million).

Discount rates – An increase of 1.0% (2021: 1.0%) in the discount rate would result in a further impairment of approximately US$3.4 million (2021: US$2.9 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 2020, 30 April 2021, 1 May 2021 and 30 April 2022		203,432	408,043	24,180	107,000	742,655
Accumulated amortization						
At 1 May 2021		–	–	9,519	38,439	47,958
Amortization	25	–	–	1,300	5,350	6,650
At 30 April 2022		–	–	10,819	43,789	54,608
At 1 May 2020		–	–	8,219	33,089	41,308
Amortization	25	–	–	1,300	5,350	6,650
At 30 April 2021		–	–	9,519	38,439	47,958
Carrying amounts						
At 30 April 2022		203,432	408,043	13,361	63,211	688,047
At 30 April 2021		203,432	408,043	14,661	68,561	694,697

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

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 Philippines trademarks

A subsidiary, Dewey Sdn Bhd, owned 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.

On 1 May 2020, Dewey Sdn. Bhd. assigned various trademarks in the Philippines including the "Del Monte" and "Today's" trademarks to PPMSC.

8. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

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 FFPL and caused the licensing of trademarks to FFPL 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.

Philippines Trademarks

In 2022 and 2021, the recoverable amounts of the Philippines Trademarks were based on fair value less cost of disposal using the Relief from Royalty ("RFR") method, and value in use ("VIU"), respectively.

The RFR and VIU 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 6.1% (2021: 5.4%) 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 and VIU 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 2022 and 2021, the carrying values of the intangible assets do not exceed the fair values less cost of disposal and VIU, respectively, hence, no impairment has been recorded. Below are the key assumptions used in fiscal year 2022 and 2021:

	2022 %	2021 %
Discount rate	8.7	10.1
Terminal growth rate	6.1	5.4
Royalty rate	1.0	N/A
Revenue growth rate	7.7	6.1

8. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Philippines Trademarks (cont'd)

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 2022 and 2021, 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.

	2022 %	**2021** %
Discount rate	10.5	10.7
Royalty rate	3.0	3.0
Revenue growth rate	6.5	6.7

Indian sub-continent trademark

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

America trademarks and Goodwill

In 2022 and 2021, the recoverable amount of the CGU was based on VIU being greater than the fair value less costs of disposal:

	30 April 2022 US$'000	**30 April 2021 US$'000**
Value-in-use	6,130,000	4,010,000
Fair value less costs of disposal – income approach	6,050,000	3,190,000
Recoverable amount	6,130,000	4,010,000

The Americas trademarks were also included in the CGU used in the goodwill impairment testing.

As of valuation date in April 2022 and January 2021, the estimated recoverable amount of the CGU exceeded its carrying amount of US$1,402.0 million and US$1,318.8 million, respectively, by approximately US$4,728.0 million and US$2,691.2 million, respectively. Therefore, the CGU is not impaired. The change in valuation date in fiscal 2022 was due to the approval of long-range plan (LRP) which happened on April 2022.

8. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

America trademarks and Goodwill (cont'd)

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.

	2022 %	2021 %
Pre-tax discount rate	8.9	8.7
Terminal growth rate	2.0	2.0
Long-term EBITDA margin	15.8	14.0
Revenue growth rate	3.5 – 8.3	(1.9) – 7.3
Gross margin	24.4 – 27.0	22.7 – 26.8

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 21% as at 30 April 2022 (2021: 22%) at a risk-free interest rate of 3.1% as of 30 April 2022 (2021: 2.5%).

The cash flow projections included specific estimates for four years for fiscal year 2022 (2021: ten years) and a terminal growth rate thereafter. Due to various growth initiatives of the Company, management shortened the cashflow forecast period to four years in fiscal year 2022 (2021: ten years) to meet the minimum requirement in terms of forecasted period and allow for its operations to reach a steady state in 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 (2021: ten years). It was assumed that sales price would increase in line with forecasted inflation over the next four years. The amounts are probability-weighted.

Sensitivity analysis

Management has identified that a reasonably possible change in the discount rate or long-term margin could cause the carrying amount to exceed the recoverable amount. The following table shows the amount to which these would need to change independently for the estimated recoverable amount of the DMFI CGU to be equal to its carrying amount.

	2022 %	2021 %
Discount rate	22.9	15.3
Long-term EBITDA margin	4.8	4.4

8. INTANGIBLE ASSETS AND GOODWILL (CONT'D)

Source of estimation uncertainty

Goodwill and the indefinite life trademarks are assessed for impairment 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.

The outbreak of COVID-19 was declared a pandemic by the World Health Organization on 11 March 2020 and has severely impacted global financial markets. The current response to COVID-19 presents an unprecedented set of circumstances on which to base a valuation judgement.

The Group managed to continue operating in the middle of the pandemic since its products are considered to be essential. There were no significant internal operational interruptions and disruptions caused by external factors. Restrictions to movement of materials were managed, thus, there was no major adverse impacts to the overall results of the Group's operations for the fiscal years ended 30 April 2022 and 2021.

Amortizable trademarks and customer relationship

	Net carrying amount		**Remaining amortization period (years)**	
	30 April 2022 US$'000	**30 April 2021 US$'000**	**30 April 2022**	**30 April 2021**
Asia S&W trademark	–	–	–	–
America S&W trademark	363	563	1.8	2.8
America Contadina trademark	12,998	14,098	11.8	12.8
	13,361	14,661		

<u>S&W Asia trademark</u>

The amortizable trademark pertains to "Label Development" trademark. As at 30 April 2022 and 2021, the trademark has been fully amortized.

<u>America trademarks</u>

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. The Sager Creek customer relationships were included in the sale of certain assets of Sager Creek in September 2017.

	30 April 2022 US$'000	30 April 2021 US$'000
Net carrying amount	63,211	68,561
Remaining amortization period (years)	11.8	12.8

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:

	Assets		Liabilities	
	30 April 2022 US$'000	30 April 2021 US$'000	30 April 2022 US$'000	30 April 2021 US$'000
Group				
Provisions	6,532	8,466	–	–
Employee benefits	13,954	13,935	–	–
Property, plant and equipment – net	–	–	(14,959)	(17,228)
Intangible assets and goodwill	–	–	(92,089)	(79,671)
Effective portion of changes in fair value of cash flow hedges	1,603	–	–	(395)
Tax loss carry-forwards	155,391	166,114	–	–
Inventories	1,409	2,127	–	–
Biological assets	–	–	(1,916)	(1,796)
Interest	29,234	24,450	–	–
Undistributed profits from a subsidiary	–	–	(5,730)	(2,168)
Charitable contributions	3,321	3,254	–	–
Others	7,574	6,851	–	–
Deferred tax assets (liabilities)	219,018	225,197	(114,694)	(101,258)
Set off of tax	(102,273)	(94,659)	102,273	94,659
Deferred Taxes	116,745	130,538	(12,421)	(6,599)

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 2021 US$'000	Recognized in profit or loss US$'000	Recognized in other comprehensive income US$'000	Currency realignment US$'000	At 30 April 2022 US$'000
2022					
Provisions	8,466	(1,606)	–	(328)	6,532
Employee benefits	13,935	3,202	(3,255)	72	13,954
Property, plant and equipment – net	(17,228)	2,015	–	254	(14,959)
Intangible assets and goodwill	(79,671)	(12,418)	–	–	(92,089)
Effective portion of changes in fair value of cash flow hedges	(395)	(195)	2,193	–	1,603
Tax loss carry-forwards	166,114	(10,723)	–	–	155,391
Inventories	2,127	(718)	–	–	1,409
Biological assets	(1,796)	(265)	–	145	(1,916)
Interest	24,450	4,784	–	–	29,234
Undistributed profits from a subsidiary	(2,168)	(3,562)	–	–	(5,730)
Charitable contributions	3,254	67	–	–	3,321
Others	6,851	724	–	(1)	7,574
	123,939	(18,695)	(1,062)	142	104,324

	At 1 May 2020 US$'000	Recognized in profit or loss US$'000	Recognized in other comprehensive income US$'000	Currency realignment US$'000	At 30 April 2021 US$'000
2021					
Provisions	8,257	28	–	181	8,466
Employee benefits	28,816	(993)	(13,880)	(8)	13,935
Property, plant and equipment – net	(19,813)	2,125	629	(169)	(17,228)
Intangible assets and goodwill	(69,094)	(10,577)	–	–	(79,671)
Effective portion of changes in fair value of cash flow hedges	2,162	(1,508)	(1,049)	–	(395)
Tax loss carry-forwards	160,414	5,700	–	–	166,114
Inventories	876	1,251	–	–	2,127
Biological assets	(1,841)	129	–	(84)	(1,796)
Deferred income	(5,455)	5,455	–	–	–
Interest	23,139	1,311	–	–	24,450
Undistributed profits from a subsidiary	(7,514)	5,346	–	–	(2,168)
Charitable contributions	3,856	(602)	–	–	3,254
Accrued plant closure costs	309	(309)	–	–	–
Others	8,415	(1,570)	–	6	6,851
	132,527	5,786	(14,300)	(74)	123,939

9. DEFERRED TAX ASSETS – NET (CONT'D)

In fiscal year 2021, the Group derecognized US$0.6 million of its deferred tax liability on property, plant and equipment – net related to the revaluation surplus on freehold land, resulting from the change in tax rate in the Philippines. The amount was recognized in other comprehensive income.

As at 30 April 2022, the Group recognized deferred tax liability related to undistributed profit of a subsidiary amounting to US$5.7 million (2021: US$2.2 million).

Unrecognized deferred tax assets

The following deferred tax assets have not been recognized as of 30 April 2022 and 2021:

	30 April 2022 US$'000	30 April 2021 US$'000
Deductible temporary differences	5,266	23,991
Tax losses and tax credits	15,377	7,668
	20,643	31,659

The tax losses will expire in 2023 and 2024. The tax credits will expire between 2024 and 2028. Deferred tax assets have not been recognized with respect to these items because it is not probable that future taxable profits will be available to utilize the benefits.

Sources of estimation uncertainty

As of 30 April 2022, deferred tax assets amounting to US$155.4 million (2021: US$166.1 million) have been recognized in respect of the tax loss carry forwards because management assessed that it is probable that future taxable profit will be available against which the Group can utilize these benefits. 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 as at 30 April 2022 may not be realized. Tax losses arising from fiscal years subsequent to 2017 can be carried forward indefinitely. Tax losses carry forwards prior to 30 April 2017 may be utilised up to a 20-year period.

The COVID-19 outbreak did not have a significant impact on the assumptions used in the recoverability of deferred tax assets. There was no adverse impact to the future taxable profits used in the assessment since the Group continued operating in the middle of the pandemic and there were no major interruptions to the business.

10. OTHER NONCURRENT ASSETS

	Note	Group 30 April 2022 US$'000	Group 30 April 2021 US$'000
Advance rentals and deposits		16,679	13,493
Excess insurance		3,762	4,442
Receivable from sale and leaseback		2,818	3,156
Advances to suppliers	5	4,212	1,036
Note receivables	5	1,000	1,000
Lease receivable		194	750
Others		1,746	1,448
		30,411	25,325

Advance rentals and deposits consists of noninterest-bearing cash and other advances to growers and landowners which are collected against delivery of fruits or minimum guaranteed profits of the growers or against payment of rentals to landowners.

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.

As at 30 April 2022 and 2021, note receivables of US$1.0 million relates to the sale of certain assets of Plymouth (see Note 5).

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".

Lease receivable is the noncurrent portion of receipts to be received from the Group's sublease agreements (see Note 23).

11. BIOLOGICAL ASSETS

	Note	Group 30 April 2022 US$'000	30 April 2021 US$'000
Livestock			
At beginning of the year		2,655	2,118
Purchases of livestock		895	1,065
Sales of livestock		(601)	(631)
Currency realignment		(214)	103
At end of the year		2,735	2,655
Agricultural produce			
At beginning of the year		10,878	25,966
Additions		16,177	1,710
Harvested		(12,016)	(17,896)
Currency realignment		(1,271)	1,098
At end of the year		13,768	10,878
Fair value gain on produce prior to harvest		33,578	34,035
At end of the year		47,346	44,913
Current		47,346	44,913
Noncurrent		2,735	2,655
Totals		50,081	47,568
Fair value gain (loss) recognized under:			
Harvested pine for cannery			
Inventories	34	3,375	5,389
Cost of sales	25	37,532	34,652
		40,907	40,041
Inventories – cattle for slaughter		(9)	(33)
Cost of sales – fresh pines	25	22,704	18,912
Unharvested agricultural produce		2,076	(2,812)
Fair value gain recognized under revenues		65,678	56,108

The changes in fair values of the Group's biological assets are recorded as part of revenues (see Note 24).

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.

11. BIOLOGICAL ASSETS (CONT'D)

Risk Management strategy related to agricultural activities (cont'd)

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 volume 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.

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 2022 US$'000	30 April 2021 US$'000
Finished goods		
– at cost	430,070	348,045
– at net realizable value	20,380	23,796
Semi-finished goods		
– at cost	94,966	70,948
– at net realizable value	8,182	12,328
Raw materials and packaging supplies		
– at cost	75,165	47,302
– at net realizable value	57,195	55,183
	685,958	557,602

Total cost of inventories carried at net realizable value amounted to US$92.2 million as at 30 April 2022 (2021: U$104.6 million). Inventories recognized as an expense in cost of sales amounted to US$1,300.3 million for the year ended 30 April 2022 (2021: US$1,193.7 million) (see Note 25).

Inventories are stated at net realisable value after allowance for inventory obsolescence. Movements in the allowance for inventory obsolescence during the year are as follows:

		Group	
	Note	30 April 2022 US$'000	30 April 2021 US$'000
At beginning of the year		13,254	14,868
Allowance for the year	25	4,135	7,043
Write-off against allowance		(10,157)	(7,323)
Currency realignment		(768)	(1,334)
At end of the year		6,464	13,254

Source of estimation uncertainty

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

	Note	Group 30 April 2022 US$'000	Group 30 April 2021 US$'000	Company 30 April 2022 US$'000	Company 30 April 2021 US$'000
Trade receivables		189,839	165,370	–	–
Nontrade receivables		34,881	28,903	603	8
Amounts due from subsidiaries (nontrade)	37	–	–	84,229	82,274
Allowance for expected credit loss – trade		(5,850)	(4,801)	–	–
Allowance for expected credit loss – nontrade		(4,317)	(4,423)	–	–
Trade and other receivables		214,553	185,049	84,832	82,282

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 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)
At 30 April 2021				
Not past due	83,812	14,731	–	–
Past due 0 – 60 days	64,945	2,889	–	–
Past due 61 – 90 days	4,206	623	–	–
Past due 91 – 120 days	2,059	664	–	–
More than 120 days	10,348	9,996	(4,801)	(4,423)
	165,370	28,903	(4,801)	(4,423)

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 2022 and 2021, 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$0.5 million as at 30 April 2022 (2021: 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 2022 (2021: US$0.1 million). The noncurrent portion of lease receivable and receivable from sale and leaseback are presented under "Other noncurrent assets" (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 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
At 1 May 2020		4,975	4,544	9,519
Allowance for the year	25	289	–	289
Write-off for the year		(487)	–	(487)
Reversal for the year	25	(10)	(135)	(145)
Currency realignment		34	14	48
At 30 April 2021		4,801	4,423	9,224

Source of estimation uncertainty

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 judgement 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 2022 and 2021.

14. PREPAID EXPENSES AND OTHER CURRENT ASSETS

	Note	Group 30 April 2022 US$'000	Group 30 April 2021 US$'000	Company 30 April 2022 US$'000	Company 30 April 2021 US$'000
Prepaid expenses		32,622	29,875	48	83
Down payment to suppliers		12,737	4,090	–	–
Derivative assets	19	1,486	1,694	–	–
Short-term placements		1,288	1,327	883	889
Others		919	300	–	26
		49,052	37,286	931	998

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 (2021: 5-6 months) and earn interest at 0.75%-1.00% per annum (2021: 0.875%-1.00% per annum) in 2022.

15. CASH AND CASH EQUIVALENTS

	Group 30 April 2022 US$'000	Group 30 April 2021 US$'000	Company 30 April 2022 US$'000	Company 30 April 2021 US$'000
Cash on hand	67	68	–	–
Cash in banks	20,902	28,478	1,245	1,215
Cash equivalents	884	889	884	889
Cash and cash equivalents	21,853	29,435	2,129	2,104

Certain cash in bank accounts earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 0.50% per annum in 2022 (2021: 0.01% to 0.50%). 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 rate of 0.75% to 1.00% as of 30 April 2022 (30 April 2021: 0.88% to 2.00%) per annum.

16. SHARE CAPITAL

	30 April 2022 No. of shares ('000)	30 April 2022 US$'000	30 April 2021 No. of shares ('000)	30 April 2021 US$'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	30,000	30,000
	1,954,936	29,449	1,974,936	49,449

Reconciliation of number of outstanding ordinary shares in issue:

	Year ended 30 April 2022 No. of shares ('000)	Year ended 30 April 2021 ('000)
At beginning/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.

Reconciliation of number of outstanding preference shares in issue:

	Year ended 30 April 2022 No. of shares ('000)	Year ended 30 April 2021 ('000)
At beginning of the year	30,000	30,000
Redeemed	(20,000)	–
At end of the year	10,000	30,000

16. SHARE CAPITAL (CONT'D)

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.

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 2022			30 April 2021		
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	–	–	–	20,000	180,000	200,000
Series A-2	US$1.00	10,000	90,000	100,000	10,000	90,000	100,000
		10,000	90,000	100,000	30,000	270,000	300,000

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.

16. SHARE CAPITAL (CONT'D)

Preference Shares (cont'd)

On 7 April 2022, the Company has redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares at a redemption price equal to the issue price of US$10 per share, plus the accrued and unpaid cash dividends due on such shares as of that date, after deduction of transfer costs customarily chargeable to stockholders, as applicable to effect the redemption (the "Redemption Price"). The Redemption Price were paid to holders of the Series A-1 Preference Shares as of 30 March 2022, which was the relevant record date, as announced on 11 March 2022.

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 directors.

The total number of ordinary shareholders as at 30 April 2022 and 2021 is 7,286 and 7,398, respectively. Additionally, the total number of Series A-1 preference shareholders as at 30 April 2022 and 2021 is nil and 19, respectively. The total number of Series A-2 preference shareholders as at 30 April 2022 and 2021 is 24 and 26, 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 April 2017, the Company completed the offering and listing of 20,000,000 Series A-1 Preference Shares which were sold at an offer price of US$10.0 per share (US$1.0 par value per share) in the Philippines, generating US$200 million in proceeds. The said shares were listed on the PSE.

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).

In December 2017, the Company completed the offering and listing of 10,000,000 Series A-2 Preference Shares in the Philippines generating approximately US$100 million in proceeds (or a combined US$300 million including the US$200 million that was raised in April 2017). The Company used the net proceeds to substantially refinance the US$350 million bridging loan that was due in February 2019.

The Company also issued share awards under the Del Monte Pacific RSP (see Note 31) in fiscal year 2018.

16. SHARE CAPITAL (CONT'D)

Capital management

The Board's policy is 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.

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 fiscal year.

17. RETAINED EARNINGS AND RESERVES

Retained earnings

Dividends

	Group			Company		
	30 April 2022 US$'000	**30 April 2021 US$'000**	**30 April 2020 US$'000**	**30 April 2022 US$'000**	**30 April 2021 US$'000**	**30 April 2020 US$'000**
Declared and paid during the financial year:						
Dividends on ordinary shares						
2022: US$0.0120 per share (2021:US$0.0154; 2020: US$0.0052)	23,310	30,055	10,112	23,310	30,055	10,112
Dividends on preference shares						
A-1 preference shares for 2022, 2021 and 2020: US$0.6625 per share	13,250	13,250	13,250	13,250	13,250	13,250
A-2 preference shares for 2022 2021 and 2020: US$0.6500 per share	6,500	6,500	6,500	6,500	6,500	6,500
	19,750	19,750	19,750	19,750	19,750	19,750
	43,060	49,805	29,862	43,060	49,805	29,862
Proposed but not recognized as a liability as at reporting date:						
Dividends on ordinary shares 2022: US$0.0170 (2021: US$0.0120; 2019: US$0.0154)	33,047	23,328	29,937	33,047	23,328	29,937

17. RETAINED EARNINGS AND RESERVES (CONT'D)

Retained earnings (cont'd)

Ordinary shares

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 will be 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.

On 24 July 2020, the Company declared a special dividend of US$0.0154 per share to ordinary shareholders on record as at 12 August 2020. The special dividend was paid on 19 August 2020.

Preference shares

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

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

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

On 11 September 2020, 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 2020 to 7 October 2020. The final dividends were paid on 7 October 2020.

On 11 March 2020, 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 2019 to 7 April 2020. 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 2019 to 7 April 2020. The final dividends were paid on 7 April 2020.

The cumulative undeclared dividends on the preference shares amounted to US$0.4 million and US$1.3 million as of 30 April 2022 and 2021, respectively.

17. RETAINED EARNINGS AND RESERVES (CONT'D)

Retained earnings (cont'd)

Preference shares (cont'd)

The retained earnings is restricted for the payment of dividends representing the accumulated equity in net earnings of the subsidiaries amounting to US$277.2 million as at 30 April 2022 (2021: US$233.0 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 2022 and 2021, 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). On 30 April 2020, the Group recorded in retained earnings, a net equity reserve of US$77.0 million, arising from the sale of DMPI shares (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 issuing of shares are deducted from the share premium account, net of any related income tax effects.

In fiscal year 2022, share premium decreased by US$180.0 million as a result of redemption of Series A-1 Preference Shares on 7 April 2022 (see Note 16).

Reserves

	Group		Company	
	30 April 2022 US$'000	**30 April 2021 US$'000**	**30 April 2022 US$'000**	**30 April 2021 US$'000**
Translation reserve	(95,322)	(81,971)	(95,322)	(81,971)
Remeasurement of retirement plan	43,752	35,049	43,752	35,049
Revaluation reserve	14,278	14,278	14,278	14,278
Hedging reserve	(4,963)	1,224	(4,963)	1,224
Share option reserve	–	1,753	–	1,753
Reserve for own shares	(286)	(286)	(286)	(286)
	(42,541)	(29,953)	(42,541)	(29,953)

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 2022 and 2021, the Group held 975,802 of the Company's shares.

18. LOANS AND BORROWINGS

	Group 30 April 2022 US$'000	Group 30 April 2021 US$'000	Company 30 April 2022 US$'000	Company 30 April 2021 US$'000
Current liabilities				
Unsecured bank loans	327,794	256,125	160,071	62,310
Secured bank loans	151,560	76,328	10,500	7,500
	479,354	332,453	170,571	69,810
Noncurrent liabilities				
Unsecured bank loans	384,524	291,014	233,290	127,390
Secured bank loans	703,488	662,276	201,297	166,171
	1,088,012	953,290	434,587	293,561
	1,567,366	1,285,743	605,158	363,371

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate % p. a.	Year of maturity	30 April 2022 Face value US$'000	30 April 2022 Carrying amount US$'000	30 April 2021 Face value US$'000	30 April 2021 Carrying amount US$'000
Group							
Secured bank loans	PHP	4.125%	2025	28,662	28,532	31,150	30,950
Unsecured bank loans	PHP	2.125%-3.00%	2022-2025	141,015	140,870	129,164	128,950
Unsecured 3Y bonds	PHP	3.4840%	2023	111,446	110,519	121,185	119,473
Unsecured 5Y bonds	PHP	3.7563%	2025	12,342	12,198	13,346	13,216
Unsecured bank loans	US$	1.85%-4.20%	2022-2025	360,760	360,755	285,500	285,500
Secured bank loans	US$	3.52%-4.17%	2023-2025	145,000	144,309	100,000	98,671
Secured bridging loan	US$	3.0585%	2023	67,500	67,488	75,000	75,000
Unsecured bonds	US$	3.75%	2024	90,000	87,976	–	–
Secured senior notes	US$	11.875%	2025	500,000	473,659	500,000	465,155
Secured bank loan under Asset-Based Lending (ABL) Credit Agreement	US$	Swingline B- 5% ABL Base B- 5% Higher of London Interbank Offered Rate (LIBOR) or 1% +2.75% or total of 3.75%	2022	146,000	141,060	75,100	68,828
				1,602,725	1,567,366	1,330,445	1,285,743

18. LOANS AND BORROWINGS (CONT'D)

	Currency	Nominal interest rate % p. a.	Year of maturity	30 April 2022 Face value US$'000	30 April 2022 Carrying amount US$'000	30 April 2021 Face value US$'000	30 April 2021 Carrying amount US$'000
Company							
Unsecured bank loans	US$	2.26%-3.50%	2022-2025	305,390	305,385	189,700	189,700
Unsecured bonds	US$	3.75%	2024	90,000	87,976	–	–
Secured bank loans	US$	3.52%-4.17%	2023-2025	145,000	144,309	100,000	98,697
Secured bridging loans	US$	3.0585%	2023	67,500	67,488	75,000	74,974
				607,890	605,158	364,700	363,371

Long-term Borrowings	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 2021 to 30 Apr 2022 (In '000)
Secured Loan [2]	US$100,000	US$100,000	3.516%	2023	Semi-annual interest payments and principal on maturity date.	US$3,555
Bonds Payable [4]	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 183,934
Unsecured Loan [3]	US$75,000	US$72,955	2.5627%	2024	Quarterly interest payments; and principal 15% on eleven equal quarterly installments starting January 2022 and 85% on maturity date.	US$1,266
Unsecured Loan [3]	US$57,300	US$54,435	2.75%	2024	Quarterly interest payments; and principal 5%, 10% and 85% in fiscal year 2022, 2023 and 2024, respectively.	US$1,568
Unsecured Loan [5]	PHP 1,500,000	PHP 1,500,000	3.00%	2025	Quarterly interest payments; and principal on eight quarterly installments starting February 2024	PHP 58,968
Secured Loan [6]	PHP 1,500,000	PHP 1,500,000	4.125%	2025	Quarterly interest payments; and principal on nine quarterly installments starting August 2023	PHP 76,976
Bonds Payable [7]	US$90,000	US$90,000	3.75%	2024	Semi-annual interest payments and principal on maturity date.	nil

18. LOANS AND BORROWINGS (CONT'D)

Long-term Borrowings	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 2021 to 30 Apr 2022 (In '000)
Secured Loan [1]	US$75,000	US$67,500	3.0585%	2023	Quarterly interest payments; and principal 10% on August 2021, 10% on August 2022 and 80% on maturity date.	US$2,707
Secured Loan [8]	US$45,000	US$45,000	4.17%	2025	Quarterly interest payments; and principal 5% on April 2023, 5% on April 2024 and 90% on maturity date.	nil
Unsecured Loan[8]	US$30,000	US$30,000	4.20%	2025	Quarterly interest payments; and principal 20% on four equal semi-annual installments starting October 2022 and 80% on maturity date.	nil
Senior Secured Notes	US$500,000	US$500,000	11.875%	2025	Semi-annual interest payments and principal on maturity date.	US$59,375

[1] The secured bridging loans of US$67.5 million as at 30 April 2022 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. In 2017, the Company signed a two-year extension of the US$350.0 million Banco de Oro Unibank, Inc ("BDO") loans from 10 February 2017 to 2019. In 2019, the Company settled an additional US$0.5 million and extended the maturity date from February 2019 to August 2020. In 2020, the Company settled another US$53.0 million bringing the balance to US$0.5 million. The loans are secured by pledge by CARI of its shares in DMPI. This loan was fully paid in October 2020 via a new long- term loan obtained amounting to US$75.0 million under the US$350.0 million facility. The new loan matures in August 2023.

In fiscal year 2022, the Company settled US$7.5 million bringing the balance to US$67.5 million. On 5 April 2022, the Company entered into a Sixth Amendment Agreement amending the Total Facility Commitment to US$67.5 million. The amended agreement also requires the Company to maintain a debt-to-equity ratio of 4.0x and interest coverage of 1.7x. The Company is compliant with these covenants as at 30 April 2022 and 2021.

[2] On 15 May 2020, the Company obtained long-term loan from Bank of the Philippine Islands ("BPI") amounting to US$100.0 million maturing in 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.

[3] In fiscal year 2021, the Company obtained additional long-term loans from Development Bank of the Philippines ("DBP") amounting to US$57.3 million maturing in April 2024 (fiscal year 2020: US$75.0 million maturing in October 2024), to refinance existing debt.

[4] On 30 October 2020, DMPI issued peso-denominated fixed rate bonds with an aggregate principal amount of US$103.8 million (Php5.0 billion) with an oversubscription option of up to US$51.9 million (Php2.5 billion).

The following are the series of the bonds:

(i) 3.4840% p.a. three-year fixed-rate bonds due 2023 and

(ii) 3.7563% p.a. five-year fixed-rate bonds due 2025.

The net proceeds of the bonds were used by DMPI to repay its existing short-term and unsecured loans. As of 30 April 2022, US$111.4 million (Php5.8 billion) three-year fixed-rate and US$12.3 million (Php645.9 million) five-year fixed-rate bonds were issued.

[5] On 6 November 2020, DMPI availed of an unsecured long-term credit facility with DBP amounting to US$31.1 million (Php1.5 billion) at a variable interest rate (2021:3.00% per annum), maturing in 2025, to refinance existing debts. The loan shall be repaid in five years, inclusive 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.

18. LOANS AND BORROWINGS (CONT'D)

[6] On 23 October 2020, DMPI obtained a long-term loan facility with BDO amounting to US$31.1 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.

[7] On 9 December 2022, 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.

[8] On 4 April 2022, the Company obtained long-term loans from BDO and BOC 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 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 2022.

The Company had also entered into an agreement with Development Bank of Singapore Limited (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$25.0 million as of 30 April 2022 (2021: US$ 30.0 million)

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 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000
Beginning of year		44,702	30	1,329	29
Additions		2,915	56,153	2,383	1,947
Amortization	26	(12,258)	(11,481)	(980)	(647)
End of year		35,359	44,702	2,732	1,329

Secured Term Loan Credit Agreements

Prior to fiscal year 2021, DMFI was a party to a First Lien term loan credit agreement and a Second Lien term loan credit agreement (the "Term Loan Credit Agreements") with the lenders party thereto, Citibank, N.A., as administrative agent and as collateral agent, and the other agents named therein, that provided for a US$710.0 million First Lien Term Loan and a US$260.0 million Second Lien Term Loan with terms of seven years and seven years plus six months, respectively. DMFI's assets are held as collateral for the benefit of lenders.

Interest Rates. Loans under the First and Second Lien Term Loans bear interest at a rate equal to an applicable margin, plus, at the Group's option, either (i) a LIBOR rate (with a floor of 1.00%) or (ii) a base rate (with a floor of 2.00%) 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 Quoted Rate plus 1.00%. As of 30 April 2020, the interest rate for First Lien Term Loans is 4.86% per annum and the interest rate for Second Lien Term Loans is 7.82% per annum. Loans under the Senior Secured Notes bear interest at a fixed rate of 11.875% per annum.

Principal Payments. The First Lien Term Loan generally requires quarterly scheduled principal payments of 0.25% of the outstanding principal per quarter from 30 April 2014 to 31 January 2021. The balance is due in full on the maturity date of 18 February 2021. Scheduled principal payments with respect to the First Lien Term Loan are subject to reduction following any mandatory or voluntary prepayments on terms and conditions set forth in the First Lien Term Loan Credit Agreement.

18. LOANS AND BORROWINGS (CONT'D)

Secured Term Loan Credit Agreements (cont'd)

The Second Lien Term Loan was due in full on its maturity date of 18 August 2021.

The Term Loan Credit Agreements also require DMFI to prepay outstanding loans under the First Lien Term Loan and the Second Lien Term Loan, subject to certain exceptions, with, among other things:

- 50% (which percentage will be reduced to 25% if the leverage ratio is 4.0x or less and to 0% if the leverage ratio is 3.0x or less) of the annual excess cash flow, as defined in the First Lien Term Loan Credit Agreement;

- 100% of the net cash proceeds of certain casualty events and non-ordinary course asset sales or other dispositions of property for a purchase price above US$2.0 million, in each case, subject to DMFI's right to reinvest the proceeds; and

- 100% of the net cash proceeds of any incurrence of debt, other than proceeds from debt permitted under the First Lien Term Loan Credit Agreement.

The First Lien Term Loan and the Second Lien Term Loan was settled in full on 15 May 2020.

On 14 March 2018, the Company, a trust owned by DMFHII and certain seller lenders entered into a Purchase Agreement wherein the Company, or its designated affiliate, agreed to purchase certain Second Lien term loans from the seller lenders at an amount equal to 70% of the principal amount of the loans to be sold, plus accrued and unpaid interest thereon. On 27 March 2018, DMFI, DMFHI and the lenders signed the second amendment to the Second Lien term loan allowing the Company, or its eligible assignee, to purchase any and all loans outstanding under the amended agreement which were duly submitted by the lenders for purchase at a price equal to 70% of the principal amount.

In March 2018, DMFHII, the affiliate assignee, through a trust, purchased DMFI's Second Lien term loans with principal amount of US$125.9 million from seller lenders for US$88.2 million. On 5 June 2018, 24 July 2018, 15 April 2019 and 27 November 2019, an additional US$4.0 million, US$95.1 million, US$6.5 million and US$5.8 million, respectively, of the Second Lien Term Loans were purchased. There were no additional purchases made in fiscal year ended 30 April 2022.

The pre-tax net gain from the purchase of the loans in 2020 amounting to US$1.7 million (2019: US$16.9 million) net of no transaction costs (2019:US$2.0 million) was recognized in the Group's consolidated financial statements and is presented under "Finance income" in the consolidated income statement. The non-controlling interests of DMPLFL agreed to waive its share in any economic benefits arising from the Group's purchase of the Second Lien term loans. DMFHII agreed to make an equity contribution to DMFI in the amount equivalent to the interest received from DMFI.

To finance the purchase of the Second Lien Term Loans, the Company extended a loan to DMFHII amounting to US$88.2 million in fiscal year 2018 with additional US$87.8 million and US$4.1 million loans extended in fiscal year 2019 and 2020, respectively.

On 15 May 2020, DMFHL issued 0.64546 shares of capital stock to DMPLFL and DMPLFL issued 645.46 shares of capital stock to DMPL as full payment of the US$228.4 million loan to finance purchases of the Second Lien Term Loans (including accumulated interest). Upon the issuance of the capital stock to the Company, DMFHL is unconditionally released of all liabilities for principal and interest through 3 May 2020 relating to the purchase of the Second Lien Term Loans. As of 15 May 2020, the Company recorded US$229.5 million of additional equity investment related to this transaction (see Note 6). Additionally, on 15 May 2020, DMFHII issued 64.546 shares of capital stock to DMFHL, DMFHL issued 0.64546 shares of capital stock to DMPLFL(see Note 6).

18. LOANS AND BORROWINGS (CONT'D)

Secured Term Loan Credit Agreements (cont'd)

On 15 May 2020, the Group issued US$500.0 million of 11.875% Senior Secured Notes (the "Notes"). The Notes will mature on 15 May 2025 and are redeemable at the option of the Group beginning in May 2022. Proceeds of US$477.5 million from the issuance were used to pay-off the balance of the First Lien Term Loan.

ABL Credit Agreement

Prior to fiscal year 2021, DMFI is 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, that provides 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, DMFHL 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 on this facility. Loans under the ABL Credit Agreement will bear 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 US$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).

Effective 15 May 2020, borrowings under the ABL Credit Agreement bear 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).

18. LOANS AND BORROWINGS (CONT'D)

ABL Credit Agreement (cont'd)

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 15 May 2020, the Group is required to pay a commitment fee of 0.375% or 0.500% depending on the amount of unused commitments under the ABL Credit Agreement for the prior fiscal quarter. Effective 29 April 2021, the Group is required to pay a commitment fee of 0.250% or 0.375% depending on the amount of unused commitments under the 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 of 30 April 2022, there were US$146.0 million (30 April 2021: US$75.1 million) of loans outstanding and US$24.3 million of letters of credit issued (30 April 2021: $24.6 million). The Group's net availability under the ABL Credit Agreement was US$279.7 million as of 30 April 2022 (30 April 2021: US$350.2 million). The weighted average interest rate on the ABL Credit Agreement was approximately 4.31% per annum on 30 April 2022 (2021: 5.12%). The ABL Credit Agreement includes a sub limit for letters of credit and for borrowings on same day notice, referred to as "swingline loans."

Ability to Incur Additional Indebtedness. Notwithstanding any increase in the facility size, the Group's ability to borrow under the facility will always remain limited by the borrowing base (to the extent the borrowing base is less than the commitments).

Guarantee of Obligations under the Term Loan Credit Agreements and the ABL Credit Agreement. All obligations of DMFI under the Term Loan Credit Agreements and the ABL Credit Agreement are unconditionally guaranteed by the DMFHL and by substantially all existing and future, direct and indirect, wholly owned material restricted domestic subsidiaries of DMFI, subject to certain exceptions. DMFI was released from the guarantees after payment of First and Second Lien Term Loans.

18. LOANS AND BORROWINGS (CONT'D)

Security interests

Indebtedness under the First Lien Term Loan is generally secured by (i) a first priority pledge of all of the equity interests of DMFHL, (ii) a second priority lien on all ABL Priority Collateral of DMFHL and (iii) a first priority lien on substantially all other properties and assets of DMFHL. The Second Lien Term Loan is generally secured by (i) a second priority pledge of all of the equity interests of DMFHL, (ii) a third priority lien on all ABL Priority Collateral of DMFHL and (iii) a second priority lien on substantially all other properties and assets of DMFHL. 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. The Term Loans were fully paid on 15 May 2020 and the securities were released upon payment.

Borrowing Base Reserve. The Group is required to hold US$45.0 million borrowing base reserve during the term of the loan.

Restrictive and Financial Covenants. The Term Loan Credit Agreement and 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 Term Loan Credit Agreements and ABL Credit Agreement generally do not require that DMFI comply with financial maintenance covenants.

Minimum Consolidated EBITDA. Beginning on 1 May 2018, the DMFHL Group is subjected to an EBITDA financial covenant. Consolidated Trailing Twelve Month EBITDA of the Borrower and the Guarantors as of the last day of any fiscal quarter shall not be lower than specified amounts in the Credit Agreement.

Effect of Restrictive and Financial Covenants. The restrictive and financial covenants in the Term Loan Credit Agreements and 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 Term Loan Credit Agreements have been fully settled on 15 May 2020.

The Group is compliant with the ABL Credit Agreement loan covenants as of 30 April 2022 and 2021.

On 15 May 2020, DMFHL 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.

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 Notes will mature on 15 May 2025. Interest of 11.875% per annum will accrue from 15 May 2020, and payable every May 15 and November 15.

18. LOANS AND BORROWINGS (CONT'D)

Senior Secured Notes *(cont'd)*

The issuer may redeem some or all of the Senior Secured Notes at any time on or after 15 May 2022. The Issuer 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 Issuer, 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).

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	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 bonds	N/A	DMPL	US$90,000	–	–	2.25x

The Company and the Group is compliant with its loan covenants as at 30 April 2022 and 2021.

18. LOANS AND BORROWINGS (CONT'D)

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. As of 30 April 2022 and 2021, US$50 million and US$30 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 2022, the US$45 million had been fully drawn.

The Company also has uncommitted facilities with 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 2022 and 2021, US$25 million and US$30 million had been drawn, respectively.

19. OTHER NONCURRENT LIABILITIES

	Group	
	30 April 2022 US$'000	**30 April 2021 US$'000**
Workers' compensation	14,639	17,150
Accrued vendors liabilities	488	553
Derivative liabilities	7,896	–
Other payables	–	994
	23,023	18,697

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 2022 and 2021, 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:

19. OTHER NONCURRENT LIABILITIES (CONT'D)

Derivative liabilities (cont'd)

	Note	Group 30 April 2022 US$'000	Group 30 April 2021 US$'000
Commodity contracts		685	1,694
Foreign currency forward contracts		801	(80)
Interest rate cap		(7,896)	–
Total		(6,410)	1,614
Included in:			
Prepaid expenses and other current assets	14	1,486	1,694
Trade payables and other current liabilities	22	–	(80)
Other noncurrent liabilities		(7,896)	–
		(6,410)	1,614

Interest Rates

As of 30 April 2022 and 2021, 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 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 then the than the 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 swap and interest rate cap contracts are as follows:

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

National amount of U$200.0 million, U$200.0 million and U$175.0 million will mature on 1 April 2024, 2025 and 2026, respectively. The floating rate is based on secured overnight financing rate ("SOFR").

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FOR THE FINANCIAL YEAR ENDED 30 APRIL 2022

19. OTHER NONCURRENT LIABILITIES (CONT'D)

Derivative liabilities (cont'd)

30 April 2021

Contract Date	Notional amount US$ '000	Fixed Rate	Effective Date	Maturity Date
19 March 2014	284,000	3.30%	18 February 2016	18 February 2021

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 ration 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 2022 and 2021:

	30 April 2022 US$'000	30 April 2021 US$'000
Natural gas (MMBTU)	1,329	1,065
Diesel (gallons)	1,029	3,663

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 2022 US$'000	30 April 2021 US$'000
Mexican pesos	221,199	379,628

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 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	116	–
Foreign exchange risk			
Inventory purchases	165	413	–

	30 April 2021		
	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	240	–	–
Commodity price risk			
Inventory purchases	(6,363)	1,279	–
Foreign exchange risk			
Inventory purchases	3,552	(61)	–

19. OTHER NONCURRENT LIABILITIES (CONT'D)

Derivative liabilities (cont'd)

Amounts Relating to Hedging Instruments (cont'd)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

	30 April 2022				During 2022		
	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		
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)	1,029	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

	30 April 2021				During 2021		
	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		
Interest rate risk							
Interest rate caps	–	–	–	Derivative liabilities – Current	(240)	–	Net finance expense
Commodity price risk							
Commodity contracts							
Natural gas (MMBTU)	1,065	194	–	Prepaid and Other Current Assets	123	15	Cost of sales
Diesel (gallons)	3,663	1,500	–	Prepaid and Other Current Assets	6,240	(1,755)	Cost of sales
Foreign exchange risk							
Foreign currency forwards	379,628	–	(80)	Derivative Liabilities – Current Liabilities	(3,552)	3,472	Cost of sales

19. OTHER NONCURRENT LIABILITIES (CONT'D)

Derivative liabilities (cont'd)

Hedging Reserves

The following table provides a reconciliation by risk category of the hedging reserve and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

	Group	
	30 April 2022 US$'000	**30 April 2021 US$'000**
Balance at beginning of year	1,218	(2,016)
Changes in fair value:		
– Commodity risk	(5,986)	6,363
– Foreign exchange risk	(165)	(3,552)
– Interest rate risk	(7,896)	(240)
Amount reclassified to profit or loss		
– Foreign exchange risk	–	3,472
– Commodity risk	–	(1,760)
– Interest rate risk	–	–
Amount included in cost of non-financial items		
– Commodity risk	4,531	–
– Foreign exchange risk	710	–
Tax movements on reserves during the year	2,193	(1,049)
Balance at end of year	(5,395)	1,218

Sensitivity analysis

The value of the Group's derivative liabilities related to the additional RCPS grant and call option are driven primarily by DMPI's forecasted net income which is not based on observable market data.

The following table demonstrates the sensitivity to a reasonably possible change in DMPI's forecasted net income, with all other variables held constant, on the fair value of the Group's derivative liabilities on additional RCPS grant and call option:

	10% increase US$'000	**10% decrease US$'000**
30 April 2021		
Fair value of derivative liabilities – additional RCPS grant	–	–
Fair value of derivative liabilities – call option	–	–

20. EMPLOYEE BENEFITS

	Group		Company	
	30 April 2022 US$'000	30 April 2021 US$'000	30 April 2022 US$'000	30 April 2021 US$'000
Pension asset	9,799	7,889	–	–
Total pension asset (noncurrent)	9,799	7,889	–	–
Post-retirement benefit obligation	6,754	9,675	–	–
Executive retirement plan	3,610	3,388	–	–
Cash incentive award	5,051	3,400	–	–
Short-term employee benefits	30,689	29,183	–	–
Other plans	3,756	6,908	–	–
Net defined benefit liability	11,440	17,587	12	376
Total employee benefit liability	61,300	70,141	12	376
Current	36,958	38,275	–	–
Noncurrent	24,342	31,866	12	376
	61,300	70,141	12	376

Included in pension asset is an amount of US$9.8 million (2021: US$7.9 million) relating to defined benefit and defined contribution retirement plan in DMPI.

Included in post-retirement benefit obligation is an amount of US$6.8 million (2021: US$9.7 million) relating to post-retirement medical benefits plan in DMFI.

Included in net defined benefit liability is an amount of US$11.4 million and US$0.01 million (2021: US$17.2 million and US$0.4 million) relating to qualified retirement plan in DMFI and ROHQ, respectively.

The Group contributes to the following post-employment defined benefit plans:

The DMPI Plan

DMPI has both funded defined benefit and defined contribution retirement plan (the "Plan") which covers all of its regular employees. 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 2022. 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.

The retirement plan meets the minimum retirement benefit specified under Republic Act (RA) 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.

20. EMPLOYEE BENEFITS (CONT'D)

The DMPI Plan (cont'd)

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 2023.

The ROHQ Plan

ROHQ has a funded defined benefit plan wherein starting on the date of membership of an employee in the ROHQ Plan, ROHQ contributes to the retirement fund 7.00% of the member's salary as defined every month. In addition, ROHQ contributes 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 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 on retirement. ROHQ's annual contribution to the pension plan consists of payments covering the current service cost for the year plus payments towards funding the actuarial accrued liability, if any.

ROHQ does not expect to make contributions to the plan in fiscal year 2023.

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 consolidated income statement.

20. EMPLOYEE BENEFITS (CONT'D)

The DMFI Plan (cont'd)

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 consolidated income statement.

DMFI does not expect to make contributions to the plan in fiscal year 2023.

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:

	Defined benefit obligation		Fair value of plan assets		Effect of Asset Ceiling		Net defined benefit liability (asset)	
	30 April 2022 US$'000	30 April 2021 US$'000	30 April 2022 US$'000	30 April 2021 US$'000	30 April 2022 US$'000	30 April 2021 US$'000	30 April 2022 US$'000	30 April 2021 US$'000
Group								
Beginning balance	332,272	372,484	(313,505)	(302,102)	606	546	19,373	70,928
Included in profit or loss:								
Current service cost	2,794	2,957	–	–	–	–	2,794	2,957
Plan administration cost	–	–	557	1,405	–	–	557	1,405
Interest cost/(income)	6,860	8,277	(6,666)	(6,937)	22	25	216	1,365
	341,926	383,718	(319,614)	(307,634)	628	571	22,940	76,655
Included in OCI								
Remeasurements loss (gain):								
– Actuarial loss (gain) arising from:								
– financial assumptions	(40,009)	(7,518)	–	–	–	–	(40,009)	(7,518)
– demographic assumptions	(904)	(4,705)	–	–	–	–	(904)	(4,705)
– experience adjustment	1,353	(1,136)	–	–	–	–	1,353	(1,136)
– Return on plan assets excluding interest income	–	–	25,530	(41,231)	–	–	25,530	(41,231)
– Changes in the effect of the asset ceiling	–	–	–	–	1,104	9	1,104	9
– Effect of movements in exchange rates	(2,810)	1,513	3,478	(1,967)	(59)	26	609	(428)
	(42,370)	(11,846)	29,008	(43,198)	1,045	35	(12,317)	(55,009)
Others								
Contributions	–	–	(2,228)	(216)	–	–	(2,228)	(216)
Benefits paid	(30,462)	(39,600)	30,462	37,543	–	–	–	(2,057)
	(30,462)	(39,600)	28,234	37,327	–	–	(2,228)	(2,273)
Ending balance	269,094	332,272	(262,372)	(313,505)	1,673	606	8,395	19,373

Remeasurement loss recognized in OCI under executive retirement plan and other plans amounted to US$0.2 million for fiscal year ended 2022 (2021: nil).

20. EMPLOYEE BENEFITS (CONT'D)

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

Represented by:

	Net defined benefit liability (asset)	
	30 April 2022 US$'000	**30 April 2021 US$'000**
Net defined benefit asset	(9,799)	(7,889)
Post-retirement benefit obligation	6,754	9,675
Net defined benefit liability	11,440	17,587
	8,395	19,373

Plan assets

Plan assets comprise:

	Group	
	30 April 2022 US$'000	**30 April 2021 US$'000**
Interest-bearing cash/bank deposits	3,553	5,948
Real estate (within Philippines)	14,850	15,713
Common collective trust funds:		
Fixed income	57,809	68,938
Equity fund	77,014	97,607
Mutual funds – Equity fund	10,209	13,960
Debt instruments:		
Corporate	42,078	41,597
Government	44,879	43,659
Others	4,822	9,543
Equity securities – Quoted	7,109	5,594
Others	49	10,946
Fair value of plan assets	262,372	313,505

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 2022 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 30 April 2022.

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

	DMFI	
	30 April 2022	**30 April 2021**
Discount rate (per annum)	1.82%-4.35%	1.82%-3.26%
Current health care cost trend rate (per annum)	6.20%	6.20%
Ultimate health care cost trend rate	4.50%	4.50%
Mortality rate	2012 rates associated with the Pri-2012 table with generational projection of improvements in mortality from 2012 based on MP-2020	2012 rates associated with the Pri-2012 table with generational projection of improvements in mortality from 2012 based on MP-2020

	DMPI	
	30 April 2022	**30 April 2021**
Discount rate (per annum)	5.41%	3.91%
Future salary increases (per annum)	5.00%	5.00%

	ROHQ	
	30 April 2022	**30 April 2021**
Discount rate (per annum)	5.29%	3.85%
Future salary increases (per annum)	5.00%	6.00%

20. EMPLOYEE BENEFITS (CONT'D)

Actuarial valuation (cont'd)

Since the defined benefit plans and other benefits 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 2022, the weighted average duration of DMPI's and ROHQ's defined benefit retirement obligation is 7.7 years and 5.5 years, respectively (2021: 8.4 years and 6.4 years, respectively).

The projected future benefit payments for the DMPI and ROHQ plans as of 30 April 2022 are as follows:

	DMPI US$'000	ROHQ US$'000	Total Expected Benefit Payments US$'000
2023	2,939	61	3,000
2024	3,926	67	3,993
2025	3,034	522	3,556
2026	2,878	47	2,925
2027	2,413	60	2,473
2028 to 2032	17,702	754	18,456

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

	Duration (years)	
	30 April 2022	30 April 2021
Qualified retirement plan	8.9	10.2
Post-retirement benefits plan	8.9	8.6
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 2022 are as follows:

	Normal Retirement US$'000	Other than Normal Retirement US$'000	Total US$'000
Less than one year	23,478	595	24,073
More than one year to five years	81,583	2,270	83,853
More than five years	79,729	2,390	82,119

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 2022	Target Allocation Range
Equity securities	36%	31-51%
Debt securities	57%	42-64%
Other	7%	2-19%
Total	100%	

	30 April 2021	Target Allocation Range
Equity securities	37%	31-51%
Debt securities	52%	42-64%
Other	11%	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

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			
	2022		**2021**	
	0.50% increase US$'000	**0.50% decrease US$'000**	**0.50% increase US$'000**	**0.50% decrease US$'000**
Discount rate (per annum)	(9,247)	10,018	(12,780)	13,915
Future salary increases (per annum)	N/A	N/A	N/A	N/A

Defined benefit Obligation

	DMPI			
	2022		**2021**	
	1.0% increase US$'000	**1.0% decrease US$'000**	**1.0% increase US$'000**	**1.0% decrease US$'000**
Discount rate (per annum)	(2,065)	2,373	(2,688)	3,117
Future salary increases (per annum)	2,359	(2,091)	3,051	(2,686)

Defined benefit Obligation

	ROHQ			
	2022		**2021**	
	1.0% increase US$'000	**1.0% decrease US$'000**	**1.0% increase US$'000**	**1.0% decrease US$'000**
Discount rate (per annum)	(49)	55	(60)	67
Future salary increases (per annum)	55	(50)	65	(59)

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 2022 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$7.9 million, US$7.7 million and US$6.4 million during fiscal years 2022, 2021 and 2020, 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 2022 was US$4.2 million (2021: US$4.5 million; 2020: US$4.4 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 2022 US$'000	30 April 2021 US$'000
At beginning of the year	7,429	9,587
Provision made during the year	–	486
Provisions used during the year	(7,164)	(375)
Provisions released during the year	(62)	(2,269)
At end of the year	203	7,429

Provision for environmental remediation relates to legal or constructive obligations incurred by the Group in connection with its operations. The current portion of environmental liabilities is included in "Trade payables and other current liabilities" in the consolidated statement of financial position and were significantly settled during the year. In connection with the plant sales of Mendota, Sleepy Eye, and Crystal City, US$6.0 million, US$3.0 million and US$0.4 million, respectively, of environmental provisions were made in fiscal year 2020. The US$2.3 million provision released in fiscal 2021 was due to US$1.8 million adjustment of Mendota lagoon cost based on the purchase and sale agreement entered by DMFI with the City of Mendota on 22 March 2021. Remaining balance pertains to US$0.04 million provision for Crystal City and Gilroy that were already settled.

22. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

		Group		Company	
	Note	30 April 2022 US$'000	30 April 2021 US$'000	30 April 2022 US$'000	30 April 2021 US$'000
Trade payables		196,833	142,188	131	42
Accrued operating expenses:					
Interest	39	34,122	30,843	3,434	2,341
Advertising		8,825	10,853	–	–
Trade promotions		8,607	8,764	–	–
Taxes and insurance		9,044	8,739	–	–
Professional fees		6,762	8,496	388	375
Freight and warehousing		8,898	7,274	–	–
Salaries, bonuses and other employee benefits		3,042	4,566	–	–
Utilities		3,704	3,584	–	–
Tinplate and consigned stocks		2,569	2,222	–	–
Miscellaneous		5,541	12,170	1,146	1,649
Overdrafts		5,655	7,574	–	–
Accrued payroll expenses		5,304	4,812	4,087	4,210
Withheld from employees (taxes and social security cost)		1,466	1,548	37	32
Contract liabilities	24	2,091	543	–	–
VAT payables		129	259	–	–
Advances from customers		241	214	–	–
Derivative liabilities	19	–	80	–	–
Amounts due to subsidiaries (non-trade)	37	–	–	30,806	35,584
		302,833	254,729	40,029	44,233

22. TRADE PAYABLES AND OTHER CURRENT LIABILITIES (CONT'D)

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 professional fees include the current portion of environmental remediation liabilities amounting to US$0.1 million and US$0.3 million as of 30 April 2022 and 2021, respectively (see Note 21).

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

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/Valuation				
At 1 May 2021	128,492	50,166	37,384	216,042
Additions	16,131	12,174	3,534	31,839
Disposals	(4,249)	(1,258)	–	(5,507)
Currency realignment	(2,897)	(4,006)	–	(6,903)
At 30 April 2022	137,477	57,076	40,918	235,471
At 1 May 2020	116,023	51,277	38,450	205,750
Additions	11,926	8,290	46	20,262
Disposals	–	(735)	(1,112)	(1,847)
Transfers/Adjustments	(591)	(900)	–	(1,491)
Changes in lease term	–	(10,202)	–	(10,202)
Currency realignment	1,134	2,436	–	3,570
At 30 April 2021	128,492	50,166	37,384	216,042

23. LEASES (CONT'D)

Group as a lessee (cont'd)

	Buildings, land improvements and leasehold improvements US$'000	Land US$'000	Machineries and equipment US$'000	Total US$'000
Accumulated amortization				
At 1 May 2021	43,632	14,521	22,681	80,834
Amortization	21,452	8,645	9,006	39,103
Disposals	(4,222)	(1,258)	–	(5,480)
Currency realignment	(929)	(1,596)	–	(2,525)
At 30 April 2022	59,933	20,312	31,687	111,932
At 1 May 2020	20,752	6,932	11,981	39,665
Amortization	22,725	7,974	10,700	41,399
Disposals	–	(735)	–	(735)
Transfers/Adjustments	(43)	(90)	–	(133)
Currency realignment	198	440	–	638
At 30 April 2021	43,632	14,521	22,681	80,834
Carrying amounts				
At 30 April 2022	**77,544**	**36,764**	**9,231**	**123,539**
At 30 April 2021	84,860	35,645	14,703	135,208

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 2022 US$'000	30 April 2021 US$'000
Amortization expense of right-of-use assets	25	39,292	37,205
Interest expense on lease liabilities	26	6,345	7,435
Expenses relating to short-term leases	25	13,710	29,676
Variable lease payments		341	545
Total amount recognized in statement of income		59,688	74,861

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.

23. LEASES (CONT'D)

Group as a lessee (cont'd)

The Group has several lease contracts that include extension and termination options. The Group applies judgement 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.

In 2021, the Group reassessed the lease terms of certain land leases, to which the Group has rights to pre-terminate at the end of each pineapple life cycle, as a result of the Group's cost-effectiveness programs implemented in 2021. The Group reassessed the lease term to be for a period of 6 years instead of the full contractual term for identified land leases based on the pineapple's life cycle and time for land preparation. The Group is looking for ways to reduce pineapple costs by revisiting fields with low yields and/or high growing costs and expanding its outgrowership programs and the use of big planting materials which will save planting area. Due to the significant change of circumstance arising from the cost effectiveness strategy implemented in 2021 and the pre-termination option which is within the control of the Group, management revisited the lease term and recognized a reduction in right-of-use asset and lease liability amounting to US$10.2 million in 2021.

23. LEASES (CONT'D)

Group as a lessee (cont'd)

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

	30 April 2022 US$'000	30 April 2021 US$'000
At the beginning of year	128,803	158,525
Additions	28,075	14,174
Accretion of interest	7,534	8,412
Payments	(38,870)	(43,377)
Change in lease term	–	(10,199)
Adjustments	(10)	(1,119)
Terminations	(151)	(122)
Currency realignment	(4,061)	2,509
At the end of year	121,320	128,803
Current	29,549	25,113
Non-current	91,771	103,690
	121,320	128,803

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 2022 (2021: US$0.6 million)

Lease receivables represents receipts to be received over the remaining lease term. Movement of the lease receivables during the period are as follows:

	Note	30 April 2022 US$'000	30 April 2021 US$'000
At the beginning of year		1,241	–
Additions		–	1,678
Adjustments		2	8
Contractual receipts		(487)	(499)
Interest income		37	53
Currency realignment		(102)	1
At the end of year		691	1,241
Current	13	497	491
Non-current	10	194	750
		691	1,241

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 2022 is net of discounts of US$84.3 million, returns of US$18.3 million and direct promotions of US$328.3 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. Revenue for fiscal year ended 30 April 2020 is net of discounts of US$82.9 million, returns of US$19.9 million and direct promotions of US$366.5 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 2022 US$'000	30 April 2021 US$'000	30 April 2020 US$'000
Receivables, included in Trade and other receivables – Gross of ECL allowance	13	189,839	165,370	175,794
Contract liabilities, included in Trade payables and other current liabilities	22	2,091	543	407

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 US$0.7 million and US$0.4 million in fiscal year 2022 and 2021, respectively.

25. PROFIT (LOSS) BEFORE TAXATION

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

	Note	Group			Company		
		Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2020 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2020 US$'000
Inventories recognized as cost of sales	12	1,300,313	1,193,666	1,201,016	–	–	–
Depreciation of property, plant and equipment	5	146,480	139,950	136,674	–	–	–
Amortization of right-of-use assets	23	39,292	37,205	35,179	93	106	–
Short-term leases	23	13,710	29,676	15,365	–	–	–
Changes in fair value of agricultural produce harvested and sold	11	(60,236)	(53,564)	(39,293)	–	–	–
Impairment loss on property, plant and equipment	5	–	–	40,746	–	–	–
Allowance for inventory obsolescence	12	4,135	7,043	9,649	–	–	–
Research and development expenses		9,970	10,157	11,489	–	–	–
Amortization of intangible assets	8	6,650	6,650	6,650	–	–	–
Impairment (reversal of impairment) of trade and nontrade receivables	13	1,060	144	(292)	–	–	–
Audit fees paid to:							
– EY Singapore		95	93	93	60	57	57
– SGV		1,297	1,216	1,002	450	326	296
– affiliates of auditors of the Company		43	298	400	–	–	–
– other auditor		6	6	8	–	–	–
Non-audit fees paid to:							
– SGV		–	–	22	–	–	–
– other auditors		80	39	131	2	2	57
(Gain) loss on disposal of property, plant and equipment		401	(1,333)	2,502	–	–	–
Legal expenses		2,318	2,257	2,566	8	6	3
Staff costs							
Wages and salaries		308,951	263,113	272,006	5,174	4,901	4,761
Social security costs		20,039	19,146	16,255	44	22	6
Pension costs – defined benefit pension plan*		10,426	10,511	8,182	145	97	92
Pension costs – provident fund		4,757	5,093	4,817	4	3	2
Equity-settled share-based payment transactions**	31	(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, nil for 2021 and nil for 2020.

Other expenses not included above are advertising and marketing costs, freight, warehousing costs and others.

26. NET FINANCE EXPENSE

As detailed in Note 18, the Group recognized a gain of nil in 2022 (2021: nil; 2020: US$1.7 million) on purchase of a portion of the Second Lien term loan.

	Note	Group			Company		
		Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2020 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2020 US$'000
Finance income							
Realized foreign exchange gain		1,858	6,481	5,169	–	–	–
Unrealized foreign exchange gain		2,572	506	–	134	5	–
Interest income from:							
- Bank deposits		43	65	171	1	1	1
- Due from a subsidiary		–	–	–	–	833	22,110
- Others		728	482	682	10	12	–
Gain on purchase of second lien term loan	18	–	–	1,716	–	–	–
		5,201	7,534	7,738	145	851	22,111
Finance expense							
Interest expenses on bank loans		(91,197)	(97,338)	(83,694)	(12,225)	(12,459)	(16,117)
Amortization of debt issue cost, discount	18	(12,258)	(11,481)	(13,737)	(980)	(647)	(197)
Leases	23	(6,345)	(7,435)	(8,567)	(3)	–	–
Interest rate swap settlement		–	5,210	(8,695)	–	–	–
Realized foreign exchange loss		(2,186)	(2,571)	(4,505)	(23)	(10)	(3)
Unrealized foreign exchange loss		(721)	(495)	(1,295)	(7)	(18)	(6)
		(112,707)	(114,110)	(120,493)	(13,238)	(13,134)	(16,323)
Net finance (expense) income		(107,506)	(106,576)	(112,755)	(13,093)	(12,283)	5,788

27. TAX EXPENSE (CREDIT) – NET

	Note	Group Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2020 US$'000
Current tax expense				
– Current year		20,605	33,059	55,424
Deferred tax credit				
– Origination and reversal of temporary differences	9	18,695	(5,786)	(26,248)
		39,300	27,273	29,176
Reconciliation of effective tax rate				
Profit (loss) before taxation		154,830	103,743	(64,654)
Taxation on profit at applicable tax rates		31,048	17,829	(25,313)
Final tax on dividend		9,477	7,658	47,246
Non-deductible expenses		2,389	299	2,951
Non-taxable income		(6)	(8)	(2,013)
Change in unrecognized deferred tax asset		(4,356)	(3,346)	4,433
Change in tax rate		1,005	–	–
Effect of CREATE Act		–	4,611	–
Others		(257)	230	1,872
		39,300	27,273	29,176

	Company Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2020 US$'000
Current tax expense			
– Current year	22	51	21
Deferred tax credit			
– Origination and reversal of temporary differences	(18)	(44)	(6)
	4	7	15

27. TAX EXPENSE (CREDIT) – NET (CONT'D)

	Group		
	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2020 US$'000
Applicable tax rates			
– Philippines (non-PEZA)	25.0%	25.0%	30.0%
– Philippines (PEZA)*	5.0%	5.0%	5.0%
– India	31.2%	31.2%	31.2%
– Singapore	17.0%	17.0%	17.0%
– United States of America	25.0%	24.5%	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% (2021: 25% and 2020: 30%) on profit before tax, duty free importation of capital equipment, raw materials and supplies used in pursuit of its Ecozone-registered activities, among other incentives. DMPI received PEZA approval for a second zone, the Bukidnon Agro-Resources Export Zone ("BAREZ"), for agri-development projects. The current tax incentive expired in fiscal year 2018 and was extended for an additional three years ending fiscal year 2021. On 21 December 2021, PEZA issued a Certificate of Board Resolution approving the retention of DMPI's status as an Export Ecozone Enterprise (EEE) beyond 31 December 2021. The incentives may be availed of for as long as DMPI complies with the PEZA's requirements which include exporting 70% of its production and these incentives are not rationalized by law.

On 7 May 2021, PEZA issued LOA No. 21-EOD-LS/F/EE-1006 that provides for extension of the DMPI's Ecozone Export Enterprise status until the Implementing Rules and Regulation of CREATE Act is issued. The status of DMPI as a PEZA registered export enterprise is expected to be retained being part of the Investment Priority Plan and for meeting the conditions set forth by PEZA to allow a company to continue availing of the incentives despite exceeding local sales.

On 17 August 2021, PEZA issued LOA No. 21-EOD-LS/FP/EE-1916 to renew DMPI's authority to sell to the domestic market a portion of its production of its registered products produced at the PPAEPZ / BAREZ. Said LOA expired December 31, 2021. On 24 January 2022, LOA No. 22-EOD-LS/FP/EE-0166 was issued to cover the period 1 January 2022 to 31 July 2022.

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 takes effect 15 days after its complete publication in the Official Gazette or in a newspaper of general circulation or on 11 April 2021.

27. TAX EXPENSE (CREDIT) – NET (CONT'D)

Corporate Recovery and Tax Incentive for Enterprise (CREATE) Act (cont'd)

The following were the key changes to the Philippine tax law pursuant to the CREATE Act which has an impact on DMPI:

- 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%;

- 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

- Improperly accumulated earnings tax of 10% was repealed.

Applying the provisions of the CREATE Act, DMPI has been subjected to lower RCIT rate of 25% effective 1 July 2020.

- Based on the provisions of Revenue Regulations ("RR") No. 5-2021 dated 8 April 2021 issued by the BIR, the prorated CIT rate of DMPI for fiscal year 2021 is 25.83%. This resulted in lower provision for current income tax for the fiscal year ended 30 April 2021 amounting to US$11.0 million; and

- This resulted in a lower provision for deferred tax for the year then ended 30 April 2021 by US$0.1 million.

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

The Group has exposure to income taxes in several foreign jurisdictions. Significant judgement 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 (LOSS) PER SHARE

Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit (loss) 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 and US$1.3 million as of 30 April 2022 and 2021, respectively.

	Group		
	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2020 US$'000
Profit (Loss) attributable to owners of the Company	100,031	63,256	(81,394)
Cumulative preference share dividends for the year	(18,903)	(19,750)	(19,750)
	81,128	43,506	(101,144)
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 (loss) per share (in US cents)	4.17	2.24	(5.20)

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 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2020 US$'000
Profit (Loss) profit attributable to owners of the Company	100,031	63,256	(81,394)
Cumulative preference share dividends for the year	(18,903)	(19,750)	(19,750)
	81,128	43,506	(101,144)
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 (loss) earnings per share (in US cents)	4.17	2.24	(5.20)

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.

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.

29. OPERATING SEGMENTS (CONT'D)

Product segments (cont'd)

Beverage

Beverage includes sales and profit of 100% pineapple juice in can, juice drinks in various flavors in can, tetra and PET packaging, and pineapple juice concentrate.

Culinary

Culinary includes sales and profit of packaged tomato-based products such as ketchup, tomato sauce, pasta sauce, recipe sauce, pizza sauce, pasta, broth and condiments under four brands, namely Del Monte, S&W, College Inn and Contadina.

Fresh fruit and others

Fresh fruit and others include sales and profit of S&W branded fresh pineapples in Asia Pacific and buyer's label or non-branded fresh pineapples in Asia, and sales and profit of cattle in the Philippines. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals. This also include non-branded sales to South America as well as various product innovations such as Mr. Milk, a new fruit yoghurt milk drink introduced in July 2020.

The Group allocated certain overhead and corporate costs to the various product segments based on sales for each segment relative to the entire Group.

Segment assets

Segment assets consist primarily of property, plant and equipment, intangible assets, trade and other receivables, biological assets, inventories and investments in joint ventures.

29. OPERATING SEGMENTS (CONT'D)

Information about reportable segments

	Americas			Asia Pacific			Europe			Total		
	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2020 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2020 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2020 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2020 US$'000
Revenue												
Packaged/processed fruit and vegetable	1,342,835	1,190,191	1,259,911	139,935	137,384	116,846	24,753	27,885	23,513	1,507,523	1,355,460	1,400,270
Beverage	35,772	18,498	14,393	141,630	150,026	135,009	10,171	10,326	10,485	187,573	178,850	159,887
Culinary	282,946	286,000	262,915	147,496	155,651	129,859	199	373	76	430,641	442,024	392,850
Fresh fruit and others	6,038	2,262	1,824	210,311	184,113	173,512	–	–	–	216,349	186,375	175,336
Total	**1,667,591**	**1,496,951**	**1,539,043**	**639,372**	**627,174**	**555,226**	**35,123**	**38,584**	**34,074**	**2,342,086**	**2,162,709**	**2,128,343**
Gross profit												
Packaged/processed fruit and vegetable	351,722	288,651	233,073	43,184	42,180	30,238	8,936	8,086	1,471	403,842	338,917	264,782
Beverage	5,183	1,760	2,118	40,946	46,875	38,734	2,546	1,842	(550)	48,675	50,477	40,302
Culinary	48,045	52,689	42,783	57,273	63,441	47,705	79	172	26	105,397	116,302	90,514
Fresh fruit and others	(921)	(2,244)	(1,314)	65,664	52,511	57,873	–	–	–	64,743	50,267	56,559
Total	**404,029**	**340,856**	**276,660**	**207,067**	**205,007**	**174,550**	**11,561**	**10,100**	**947**	**622,657**	**555,963**	**452,157**
Share in net loss of joint ventures												
Packaged/processed fruit and vegetable	–	–	–	(1,162)	(737)	(1,451)	–	–	–	(1,162)	(737)	(1,451)
Beverage	–	–	–	(167)	(44)	(136)	–	–	–	(167)	(44)	(136)
Culinary	–	–	–	(2,349)	(622)	(1,365)	–	–	–	(2,349)	(622)	(1,365)
Fresh fruit and others	–	–	–	(1,276)	(128)	(133)	–	–	–	(1,276)	(128)	(133)
Total	**–**	**–**	**–**	**(4,954)**	**(1,531)**	**(3,085)**	**–**	**–**	**–**	**(4,954)**	**(1,531)**	**(3,085)**
Profit (loss) before taxation												
Packaged/processed fruit and vegetable	77,624	26,713	(40,430)	26,438	25,531	14,316	5,622	5,084	(510)	109,684	57,328	(26,624)
Beverage	(918)	(1,556)	(2,256)	17,488	24,139	17,174	1,398	913	(1,557)	17,968	23,496	13,361
Culinary	(8,026)	(12,164)	(14,188)	34,976	41,283	25,739	54	130	(1)	27,004	29,249	11,550
Fresh fruit and others	(5,835)	(5,653)	(77,617)	6,009	(677)	14,676	–	–	–	174	(6,330)	(62,941)
Total	**62,845**	**7,340**	**(134,491)**	**84,911**	**90,276**	**71,905**	**7,074**	**6,127**	**(2,068)**	**154,830**	**103,743**	**(64,654)**
Other Material Non-Cash Items												
Depreciation and amortization	57,794	69,055	74,978	135,705	118,265	104,738	–	–	–	193,499	187,320	179,716
Capital expenditure	**32,122**	**25,112**	**19,495**	**170,537**	**138,862**	**112,958**	**–**	**–**	**–**	**202,659**	**163,974**	**132,453**
Segment assets	**1,862,472**	**1,736,089**	**1,798,832**	**702,773**	**659,563**	**738,672**	**19,612**	**22,251**	**16,849**	**2,584,857**	**2,417,903**	**2,554,353**
Segment liabilities	**939,961**	**937,601**	**1,200,459**	**1,145,176**	**832,721**	**782,481**	**5,015**	**5,085**	**5,516**	**2,090,152**	**1,775,407**	**1,988,456**

29. OPERATING SEGMENTS (CONT'D)

Major customer

Revenues from a major customer of the Americas segment for fiscal year 2022 amounted to approximately US$561.4 million or 24% (2021: 475.4 million or 22%, 2020: US$557.4 million or 26%) of the Group's total revenue. The customer accounted for approximately 14% of trade and other receivable as at 30 April 2022 and 2021.

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 2022 and 30 April 2021. 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).

ESOP 2016

On 30 April 2013, the Company approved the grant of 150,000 stock options, representing a 20% adjustment to the number of unexercised stock options previously granted. The exercise period therefore follows that of the options granted on 7 March 2008.

As at 30 April 2022 and 2021, there is no outstanding ESOP options due to the lapse of its exercise period.

31. SHARE OPTION AND INCENTIVE PLANS (CONT'D)

ESOP 2016 (cont'd)

Del Monte Pacific RSP

Date of grant of share awards	Vesting period	Market price on date of grant S$	Share awards granted	Share awards outstanding
22 August 2013	Up to 60%: 22 August 2013 – 21 August 2016 40%: 22 August 2016 – 21 August 2017	0.840	688,000	–
1 July 2015	Up to 60%: 22 August 2016 – 21 August 2017 40%: 22 August 2017 – 21 August 2018	0.385	57,918	–
			745,918	–

Since the commencement of the employee share option plans until the end of the financial year, no options have been granted at a discount.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

On 20 September 2017, the Company released all of its outstanding share awards to its Directors. There were no additional share options exercised during the fiscal year ended 30 April 2022 and 2021.

Fair value of share options/awards and assumptions

Date of grant of options/awards	7 March 2008	30 April 2013	1 July 2015	12 May 2009	29 April 2011	30 April 2013	22 August 2013	1 July 2015
	ESOP			Del Monte Pacific RSP				
Fair value at Measurement Date	US$0.12	US$0.18	US$0.29	US$0.37	US$0.40	US$0.18	US$0.65	US$0.29
Share price (Singapore Dollars) at grant date	0.615	0.810	0.385	0.540	0.485	0.810	0.840	0.385
Exercise price (Singapore Dollars)	0.627	0.627	0.578	–	–	–	–	–
Expected volatility	5.00%	2.00%	2.00%	–	–	–	–	–
Time to maturity	2 years	2 years	2 years	–	–	–	–	–
Risk-free interest rate	3.31%	1.51%	2.51%	–	–	–	–	–

31. SHARE OPTION AND INCENTIVE PLANS (CONT'D)

Fair value of share options/awards and assumptions (cont'd)

The expected volatility is based on the historic volatility (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

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, the Company 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 already retired in fiscal year 2022.

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:

	2022		**2021**	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Outstanding at beginning of year	223,500	5	283,500	5
Cancelled	(223,500)	5	(60,000)	5
Outstanding at end of year	–	–	223,500	5
Exercisable at end of year	–	–	223,500	–

31. SHARE OPTION AND INCENTIVE PLANS (CONT'D)

Del Monte Foods Holding Equity Compensation Plan (cont'd)

There was no expense recognized in the consolidated income statement for equity-settled share based compensation for fiscal year 2022 and 2021. The expense recognized in profit or loss for equity-settled share-based payments amounting to US$0.3 million in fiscal year 2019 were included in personnel cost.

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 US$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 2022 is US$5.1 million (2021: US$3.7 million). Total expense recognized under "Wages, salaries and other benefits" in the consolidated income statement of the Group amounted to US$5.0 million, US$3.5 million and US$1.6 million in fiscal years 2022, 2021 and 2020, respectively.

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.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Risk management framework (cont'd)

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.

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.

32. FINANCIAL RISK MANAGEMENT (CONT'D)

Financial risk management objectives and policies (cont'd)

Credit risk (cont'd)

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 2022 US$'000	**30 April 2021 US$'000**
Americas	118,366	108,088
Europe	15,192	15,643
Asia Pacific	111,703	100,678
	245,261	224,409

At 30 April 2022, the Group's most significant customer accounted for 14% of the trade and other receivables carrying amount (2021: 14%).

Impairment losses

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

	30 April 2022 US$'000	**30 April 2021 US$'000**
Group		
Not past due	168,854	137,903
Past due 0 – 60 days	44,814	67,834
Past due 61 – 90 days	6,255	4,829
Past due 91 – 120 days	3,060	2,723
More than 120 days	22,278	11,120
	245,261	224,409

As at 30 April 2022 and 2021, 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:

	2022				
	General approach			Simplified	
	Stage 1	Stage 2	Stage 3	Approach	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cash in banks and cash equivalents	21,786	–	–	–	21,786
Trade and other receivables*	2,818	–	–	224,914	227,732
Short-term placements	1,288	–	–	–	1,288
Note receivables	–	1,000	–	–	1,000
Refundable deposits**	2,136	–	–	–	2,136
	28,028	1,000	–	224,914	253,942
ECL Allowance	–	–	–	(10,167)	(10,167)
	28,028	1,000	–	214,747	243,775

* includes noncurrent portion of receivables from sale and leaseback and lease receivables
** included under advance rentals and deposits

	2021				
	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	29,367	–	–	–	29,367
Trade and other receivables*	3,156	–	–	195,023	198,179
Short-term placements	1,327	–	–	–	1,327
Note receivables	–	1,000	–	–	1,000
Refundable deposits**	2,066	–	–	–	2,066
	35,916	1,000	–	195,023	231,939
ECL Allowance	–	–	–	(9,224)	(9,224)
	35,916	1,000	–	185,799	222,715

* 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 2022 and 2021, the Company's financial assets were all classified under Stage 1.

	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

	2021				
	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	2,104	–	–	–	2,104
Trade and other receivables	82,282	–	–	–	82,282
Short-term placements	889	–	–	–	889
	85,275	–	–	–	85,275

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):

	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

	2021					
		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	83,812	64,945	4,206	2,059	10,348	165,370
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	46.40%	–
Expected credit loss	–	–	–	–	4,801	4,801

The Group assessed that all balances under Stage 1 and Stage 2 have not experienced significant increase in credit risk as of 30 April 2022 and 2021.

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 2022 %	30 April 2021 %
Group		
United States of America	11	15
Philippines	57	67
Hong Kong	32	19
Singapore	<1	<1
Company		
Philippines	97	98
Hong Kong	1	2
Singapore	1	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 2022 US$'000	**30 April 2021 US$'000**	**30 April 2022 US$'000**	**30 April 2021 US$'000**
Fixed rate instruments				
Loans and borrowings	788,372	238,639	163,464	74,974
Variable rate instruments				
Loans and borrowings	778,994	1,047,104	441,694	288,397
Interest rate caps	7,896	–	–	–
	786,890	1,047,104	441,694	288,397
	1,575,262	1,285,743	605,158	363,371

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 2022		
Variable rate instruments	(5,124)	5,124
Interest rate caps	5,750	(5,750)
	626	(626)
30 April 2021		
Variable rate instruments	(3,536)	3,536

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 2022 and 2021, 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$1,040.5 million (2021: US$882.3 million) in credit lines, of which 29% (2021: 30%) 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$450.0 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 2022						
Derivative financial assets						
Foreign currency forward and commodity contracts	14, 19, 34	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 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						
Interest rate cap used for hedging, net-settled	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

	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 2021						
Derivative financial assets						
Foreign currency forward contracts	14, 19, 34	1,694	1,694	1,694	–	–
Non-derivative financial assets						
Cash in banks and cash equivalents	15	29,367	29,367	29,367	–	–
Trade and other receivables*	13	188,955	191,258	185,232	1,821	4,205
Short-term placements		1,327	1,327	1,327	–	–
Note receivables	10,13	1,000	1,087	–	1,087	–
Refundable deposits**	10	2,066	2,066	–	–	2,066
		224,409	226,799	217,620	2,908	6,271

* 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)

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 2021						
Derivative financial liabilities						
Foreign exchange contracts	19	80	80	80	–	–
Non-derivative financial liabilities						
Unsecured bank loans						
– Current	18	256,125	256,575	256,575	–	–
– Noncurrent	18	291,014	321,984	9,849	312,135	–
Secured bank loans						
– Current	18	76,328	81,208	81,208	–	–
– Noncurrent	18	662,276	954,647	66,357	888,290	–
Lease liabilities	23	128,803	165,045	41,980	87,882	35,183
Trade payables and other current liabilities*	22	252,085	252,085	252,085	–	–
Net financial liabilities (assets)		1,666,631	2,031,544	708,054	1,288,307	35,183
Foreign exchange contracts		1,442,302	1,804,825	490,514	1,285,399	28,912

* 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 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

	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 2021						
Non-derivative financial assets						
Trade and other receivables	13	82,282	82,282	82,282	–	–
Short-term placements	14	889	889	889	–	–
Cash and cash equivalents	15	2,104	2,104	2,104	–	–
		85,275	85,275	85,275	–	–
Non-derivative financial liabilities						
Unsecured bank loans						
– Short-term	18	62,310	62,487	62,487	–	–
– Long-term	18	127,390	139,874	4,118	135,756	–
Secured bank loans						
– Short-term		7,500	7,615	7,615	–	–
– Long-term	18	166,171	181,440	5,679	175,761	–
Trade payables and other current liabilities*	22	44,201	44,201	44,201	–	–
		407,572	435,617	124,100	311,517	–
Net financial liabilities (assets)		322,297	350,342	38,825	311,517	–

* 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 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)
30 April 2021		
Trade and other receivables	56,718	3,700
Cash and cash equivalents	9,433	783
Other noncurrent assets	13,055	1,052
Loans and borrowings	(98,015)	–
Trade and other payables	(100,854)	(10,020)
	(119,663)	(4,485)

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 2022 and 2021.

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 2022				
10% strengthening	20,348	–	(638)	–
10% weakening	(20,348)	–	638	–
30 April 2021				
10% strengthening	11,966	–	449	–
10% weakening	(11,966)	–	(449)	–

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 decreased/(increased) profit/loss before tax and increased (decreased) equity by the amounts shown below.

	30 April 2022		30 April 2021	
	Profit before taxation US$'000	**Equity US$'000**	**Profit before taxation US$'000**	**Equity US$'000**
10% increase in commodity price	–	538	–	18
10% decrease in commodity price	–	(538)	–	(18)

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$'000	Derivatives US$'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, 32	–	–	298,906	298,906	298,906
Derivative liabilities	19	–	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 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 2021						
Cash and cash equivalents	15	29,435	–	–	29,435	29,435
Trade and other receivables*	10, 13	188,955	–	–	188,955	188,955
Short-term placements		1,327			1,327	1,327
Note receivables	10	1,000	–	–	1,000	1,000
Refundable deposits**	10	2,066	–	–	2,066	2,066
Derivative assets	14	–	1,694	–	1,694	1,694
		222,783	1,694	–	224,477	224,477
Loans and borrowings	18	–	–	1,285,743	1,285,743	1,473,367
Trade and other payables***	22, 32	–	–	252,085	252,085	252,085
Derivative liabilities	19, 22	–	80	–	80	80
		–	80	1,537,828	1,537,908	1,725,532

* includes noncurrent portion of receivables from sale and leaseback and 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$'000	Other financial liabilities US$'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	–	594,658	594,658	594,658
Trade and other payables*	22, 32	–	39,992	39,992	39,992
		–	634,650	634,650	634,650

* excludes 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$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
30 April 2021					
Trade and other receivables	13	82,282	–	82,282	82,282
Short-term placements	14	1,327	–	1,327	1,327
Cash and cash equivalents	15	2,104	–	2,104	2,104
		85,713	–	85,713	85,713
Loans and borrowings	18	–	355,871	355,871	355,871
Trade and other payables*	22, 32	–	44,201	44,201	44,201
		–	400,072	400,072	400,072

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

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)

Group	Note	30 April 2022 Level 1	Level 2	Level 3	Total
Financial assets					
Derivative assets	14, 19	–	1,486	–	1,486
Note receivables	10	–	–	1,000	1,000
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	–	–	131,723	131,723
Loans and borrowings		–	858,253	784,742	1,642,995

	Note	30 April 2021 Level 1	Level 2	Level 3	Total
Financial assets					
Derivative assets	14, 19	–	1,694	–	1,694
Note receivables	10	–	–	1,000	1,000
Non-financial assets					
Fair value of agricultural produce harvested under inventories	11	–	–	5,389	5,389
Fair value of growing produce	11	–	–	44,913	44,913
Freehold land	5	–	–	54,609	54,609
Financial liabilities					
Derivative liabilities	19, 22	–	80	–	80
Lease liabilities	23	–	–	144,092	144,092
Loans and borrowings		–	880,845	592,522	1,473,367

34. DETERMINATION OF FAIR VALUES (CONT'D)

***Fair value hierarchy* (cont'd)**

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.

The Company has no assets and liabilities measured at fair value as of 30 April 2022 and 2021.

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.

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 2022 is based on the CRR binomial tree model. The value of these derivative liabilities is driven primarily by DMPI's forecasted net income which is not based on observable market data.

Financial instruments not measured at fair value

Type	Valuation technique
Financial assets and liabilities	The fair value of the secured first lien term loans, second lien term loans, 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 3.0% to 6.5% (2021: 3.5% to 7%) (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$75.4 to US$79.3. The market value per acre ranges from US$4,252 to US$94,556.
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.
Noncurrent assets held for sale	Market comparison technique and cost technique: The valuation model considered quoted market prices for similar items when available, and depreciated replacement cost as appropriate.	The unobservable inputs used to determine the market value are net selling prices, sizes, and property location. The unobservable inputs used to determine replacement costs are purchase price of building, land, and furniture and fixtures reduced by related selling 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 2022 US$'000	**30 April 2021 US$'000**
Within one year	512,267	445,390
After one year but within five years	307,077	253,819
After five years	308,712	297,277
	1,128,056	996,486

Future capital expenditure

	Group	
	30 April 2022 US$'000	**30 April 2021 US$'000**
Capital expenditure not provided for in the financial statements		
– approved by Directors and contracted for	20,356	6,384
– approved by Directors but not contracted for	23,523	50,459
	43,879	56,843

36. CONTINGENCIES

Legal cases

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

Source of estimation uncertainty

The Group, in the ordinary course of business, sets up appropriate provisions for its present legal or constructive obligations, if any, in accordance with its policies on provisions. In recognizing and measuring provisions, management takes risk and uncertainties into account.

36. CONTINGENCIES (CONT'D)

Source of estimation uncertainty (cont'd)

As at 30 April 2022, 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 2022, management has assessed that the probable cash outflow to settle these assessments is not material.

As of 30 April 2022, provision for probable losses arising from environmental remediation amounted to US$0.3 million, US$0.2 million of which is noncurrent (2021: US$7.7 million, US$7.4 million of which is noncurrent) (see Note 21).

As of 30 April 2022, provision for retained liabilities arising from workers' compensation claims amounted to US$17.8 million, US$14.6 million of which is noncurrent (2021: US$20.1 million, US$17.2 million of which is noncurrent) (see Note 19).

37. RELATED PARTIES

Related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

All publicly-listed entities, including the Company, have Material Related Party Transaction Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

Other than those disclosed elsewhere in the financial statements, there are no other significant transactions with related parties.

37. RELATED PARTIES (CONT'D)

Related party transactions (cont'd)

Group

Category/Transaction	Year	Amount of the transaction US$'000	Outstanding Balance: Due from Related Parties* US$'000	Outstanding Balance: Due to Related Parties** US$'000	Terms	Conditions
Under Common Control						
• Shared IT services	**2022**	**112**	**41**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2021	185	308	–		
	2020	177	130	–		
• Sale of raw materials	**2022**	**48**	**–**	**(68)**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2021	–	–	–		
	2020	–	–	–		
• Sale of apple juice concentrate/materials	**2022**	**12**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2021	28	5	–		
	2020	5	–	–		
• Purchases	**2022**	**122**	**5**	**(11)**	Due and demandable; non-interest bearing	Unsecured
	2021	64	12	(3)		
	2020	83	5	(9)		
• Tollpack fees	**2022**	**12**	**58**	**–**	Due and demandable; non-interest bearing	Unsecured
	2021	–	21	–		
	2020	128	55	–		
• Security deposit	**2022**	**7**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured
	2021	9	–	–		
	2020	27	–	–		

37. RELATED PARTIES (CONT'D)

Related party transactions (cont'd)

Group

Category/Transaction	Year	Amount of the transaction US$'000	Outstanding balance: Due from Related Parties* US$'000	Outstanding balance: Due to Related Parties** US$'000	Terms	Conditions
Other Related Party						
• Management fees from DMPI retirement fund	**2022**	**53**	**7**	**2**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2021	69	5	(3)		
	2020	4	2	–		
• Rental to DMPI Retirement	**2022**	**1,837**	**–**	**(362)**	Due and demandable; non-interest bearing	Unsecured
	2021	1,747	–	(7)		
	2020	1,662	–	(478)		
• Rental to NAI Retirement	**2022**	**652**	**–**	**(121)**	Due and demandable; non-interest bearing	Unsecured
	2021	602	–	–		
	2020	586	–	(160)		
• Rental to DMPI Provident Fund	**2022**	**7**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured
	2021	–	–	–		
	2020	–	–	–		
• Cash advances NAI	**2022**	**1,261**	**1,261**	**–**	Short-term; Non interest bearing	Unsecured; no impairment
	2021	703	–	–		
	2020	8,731	14,732	–		
	2022	**4,123**	**1,372**	**(560)**		
	2021	3,407	351	(13)		
	2020	11,403	14,924	(647)		

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

37. RELATED PARTIES (CONT'D)

Related party transactions (cont'd)

Company

Category/Transaction	Year	Amount of the transaction US$'000	Outstanding balance: Due from Related Parties* US$'000	Outstanding balance: Due to Related Parties** US$'000	Terms	Conditions
Subsidiaries						
• Dividend income	**2022**	**33,519**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2021	242,721	–	–		
	2020	230,473	–	–		
• Long-term loans receivable	**2022**	**–**	**–**	**–**	Due on 2021; Interest-bearing	Unsecured; no impairment
	2021	–	–	–		
	2020	4,107	228,683	–		
• Reimbursement of expenses	**2022**	**7,317**	**84,229**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2021	15,512	82,274	–		
	2020	236,676	92,607	–		
• Cash advance	**2022**	**5,277**	**–**	**30,278**	Due and demandable; non-interest bearing	Unsecured
	2021	24,090	–	35,555		
	2020	37,380	–	59,645		
• Management fees payable to subsidiaries	**2022**	**577**	**–**	**528**	Due and demandable; non-interest bearing	Unsecured
	2021	463	–	29		
	2020	445	–	445		
Joint Venture						
• Cash advance	**2022**	**595**	**2,835**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2021	840	2,788	–		
	2020	140	2,462	–		
	2022	**47,285**	**87,064**	**30,806**		
	2021	283,626	85,062	35,584		
	2020	509,221	323,752	60,090		

* 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 2022 and 2021, 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 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2020 US$'000	Year ended 30 April 2022 US$'000	Year ended 30 April 2021 US$'000	Year ended 30 April 2020 US$'000
Directors:						
Fees and remuneration	5,930	5,416	4,548	5,007	4,546	3,808
Key executive officers (excluding Directors):						
Short-term employee benefits	4,625	3,616	1,892	3,525	2,604	1,013
Post-employment benefits	27	22	14	–	–	–

38. NON-CONTROLLING INTEREST IN SUBSIDIARIES

The following table summarizes 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 2022 US$'000	30 April 2021 US$'000	30 April 2020 US$'000
DMPLFL			
Ownership interests held by non-controlling interests	6.43%	6.43%	10.57%
Revenue	1,654,913	1,483,057	1,529,840
Profit (loss)	45,818	16,117	(116,671)
Other comprehensive income (loss)	5,031	41,578	(21,595)
Total comprehensive income (loss)			
Attributable to non-controlling interests:			
– Profit (loss)	2,946	1,036	(12,329)
– Other comprehensive income (loss)	323	2,673	(2,282)
Total comprehensive income (loss)	3,269	3,709	(14,611)
Noncurrent assets	1,119,963	1,144,894	1,208,461
Current assets	727,810	574,108	577,653
Noncurrent liabilities	(678,406)	(701,766)	(567,731)
Current liabilities	(356,362)	(258,576)	(896,652)
Net assets	813,005	758,660	321,731
Net assets attributable to non-controlling interests	52,271	48,777	33,823
Cash flows provided by operating activities	54,848	112,817	212,019
Cash flows provided by (used in) provided by investing activities	(31,998)	(24,101)	9,511
Cash flows used in financing activities, before dividends to non-controlling interests	(24,471)	(91,939)	(217,072)
Currency realignment	(149)	(15)	32
Net increase (decrease) increase in cash and cash equivalents	(1,770)	(3,238)	4,490

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 2022 US$'000	30 April 2021 US$'000
DMPI		
Ownership interests held by non-controlling interests	13%	13%
Revenue	728,435	706,032
Profit	97,482	94,616
Other comprehensive income	1,833	3,031
Total comprehensive income		
Attributable to non-controlling interests:		
– Profit	12,673	12,300
– Other comprehensive income	238	394
Total comprehensive income	12,911	12,694
Noncurrent assets	462,811	437,026
Current assets	330,667	310,816
Noncurrent liabilities	(230,099)	(241,279)
Current liabilities	(308,345)	(284,228)
Net assets	255,034	222,335
Net assets attributable to non-controlling interests	33,154	28,904
Cash flows provided by operating activities	181,701	105,765
Cash flows used in investing activities	(175,855)	(137,429)
Cash flows provided by used in financing activities, before dividends to non-controlling interests	(7,090)	28,303
Currency realignment	131	(88)
Net decrease in cash and cash equivalents	(1,113)	(3,449)

In the relation to the sale of 12% stake in DMPI, the Group recognized non-controlling interest amounting to US$26.4 million, representing 12% of the net asset value of DMPI as at 30 April 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 2022, 2021 and 2020 are as follows:

	Note	1 May 2021 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Foreign exchange movement US$'000	Reclassification and Others US$'000	30 April 2022 US$'000
Group								
Fiscal Year 2022								
Current interest-bearing loans and borrowings	18	332,453	2,683,113	(2,547,034)	–	(13,081)	23,903	479,354
Noncurrent interest-bearing loans and borrowings	18	953,290	165,000	–	–	(15,717)	(14,561)	1,088,012
Lease liabilities	23	128,803	–	(38,870)	7,534	(4,061)	27,914	121,320
Accrued interest payable	22	30,843	–	(89,359)	92,690	(52)	–	34,122
Derivative liabilities	19, 22	–	–	–	–	–	7,896	7,896
Total liabilities from financing activities		1,445,389	2,848,113	(2,675,263)	100,224	(32,911)	45,152	1,730,704

	Note	1 May 2020 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Foreign exchange movement US$'000	Reclassification and others US$'000	30 April 2021 US$'000
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	5,915	–	(6,155)	–	–	240	–
Total liabilities from financing activities		1,569,514	4,299,181	(4,501,379)	101,468	18,385	(41,780)	1,445,389

	Note	1 May 2019 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 2020 US$'000
Fiscal Year 2020								
Current interest-bearing loans and borrowings	18	492,740	713,696	(832,321)	–	8,079	916,098	1,298,292
Noncurrent interest-bearing loans and borrowings	18	985,915	75,000	(59,102)	–	–	(904,076)	97,737
Lease liabilities		192,283	–	(41,958)	10,001	1,566	(3,367)	158,525
Accrued interest payable	23	10,481	–	(84,250)	82,259	13	542	9,045
Derivative liabilities	22	3,960	–	(2,867)	–	–	4,822	5,915
Total liabilities from financing activities		1,685,379	788,696	(1,020,498)	92,260	9,658	14,019	1,569,514

39. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION (CONT'D)

	Note	1 May 2021 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Reclassification and others US$'000	30 April 2022 US$'000
Company							
Fiscal Year 2022							
Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase Contracts	18	69,810	168,000	(89,810)	–	22,571	170,571
Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	293,561	165,000	–	–	(23,974)	434,587
Accrued interest payable	22	2,341	–	(11,004)	12,097	–	3,434
Total liabilities from financing activities		365,712	333,000	(100,814)	12,097	(1,403)	608,592

	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

39. SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION (CONT'D)

	Note	1 May 2019 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Reclassification and others US$'000	30 April 2020 US$'000
Company							
Fiscal Year 2020							
Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	135,070	30,000	(60,000)	–	186,212	291,282
Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	18	241,015	75,000	(55,000)	–	(186,015)	75,000
Accrued interest payable	22	2,159	–	(15,637)	15,046	–	1,568
Total liabilities from financing activities		378,244	105,000	(130,637)	15,046	197	367,850

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 16 May 2022, the DMFHL issued US$600.0 million Term Loan (TLB) with 1-month SOFR of 0.78165%, spread adjustment of 0.10% and margin of 4.25% with a total of 5.13165% all in rate per annum. Interest is initially payable monthly and can be paid quarterly at the Company's option. The Notes 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 (OID), interest, and fees. As of 26 June 2022, total transaction costs relating to issuance of the loan amounted to US$13.9 million. In fiscal year 2022, US$0.6 million of transaction cost was paid and included in "Prepaid and Other Current Assets" in the consolidated statement of financial position. In fiscal year 2023, US$13.3 million transaction cost was paid. The Notes include 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.

STATISTICS OF ORDINARY SHAREHOLDERS

AS AT 7 JULY 2022

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	61	0.83	2,163	0.00
100 – 1,000	171	2.33	96,619	0.00
1,001 – 10,000	5,483	74.78	15,003,187	0.77
10,001 – 1,000,000	1,573	21.46	109,351,636	5.63
1,000,001 and above	44	0.60	1,819,506,419	93.60
Total	**7,332**	**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.	198,032,620	10.19
3	LEE PINEAPPLE COMPANY PTE. LTD.	100,422,000	5.17
4	BNP PARIBAS NOMINEES SINGAPORE PTE. LTD.	54,393,432	2.80
5	DBS NOMINEES (PRIVATE) LIMITED	42,929,389	2.21
6	RAFFLES NOMINEES (PTE.) LIMITED	41,251,225	2.12
7	CITIBANK NOMINEES SINGAPORE PTE. LTD.	27,239,534	1.40
8	WEE POH CHAN PHYLLIS	17,230,000	0.89
9	GOVERNMENT SERVICE INSURANCE SYSTEM	15,957,937	0.82
10	BDO SECURITIES CORPORATION	9,437,083	0.49
11	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	8,566,180	0.44
12	COL FINANCIAL GROUP, INC.	8,179,067	0.42
13	MAYBANK SECURITIES PTE. LTD.	7,709,620	0.40
14	JOSELITO JR. DEE CAMPOS	7,621,466	0.39
15	PINEAPPLES OF MALAYA PRIVATE LIMITED	6,432,000	0.33
16	PHILLIP SECURITIES PTE. LTD.	6,141,963	0.32
17	BANCO DE ORO – TRUST BANKING GROUP	4,845,876	0.25
18	DBS VICKERS SECURITIES (SINGAPORE) PTE. LTD.	4,695,072	0.24
19	IGC SECURITIES INC.	4,358,784	0.22
20	G.D. TAN & COMPANY, INC.	4,317,775	0.22
	Total	**1,766,300,981**	**90.87**

SUBSTANTIAL ORDINARY SHAREHOLDERS

AS RECORDED IN THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 7 JULY 2022

	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	100,422,000	5.16	6,432,000[8]	0.33	106,854,000	5.49
Lee Foundation	–	–	106,854,000[7][8]	5.49	106,854,000	5.49

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.

(8) Lee Pineapple Company (Pte.) Limited is deemed interested in the 6,432,000 Shares held by its wholly-owned subsidiary, Pineapples of Malaya Private Limited.

STATISTICS OF PREFERENCE SHAREHOLDERS

AS AT 7 JULY 2022

PREFERENCE SHARES

Authorized Share Capital	:	US$600,000,000
Issued and Fully-Paid-up Capital (including Treasury Shares)	:	US$10,000,000
Issued and Fully-Paid-up Capital (excluding Treasury Shares)	:	US$10,000,000
Number of Shares Issued (including Treasury Shares)	:	10,000,000
Number of Shares Issued (excluding Treasury Shares)	:	10,000,000
Number of Treasury Shares held	:	Nil
Number of Subsidiary Holdings held	:	Nil
Class of Shares	:	Preference shares of US$1.00 each, with no voting rights (in general)

Percentage of the aggregate number of Treasury Shares and Subsidiary Holdings held against the total number of issued preference shares: Nil

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders[1]	%	No. of Shares	%
1 – 99	1	4.17	10	0.00
100 – 1,000	2	8.33	1,300	0.01
1,001 – 10,000	5	20.83	25,070	0.25
10,001 – 1,000,000	11	45.83	1,455,540	14.56
1,000,001 AND ABOVE	5	20.83	8,518,080	85.18
Total	**24**	**100.00**	**10,000,000**	**100.00**

1 There are only 24 registered shareholders and these are mostly financial institutions and trading participants which hold the shares for many Series A-2 Preference Shareholders

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	BDO SECURITIES CORPORATION	2,416,060	24.16
2	CHINA BANKING CORPORATION – TRUST GROUP	2,019,800	20.20
3	CITIBANK N.A.	1,428,150	14.28
4	BANCO DE ORO – TRUST BANKING GROUP	1,347,620	13.48
5	PNB TRUST BANKING GROUP	1,306,450	13.06
6	CHINA BANK SECURITIES CORP.	369,090	3.69
7	STANDARD CHARTERED BANK	216,490	2.16
8	UNITED COCONUT PLANTERS LIFE ASSURANCE CORPORATION	190,000	1.90
9	RCBC TRUST & INVESTMENT DIVISION – VARIOUS TAXABLE ACCTS.	187,400	1.87
10	FIRST METRO SECURITIES BROKERAGE CORP.	178,170	1.78
11	EASTWEST BANKING CORPORATION – TRUST DIVISION	105,220	1.05
12	BPI SECURITIES CORPORATION	78,730	0.79
13	WEALTH SECURITIES INC.	63,540	0.64
14	STERLING BANK OF ASIA TRUST GROUP	38,550	0.39
15	ASTRA SECURITIES CORPORATION	15,390	0.15
16	MBTC – TRUST BANKING GROUP	12,960	0.13
17	UNITED FUND, INC.	10,000	0.10
18	THE HONGKONG AND SHANGHAI BANKING CORP. LTD. -CLIENTS' ACCT.	9,700	0.10
19	SUNSECURITIES, INC.	2,880	0.03
20	MANDARIN SECURITIES CORP.	1,390	0.01
	Total	**9,997,590**	**99.98**

INTERESTED PERSON TRANSACTIONS

FOR THE YEAR ENDED 30 APRIL 2022

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)	
		FY2022	FY2021	**FY2022**	FY2021
NutriAsia, Inc.	Affiliate of the Company	–	–	355	1,045
NutriAsia Pacific Limited	Affiliate of the Company	–	–	1,261	–
DMPI Retirement Fund	Retirement Fund of Subsidiary's Employees	–	–	1,841	1,753
NutriAsia, Inc. Retirement Fund	Retirement Fund of Affiliate's Employees	–	–	659	609
Aggregate Value		**–**	–	**4,116**	3,407

PROFORMA GROUP FINANCIAL INFORMATION *

FOR THE YEARS ENDED 30 APRIL 2020-2022

(Amounts in Singapore Dollars)

	Year ended 30 April 2022 S$'000	Year ended 30 April 2021 S$'000	Year ended 30 April 2020 S$'000
Revenue	3,161,816	2,941,284	2,915,830
Cost of sales	(2,321,229)	(2,185,175)	(2,296,375)
Gross Profit	**840,587**	**756,109**	**619,455**
Other income	–	–	–
Distribution and selling expenses	(299,427)	(272,567)	(292,377)
General and administrative expenses	(174,570)	(195,912)	(164,414)
Other expenses (expenses) – net	(5,748)	486	(92,539)
Results from operating activities	**360,842**	**288,116**	**70,125**
Finance income	7,021	10,246	10,601
Finance expenses	(152,154)	(155,190)	(165,075)
Net finance expense	(145,133)	(144,944)	(154,474)
Share in loss of investments in joint ventures, net of tax	(6,688)	(2,082)	(4,226)
Profit (loss) before taxation	**209,021**	**141,090**	**(88,575)**
Tax credit (expense) – net	(53,055)	(37,091)	(39,971)
Profit (loss) for the year/period	**155,966**	**103,999**	**(128,546)**
Profit attributable to:			
Non-controlling interests	20,924	17,971	(17,037)
Owners of the Company	135,042	86,028	(111,510)

* 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 2022, 2021 and 2020 are presented in Singapore dollars (S$) obtained by measurement of the S$ figures using the exchange rate of S$1.35, S$1.36 and S$1.37, 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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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
China Banking Corporation
Citibank, NA
Coöperatieve Rabobank U.A.
Credit Suisse (Singapore) Limited
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
Union Bank of the Philippines
Wealth Development Bank Corporation

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Securities Services (Stock Transfer)
45th Floor BDO Corporate Center
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12 ADB Avenue, Mandaluyong City
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Tel: +632 8878 4961

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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 (PSE)
Preference Shares listed on 15 December 2017 on the PSE
Bloomberg: DELM SP and DELM PM, and DMPA2 for the Preference Shares
Reuters: DMPL.SI and DELM.PS, and DMPA2.PS for the Preference Shares

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