

COVER SHEET

PW000000112

S.E.C. Registration Number

DEL MONTE PHILIPPINES, INC. AN

D SUBSIDIARIES

(Company's Full Name)

JY CAMPOS CENTRE, 9TH AVENUE C

ORNER 30TH STREET, BONIFACIO G

LOBAL CITY, TAGUIG CITY

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

Parag Sachdeva

Contact Person

(088) 855-4312

Company Telephone Number

SEC FORM (3rd Quarter FY2023)

Month Day

Month Day

17 - Q

FORM TYPE

Month Day

Month Day

Annual Meeting

Secondary License Type, If Applicable

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Dept. Requiring this Doc.

Amended Articles Number/Section

Amended Articles Number/Section

Total No. of Stockholders

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Domestic

Foreign

Foreign

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

LCU

Document I.D.

Document I.D.

Cashier

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2) (b) THEREUNDER**

1. For the quarterly period ended **January 31, 2023**
2. Commission identification number. **N/A**
3. BIR Tax Identification No. **000-291-799-000**
4. Exact name of issuer as specified in its charter **Del Monte Philippines, Incorporated**
5. **Philippines**
Province, country or other jurisdiction of incorporation or organization
6. Industry Classification Code: (SEC Use Only)
7. Address:
**JY Campos Centre, 9th Avenue corner 30th Street, Fort Bonifacio, Taguig City,
Philippines**
8. **(088) 855-4312**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	2,797,320,004
Preference Shares	-
Bonds	PHP 6,478,460,000

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

Yes [] No [/]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

12. Indicate by check mark whether the registrant:

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

Yes [/] No []

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

Yes [] No [/]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to the Financial Statements (FS) section of this report

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

None

PART II--OTHER INFORMATION

Not Applicable

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer **Del Monte Philippines, Inc.**

Signature and Title 
Parag Sachdeva
Chief Financial Officer and Duly Authorized Officer

Date March 15, 2023

Del Monte Philippines, Inc. and its Subsidiaries

Unaudited Interim Condensed Consolidated
Financial Statements
As at 31 January 2023
and for the nine-month Periods
Ended 31 January 2022 and 2021
(With Comparative Audited Consolidated Statement of
Financial Position as at 30 April 2022 and 2021)

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in thousands)

	31 January 2023 (Unaudited)	30 April 2022 (Audited)	30 April 2021 (Audited)
Current assets			
Cash and cash equivalents (Note 5)	₱367,234	₱856,653	₱1,004,815
Receivables (Note 6, 20 and 23)	14,745,337	7,696,415	6,057,539
Inventories (Note 7)	7,399,521	5,170,899	5,121,377
Biological assets (Note 8)	2,679,732	2,476,150	2,158,274
Prepaid expenses and other current assets (Note 9)	1,403,208	1,142,001	625,649
Total Current Assets	26,595,032	17,342,118	14,967,654
Noncurrent assets			
Investment in Joint Venture (Note 10)	-	-	-
Biological assets (Note 8)	162,169	144,876	129,530
Financial assets at fair value through other comprehensive income (FVOCI) (Note 22)	29,060	15,384	12,557
Investment property	167,068	171,703	177,882
Property, plant and equipment (Note 11)	20,617,317	19,261,622	16,498,849
Intangible assets (Note 12)	2,987,400	2,987,400	2,987,400
Receivable – net of current portion (Note 6 and 23)	157,627	157,627	188,098
Net retirement benefits asset	467,090	512,850	379,920
Deferred tax assets – net	-	-	212
Other noncurrent assets (Note 13)	1,217,978	1,089,581	670,992
Total Noncurrent Assets	25,805,709	24,341,043	21,045,440
Total Assets	₱52,400,741	₱41,683,161	₱36,013,094
Current liabilities			
Short-term notes payable (Note 14)	₱18,677,765	₱8,777,789	₱7,888,665
Accounts payable and accrued expenses (Note 18 and 20)	8,279,227	6,792,153	5,414,949
Current portion of:			
Bonds payable (Note 16)	5,808,007	-	-
Long-term debt (Note 15)	333,333	-	-
Lease liabilities (Note 23)	276,678	472,454	291,236
Income tax payable	208,141	121,190	92,416
Total Current Liabilities	33,583,151	16,163,586	13,687,266
Noncurrent liabilities			
Long-term debt– net of current portion (Note 15)	2,656,606	2,985,632	2,980,124
Bonds payable (Note 16)	639,998	6,422,398	6,389,792
Deferred tax liabilities – net	160,228	190,989	135,357
Lease liabilities– net of current portion (Note 23)	2,231,920	2,398,620	2,113,745
Total Noncurrent Liabilities	5,688,752	11,997,639	11,619,018
Total liabilities	39,271,903	28,161,225	25,306,284
Equity			
Common stock (Note 19)	2,797,320	2,797,320	2,797,320
Other comprehensive income reserves	577,612	582,420	412,963
Retained earnings:			
Appropriated	2,796,541	2,796,541	2,796,541
Unappropriated	6,949,344	7,337,584	4,691,860
Total Equity attributable to Equity Holders of the Parent	13,120,817	13,513,865	10,698,684
Non-controlling interest	8,021	8,071	8,126
Total equity	13,128,838	13,521,936	10,706,810
Total equity and liabilities	₱52,400,741	₱41,683,161	₱36,013,094

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME***(in thousands)*

	31 January 2023	31 January 2022	31 January 2021
REVENUES	₱31,496,191	₱ 27,872,281	₱ 25,641,999
COST OF SALES	(22,724,110)	(19,234,360)	(17,732,255)
GROSS INCOME	8,772,081	8,637,921	7,909,744
DISTRIBUTION AND SELLING EXPENSES	(3,277,894)	(2,720,070)	(2,505,602)
GENERAL AND ADMINISTRATIVE EXPENSES (Note 17)	(740,811)	(654,805)	(608,715)
FINANCE COST	(768,122)	(579,855)	(575,790)
FOREIGN EXCHANGE GAIN	54,921	79,532	54,709
INTEREST INCOME	119,125	45,608	12,699
LOSS FROM JOINT VENTURE (Note 10)	(66,167)	(45,855)	-
OTHER INCOME	201,364	136,162	113,428
OTHER EXPENSE	(178,604)	(179,178)	(138,115)
INCOME BEFORE INCOME TAX	4,115,893	4,719,460	4,262,358
INCOME TAX EXPENSE			
Current	(634,132)	(632,254)	(782,832)
Deferred	32,912	(24,018)	1,460
	(601,220)	(656,272)	(781,372)
NET INCOME	3,514,673	4,063,188	3,480,986
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will never be reclassified to profit or loss			
Unrealized gain (loss) on change in fair value of financial assets at FVOCI	13,676	825	1
Income tax effect	(2,055)	(120)	-
TOTAL COMPREHENSIVE INCOME	₱3,526,294	₱4,063,893	₱ 3,480,987
Total net income (loss) attributable to:			
Equity holders of the Company	₱3,514,723	₱4,063,246	₱3,481,058
Non-controlling interests	(50)	(58)	(72)
	₱3,514,673	₱4,063,188	₱3,480,986
Total comprehensive income (loss) attributable to:			
Equity holders of the Company	₱3,526,344	₱4,063,951	₱3,481,059
Non-controlling interests	(50)	(58)	(72)
	₱3,526,294	₱4,063,893	₱3,480,987
Attributable to equity holders of the parent			
Basic earnings per share (Note 25)	₱1.26	₱1.45	₱1.35
Diluted earnings per share (Note 25)	₱1.26	₱1.45	₱1.20

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands)

	Capital Stock			Other Comprehensive Income Reserves	Retained Earnings		Total Equity Attributable to Holders of the Parent	Non-Controlling Interest	Total Equity
	Preferred (Note 19)	Convertible Common (Note 19)	Common (Note 19)		Appropriated	Unappropriated			
As at May 1, 2022	₱-	₱-	₱2,797,320	₱582,420	₱2,796,541	₱7,337,584	₱13,513,865	₱8,071	₱13,521,936
Total comprehensive income for the year									
Net income (loss) for the year	-	-	-	-	-	3,514,723	3,514,723	(50)	3,514,673
Other comprehensive income during the year - net of tax	-	-	-	(4,808)	-	-	(4,808)	-	(4,808)
Total comprehensive income (loss) for the year	-	-	-	(4,808)	-	3,514,723	3,509,915	(50)	3,509,865
Cash Dividend	-	-	-	-	-	(3,902,963)	(3,902,963)	-	(3,902,963)
As at January 31, 2023	₱-	₱-	₱2,797,320	₱577,612	₱2,796,541	₱6,949,344	₱13,120,817	₱8,021	₱ 13,128,838
As at May 1, 2021	₱-	₱-	₱2,797,320	₱412,963	₱2,796,541	₱4,691,860	₱10,698,684	₱8,126	₱10,706,810
Total comprehensive income for the year									
Net income (loss) for the year	-	-	-	-	-	4,063,246	4,063,246	(58)	4,063,188
Other comprehensive income during the year - net of tax	-	-	-	705	-	-	705	-	705
Total comprehensive income (loss) for the year	-	-	-	705	-	4,063,246	4,063,951	(58)	4,063,893
Conversion of convertible common shares to RCPS (Note 19)	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	₱413,668	-	(1,773,263)	(1,773,263)	-	(1,773,263)
As at January 31, 2022	₱-	₱-	₱2,797,320	₱412,963	₱2,796,541	₱5,882,994	₱12,989,372	₱8,068	₱12,997,440
As at May 1, 2020	₱-	₱2,797,320	₱-	₱265,866	₱2,796,541	₱5,180,226	₱11,039,953	₱8,150	₱11,048,103
Total comprehensive income for the year									
Net income (loss) for the year	-	-	-	1	-	-	1	-	1
Other comprehensive income during the year - net of tax	-	-	-	-	-	3,481,058	3,481,058	72	3,480,986
Total comprehensive income (loss) for the year	-	-	-	1	-	3,481,058	3,481,059	(72)	3,480,987
Conversion of convertible common shares to RCPS (Note 19)	₱355,678	(2,797,320)	2,461,642	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	(2,583,325)	(2,583,325)	-	(2,583,325)
As at January 31, 2021	₱366,678	₱-	₱2,461,642	₱265,867	₱2,796,541	₱6,077,959	₱11,937,687	₱8,078	₱11,945,765

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS***(in thousands)*

	31 January 2023	31 January 2022	31 January 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱4,115,893	₱4,719,460	₱4,262,358
Adjustments for:			
Depreciation of property, plant and equipment	5,744,572	5,007,402	3,696,155
Finance cost	639,795	483,103	486,940
Net retirement benefit expense	62,957	88,970	93,780
Unrealized foreign exchange gains (loss) - net	(84,634)	(40,583)	56,141
Interest income	(119,125)	(45,608)	(12,699)
Share in loss of joint venture	66,167	45,855	-
Amortization of debt issue cost	29,914	28,726	9,461
Gain (loss) on disposal of property, plant and equipment	(2,447)	(563)	(1,125)
	₱10,453,092	₱10,286,762	₱8,591,011
Changes in:			
Trade and other receivables	(10,314,393)	(318,243)	(4,167,584)
Inventories	(2,228,622)	(163,880)	(387,715)
Biological assets	(220,875)	(187,777)	629,503
Prepaid and other current assets	(263,925)	(304,840)	(665,043)
Trade and other payables	789,088	435,009	202,653
Operating cash flows	(1,785,635)	9,747,031	4,202,825
Interest received	118,103	44,163	12,699
Contributions paid to pension plans	-	-	(4,366)
Taxes Paid	(347,585)	(297,360)	(744,841)
Net cash flows generated from operating activities	(2,015,117)	9,493,834	3,466,317
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(7,004,677)	(5,650,250)	(4,300,629)
Other noncurrent assets	(14,551)	(624,969)	315,450
Proceeds from disposal of property, plant and equipment	7,419	5,210	1,658
Investment in joint venture	1,690	(50,064)	-
Net cash flows used in investing activities	(7,010,119)	(6,320,073)	(3,983,521)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	145,939,693	84,407,220	117,084,970
Repayment of borrowings	(135,731,559)	(86,448,62)	(121,770,232)
Proceeds from Availment of Bonds	-	-	6,376,472
Payments of long-term debt	-	-	(1,500,000)
Proceeds from long-term loans	-	-	1,477,000
Interest paid	(456,273)	(354,872)	(428,869)
Payments of lease liability- net of proceeds from lease receivables	(781,649)	(336,128)	(405,053)
Dividends paid	(431,277)	(195,946)	(259,358)
Net cash flows provided by financing activities	8,538,935	(2,928,350)	574,930
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(3,118)	6,889	(2,221)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(489,419)	252,300	55,505
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	856,653	1,004,815	1,170,916
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱367,234	₱1,257,115	₱1,226,421

Selected Notes to the Unaudited Interim Condensed Consolidated Financial Statements

1. Reporting Entity

Del Monte Philippines, Inc. (“DMPI” or the “Parent Company”) was incorporated in the Philippines on January 11, 1926. On September 13, 1963, the Board of Directors (the “Board”) amended the Parent Company’s Articles of Incorporation to extend its life by 50 years from January 11, 1976, which was approved by the Philippine Securities and Exchange Commission (“SEC”) on February 23, 1966. On March 1, 2021, the SEC approved the Parent Company’s amended Articles of Incorporation to extend the corporate term to perpetual life. The Parent Company’s principal activities are the growing, processing and distribution of food products mainly under the brand names “Del Monte”, “Today’s” and “S&W”.

The Parent Company is a subsidiary of Central American Resources, Inc. (“CARI”), a company incorporated in Panama. The intermediate parent company is Del Monte Pacific Ltd. (“DMPL”), a company incorporated in the British Virgin Islands and a listed entity in the Singapore Exchange Securities Trading Limited and the Philippine Stock Exchange. The Parent Company’s ultimate shareholders is NutriAsia Inc., which is also incorporated in the British Virgin Islands.

The Parent Company’s cannery operation is registered with the Philippine Economic Zone Authority (“PEZA”) at the Philippine Packing Agricultural Export Processing Zone (“PPAEPZ”) as an Ecozone Export Enterprise under Certificate of Registration No. 05-34F which was approved on December 3, 2007. On October 12, 2015, Certificate of Registration No. 07-68 was approved for the registration of its additional activity, particularly the Fresh Fruit Processing Project at the Bukidnon Agro-Resource Export Zone (BAREZ) in Manolo Fortich, Bukidnon. The registration of the Company’s project of production of packed fresh pineapples in carton boxes, with or without crown at Quezon Agro-Industrial Zone (QAIZ) as an additional facility was approved on June 29, 2022 under LOA No. 22-ERD-AA/EEE-2485.

The Parent Company’s registered address is JY Campos Centre 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City, Philippines.

The Parent Company and its subsidiaries (collectively referred to as the “Company”) are all incorporated in the Philippines. The principal activities of the Parent Company’s subsidiaries are as follows:

Name of subsidiary	Principal Place of Business	Principal Activities	Effective equity held by DMPI		
			January 31, 2023	April 30, 2022	April 30, 2021
Philippines Packing Management Services Corporation (PPMSC)	Philippines	Own and administer intellectual property assets; management, logistics and support services	100%	100%	100%
Del Monte Txanton Distribution Inc. (DMTDI)	Philippines	Trading, selling and distributing food, beverages and other related products	40%	40%	40%

On May 1, 2020, Dewey Sdn. Bhd., a subsidiary of CARI and organized and existing under the laws of Malaysia, assigned to PPMSC the various trademarks which includes the “Del Monte” and “Today’s” trademarks for use in connection with processed foods in the Philippines for US\$60 million.

On July 27, 2020, the SEC approved the amendment of the Articles of Incorporation of PPMSC to adopt the acquisition, ownership, holding and management of intellectual property assets as its primary purpose and the provision of management, logistical and support services as its secondary purpose.

On April 22, 2019, at a joint special meeting, the Board and stockholders of DMTDI authorized the dissolution and liquidation of DMTDI by shortening its corporate term. As at April 30, 2022, the application for the dissolution and liquidation is yet to be submitted with the SEC due to certain regulatory and documentary requirements.

On December 9, 2019, in a joint special meeting of the Board and stockholders of the Parent Company, the following amendments to the Articles of Incorporation were unanimously approved:

1. Conversion of the authorized common shares amounting to ₱3,000,000,000 to common shares convertible to voting, participating, redeemable and convertible preferred shares (RCPS). The RCPS shall be convertible to common shares.
2. The RCPS may be issued from time to time as the Board may determine the amount and the issue price, cash dividend rate, and period and manner of redemption of the RCPS. To the extent not set forth in this amended articles of incorporation, the specific terms and restrictions of each issuance of the RCPS shall be specified through Enabling Resolutions as may be adopted by the Board prior to the issuance thereof, which Enabling Resolutions shall be filed with the SEC and thereupon be deemed a part of the amended articles of incorporation.

The SEC approved these amendments to the Articles of Incorporation on February 11, 2020.

On January 24, 2020, DMPL, CARI, the Parent Company and SEA Diner Holdings (S) Pte. Ltd. (SEA Diner), a company incorporated in Singapore, entered into a Share Purchase Agreement whereby CARI will sell 335,678,400 shares equivalent to 12% ownership interest in the Parent Company to SEA Diner for a consideration of US\$120 million. Under the Shareholders' Agreement (SHA) entered into by the same parties, upon the occurrence of any of certain agreed RCPS default events, SEA Diner may require the Parent Company, DMPL or CARI to redeem all of the shares sold by CARI at such price that will allow SEA Diner to meet certain internal rate of return in case of default events, including but not limited to, any of DMPL, CARI or the Parent Company is in breach of the agreed transaction documents, the Parent Company fails to comply with its obligation to effect the conversion of the ordinary shares sold to SEA Diner to RCPS, enter the name of SEA Diner as the registered holder of the RCPS, and issue to SEA Diner the RCPS certificates within the agreed long-stop date, and any of NutriAsia Pacific Ltd. or NutriAsia, Inc. ceasing to be the direct or indirect controlling shareholder of DMPL or the Parent Company.

In the case of any other redemption events, including but not limited to, an exit not completed within five years from the closing date, breach of any financial covenant by DMPL, CARI and the Parent Company or a relevant DMPL Group Company is in default on any of its indebtedness which is not cured within 30 business days from written notice thereof, and any relevant DMPL Group Company or Del Monte Foods Holdings Limited or its subsidiaries suffers insolvency, the Parent Company shall redeem the RCPS subject to the mutual consent of the Parent Company and the holder of the RCPS.

The Board and the stockholders approved the share purchase transaction above and other transaction documents on March 3, 2020, including the conversion of the convertible common shares to RCPS. On August 3, 2020, the SEC approved the amendment of the Parent Company'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 October 30, 2020, the Parent Company issued peso-denominated fixed-rate bonds with an aggregate principal amount of ₱6,478,460,000, with the following 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.

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

On February 5, 2021, the Board approved the amendment to the Articles of Incorporation to change the authorized capital stock to common shares in the amount of three (3) billion pesos (₱3,000,000,000) and with par value of ₱1 per share. Consequently, the 335,678,400 RCPS issued to SEA Diner were converted to 335,678,400 common shares. The SEC approved this amendment to the Articles of Incorporation on March 1, 2021. As a result, SEA Diner owns 363,651,600 common shares or 13% of the Parent Company, while CARI owns 2,433,668,396 common shares or 87% of the Parent Company.

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements of the Company have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). PFRSs are based on International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). PFRSs also includes Philippine Accounting Standards (PAS) and Philippine Interpretations issued by the Financial Reporting Standards Council (FRSC).

2.2 Basis of measurement

The consolidated financial statements of the Company have been prepared on a historical cost basis, except for the following items which are measured on the following basis at each reporting date:

- Financial instruments at fair value through other comprehensive income (FVOCI) are measured at fair value;
- Land under “Property, plant and equipment” account is measured at revalued amount;
- Biological assets are measured at fair value less point-of-sale costs, except for those whose fair value cannot be measured reliably, have no active markets or no similar assets are available in the relevant market. In such cases, these biological assets are stated at cost; and
- Retirement benefits asset/liability is measured at the net total of the fair value of the plan assets less the present value of the defined benefit obligation.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Philippine peso, which is also the Company’s functional currency. All amounts have been rounded off to the nearest thousand (₱000), unless otherwise indicated.

2.4 Basis of consolidation

Subsidiaries are entities controlled by the Parent Company. The Parent Company controls an investee if and only if the Parent 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 Parent Company has less than majority of the voting rights or similar rights to an investee, the Parent 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 Parent Company’s voting rights and potential voting rights.

The Parent Company re-assesses 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 obtained by the Parent Company and cease to be consolidated from the date the Parent Company loses control over the subsidiaries. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent 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 in line with the Parent Company’s accounting policies. All significant intra-Company assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Parent Company and are presented separately from equity attributable to equity holders of the Parent Company in the consolidated financial statements. This includes non-controlling equity interests in DMTDI.

2.5 Loss of control

If the Parent loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained

- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate

2.6 Transaction eliminated during consolidation

Intra-company balances and transactions, and any unrealized income or expenses arising from intra-company transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Parent Company'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.

2.7 Events after reporting period

Post year-end events up to the date when the financial statements are authorized for issue that provide additional information about the Company's position at each reporting date (adjusting events) are reflected in the financial statements. Significant post year-end events that are not adjusting events are disclosed in the notes to the financial statements, when material.

3. Significant accounting policies

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's 2021 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2021, which did not have any significant impact on the Company's financial position or performance, unless otherwise indicated:

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 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 Company shall also disclose information about:

- The 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

The amendments are effective for annual reporting periods beginning on or after May 1, 2021 and apply retrospectively.

4. Seasonality of Operations

The Company's business is subject to seasonal fluctuations as a result of increased demand during the end of year festive season. The Company's sales are usually highest during the three months from October to December. This seasonal production primarily relates to the majority of processed fruits and toll pack goods.

5. Cash and cash equivalents

	31 January 2023	30 April 2022	30 April 2021
Cash on hand	₱4,335	₱3,300	₱3,076
Cash in banks	362,899	853,353	1,001,739
	₱367,234	₱856,653	₱1,004,815

Certain cash in bank accounts earn interest at floating rates based on daily bank deposit rates ranging from 0.063% to 0.50% as of January 31, 2023 (April 30, 2022 and April 30, 2021: 0.01% to 0.50% per annum).

6. Receivables

	31 January 2023	30 April 2022	30 April 2021
Trade receivables from third parties	₱2,799,708	₱3,137,659	₱2,548,538
Due from related parties	11,260,983	4,233,001	3,269,310
Non-trade receivables from third parties	147,459	151,981	-
Advances to officers and employees	41,718	45,132	28,600
Others	734,719	378,162	447,213
	14,984,587	7,945,935	6,293,661
Less allowance for ECL	81,623	91,893	48,024
	14,902,964	7,854,042	6,245,637
Less noncurrent portion:			
Lease receivable	10,168	10,168	36,117
Receivable from third parties	147,459	147,459	151,981
Noncurrent portion	157,627	157,627	188,098
Current Portion	₱14,745,337	₱7,696,415	₱6,057,539

The movements in allowance for expected credit losses are as follows:

	31 January 2023	30 April 2022	30 April 2021
Trade Receivables			
Balance at beginning of year	₱85,510	₱37,782	₱37,834
Additional provision	-	47,728	-
Reversals	(10,796)	-	(52)
	74,714	85,510	37,782
Nontrade Receivables			
Balance at beginning of year	6,383	10,242	16,840
Additional provision	526	-	-
Reversals	-	(2,812)	(6,598)
Write-off	-	(1,047)	-
	6,909	6,383	10,242
Balance at the end of year	₱81,623	₱91,893	₱48,024

Source of estimation uncertainty

The Company maintains an allowance for impairment of accounts receivables 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 Company on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Company's relationship with debtors, their payment behaviour and known market factors. The Company reviews the age and status of 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 Company'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 Company made different judgement or utilised different estimates. An increase in the Company's allowance for impairment would increase the Company's recorded operating expenses and decrease current assets.

7. Inventories

	31 January 2023	30 April 2022	30 April 2021
Cased goods and other merchandise			
At NRV –net	₱1,771,500	₱1,269,502	₱1,468,272
At cost	1,244,393	956,754	997,632
Production materials and supplies- at NRV	3,266,000	2,260,832	2,138,061
Storeroom supplies- at NRV	1,117,628	683,811	517,412
	₱7,399,521	₱5,170,899	₱5,121,377

Inventories are stated after allowance for inventory obsolescence. Movements in the allowance for inventory obsolescence during the period/year are as follows:

	31 January 2023	30 April 2022	30 April 2021
At beginning of the period/year	₱250,906	₱390,938	₱352,516
Allowance for the period/year	118,024	88,184	132,343
Write-off against allowance	(60,377)	(228,216)	(93,921)
At end of the period/year	₱308,553	₱250,906	₱390,938

Source of estimation uncertainty

The Company 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 Company believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Company 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 realisable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories expected to be realised. 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 Company 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 realisable 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 decrease current assets.

8. Biological assets

	31 January 2023	30 April 2022	30 April 2021
Current -			
Unharvested agricultural produce - at fair value	2,679,732	2,476,150	2,158,274
Noncurrent -			
Growing herd - at cost	162,169	144,876	129,530
	₱2,841,901	₱2,621,026	₱2,287,804

Carrying amounts of the unharvested agricultural produce are as follows:

	31 January 2023	30 April 2022	30 April, 2021
Balance at beginning of year	₱2,476,150	₱2,158,274	₱3,076,198
Additions	788,617	894,050	83,463
Harvest	(2,783,110)	(3,872,298)	(3,734,508)
Fair value attributable to price changes, actual harvest and estimated future harvest	2,198,075	3,296,124	2,733,121
Balance at end of year	₱2,679,732	₱2,476,150	₱2,158,274

Movements in the carrying amounts of growing herd, are as follows:

	31 January 2023	30 April 2022	30 April, 2021
Balance at beginning of year	₱144,876	₱129,530	₱107,265
Purchases	49,221	46,517	52,827
Sales and transfers	(31,928)	(31,171)	(30,562)
Balance at end of year	₱162,169	₱144,876	₱129,530

9. Prepaid expenses and other current assets

	31 January 2023	30 April 2022	30 April 2021
Advances to suppliers	₱837,734	₱664,830	₱192,428
Input VAT – net	161,154	162,790	48,539
Prepaid expenses	140,378	88,242	194,680
Prepaid taxes	138,285	96,844	76,789
Deferred transportation cost	98,051	93,166	58,850
Prepaid rent	15,618	13,992	24,947
Derivative	4,573	–	–
Short-term deposit	1,000	21,172	21,101
Others	6,415	965	8,315
	₱1,403,208	₱1,142,001	₱625,649

Advances to suppliers are down payments incurred by the Company for the purchase of materials and supplies that will be used for operations.

Input VAT pertain to prepayments made to regulatory authorities for the purchase of materials and supplies that will be used for manufacturing goods.

Prepaid expenses pertain to costs associated with subscription fees, employee benefits, and insurance on stocks and bonds.

Prepaid taxes pertain to real property, local business, and excise taxes which are paid in advance to regulatory authorities and are usually amortized within the next reporting period.

Deferred transportation cost pertains to advanced payment on delivery and transportation services and is normally incurred within the next financial period.

Prepaid rent pertains to advance payments to suppliers for the lease of various warehouses.

Short-term deposit pertains to a 182-day deposit in Robinsons Bank, with an interest rate of 0.75% which matured in October 2022.

Other current assets consist of advances to employees and insurance.

Derivative

The Company uses commodity swaps and foreign currency forward contracts to hedge market risks relating to possible adverse changes in commodity costs and foreign currency exchange rates. The Company continually monitors its positions and the credit rating of the counterparties involved to mitigate credit exposure to any one party.

As of January 31, 2023, the Company 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 Company:

	31 January 2023	30 April 2022
Commodity contracts	₱4,573	₱–
Foreign currency forward contracts	(21,003)	–
Total	₱(16,430)	–

Included in		
Prepaid and other current assets	₱4,573	₱-
Trade and other current liabilities	(21,003)	-
Total	₱(16,430)	-

The notional amounts of the Company's commodity contracts were as follows as of January 31, 2023 and April 30, 2022:

	31 January 2023	30 April 2022
Gas Oil	6,289.81 barrels	₱-
Gas Oil	5,660.83 barrels	-

Foreign Currency

From time to time, the Company manages its exposure to fluctuations in foreign currency exchange rates by entering into forward contract. The Company has accounted for these contracts as cash flow hedges.

	31 January 2023	30 April 2022
United States Dollar	7,000,000	

10. Investment in Joint Venture

On March 2021, the Parent Company entered into a joint venture with Vietnam Dairy Products Joint Stock Company. Del Monte – Vinamilk Dairy Philippines, Inc. (DMVDPI) was incorporated in the Philippines on July 2021 to undertake importation, marketing, promotion, selling and distribution of any and all goods, commodities, wares, merchandise of every nature and description related to milk and dairy. The equity held by the Company on the joint venture is 50% as at January 31, 2023.

Carrying amount of interest in DMVDPI at beginning of the year	₱-
Capital injection during the year	29,000
Company's share of loss from continuing operations/total comprehensive loss	(66,167)
Carrying amount of interest at end of the year	₱(37,167)

The investment balance is included in accounts payable as of January 31, 2023.

11. Property, Plant and Equipment

	Buildings, land improvements and leasehold improvements	Machineries and equipment	Construction -in-progress	Bearer Plants	Right of use assets	Land (At revalued amount)	Total
Gross Carrying Amount							
At 1 May 2022	₱3,774,387	₱12,413,528	₱1,263,267	₱18,463,026	₱4,896,093	₱610,232	₱41,420,533
Additions	393,701	64,418	627,243	5,873,189	140,200	-	7,098,751
Transfer/Adjustment	28,312	361,835	(390,148)	-	-	-	(1)
Disposals	(337)	(107,338)	-	(5,550,114)	(26,964)	-	(5,684,753)
At 31 January 2023	4,196,063	12,732,443	1,500,362	18,786,101	5,009,329	610,232	42,834,530
Accumulated Depreciation and Amortization							
At 1 May 2022	₱1,898,702	₱9,570,147	-	₱9,194,783	₱1,495,279	-	₱22,158,911
Charge for the year	172,600	521,643	-	4,486,352	559,341	-	5,739,936
Transfers/Adjustment	(146)	(1,707)	-	-	-	-	(1,853)
Disposals	(299)	(102,404)	-	(5,550,114)	(26,964)	-	(5,679,781)
At 31 January 2022	2,070,857	9,987,679	-	8,131,021	2,027,656	-	22,217,213
Carrying Value	₱2,125,206	₱2,744,764	₱1,500,362	₱10,655,080	₱2,981,673	₱610,232	₱20,617,317

	Buildings, land improvements and leasehold improvements	Machineries and equipment	Construction -in-progress	Bearer Plants	Right of use assets	Land (At revalued amount)	Total
Gross Carrying Amount							
At 1 May 2021	₱3,409,828	₱11,593,571	₱763,944	₱18,003,802	₱4,152,258	₱610,232	₱38,533,635
Additions	345,224	718,573	647,793	6,784,988	1,030,650	-	9,527,228
Disposals	19,335	129,135	(148,470)	-	-	-	-
Change in lease term	-	(27,751)	-	(6,325,764)	(286,815)	-	(6,640,330)
At 30 April 2022	3,774,387	12,413,528	1,263,267	18,463,026	4,896,093	610,232	41,420,533

Accumulated Depreciation and Amortization							
At 1 May 2021	₱1,694,521	₱8,960,615	-	₱10,300,809	₱1,078,841	-	₱22,034,786
Charge for the year	204,375	636,190	-	5,219,738	703,253	-	6,763,556
Transfers/Adjustment	(194)	(2,625)	-	-	-	-	(2,819)
Disposals	-	(24,033)	-	(6,325,764)	(286,815)	-	(6,636,612)
At 30 April 2022	1,898,702	9,570,147	-	9,194,783	1,495,279	-	22,158,911
Carrying Value	₱1,875,685	₱2,843,381	₱1,263,267	₱9,268,243	₱3,400,814	₱610,232	₱19,261,622

	Buildings, land improvements and leasehold improvements	Machineries and equipment	Construction -in-progress	Bearer Plants	Right of use assets	Land (At revalued amount)	Total
Gross Carrying Amount							
At 1 May 2020	₱3,459,256	₱11,310,024	₱597,724	₱18,207,559	₱3,762,302	₱610,232	₱37,947,097
Additions	208,402	165,570	406,642	5,881,764	959,979	-	7,622,357
Disposals	(342,821)	(37,454)	-	(6,085,521)	(35,394)	-	(6,501,190)
Change in lease term	-	-	-	-	-	(491,284)	(491,284)
Transfers/Adjustment	84,991	155,431	(240,422)	-	(43,345)	-	(43,345)
At 30 April 2021	3,409,828	11,593,571	763,944	18,003,802	4,643,542	118,948	38,533,635

Accumulated Depreciation and Amortization							
At 1 May 2020	₱1,616,636	₱8,363,620	-	₱12,150,623	₱476,151	-	₱22,607,030
Charge for the year	203,792	628,854	-	4,235,707	642,418	-	5,710,771
Disposals	(125,681)	(29,222)	-	(6,085,521)	(35,394)	-	(6,275,818)
Transfers/Adjustment	(226)	(2,637)	-	-	(4,334)	-	(7,197)
At 30 April 2021	1,694,521	8,960,615	-	10,300,809	1,078,841	-	22,034,786
Carrying Value	₱1,715,307	₱2,632,956	₱763,944	₱7,702,993	₱3,564,701	₱118,948	₱16,498,849

12. Intangible asset

On May 1, 2020, Dewey Sdn. Bhd., assigned to PPMSC, various trademarks which includes the “Del Monte” and “Today’s” trademarks for use in connection with processed foods in the Philippines. The Parent Company and Dewey Sdn. Bhd. subsequently entered into an offsetting agreement wherein the payable amounting ₱2,987,400 to Dewey Sdn. Bhd. was offset against the receivables from DMPL.

Management has assessed the trademark as having indefinite useful life as the Company has exclusive access to the use of these trademarks. The trademark is expected to be used indefinitely by the Company as they relate to continuing businesses that have a proven track record with stable cash flows. The trademark has a carrying value of ₱2,987,400 as at January 31, 2023, April 30, 2022 and 2021.

13. Other noncurrent assets

	31 January 2023	30 April 2022	30 April 2021
Advance rent	₱808,318	₱632,887	₱413,767
Advances to suppliers	225,699	220,416	51,740
Refundable deposits	100,273	111,561	99,480
Security deposits	56,977	57,969	61,995
Deferred input VAT	17,300	25,988	30,262
Others	9,411	40,760	13,748
	₱1,217,978	₱1,089,581	₱670,992

Advance rent pertains to payments related to lease contracts which will commence beyond one year from the reporting period.

Advances to supplier represent advance payments made to cover capital expenditures of the Parent Company.

Refundable rental deposits are deposits made under lease contracts entered by the Parent Company and expected to be refunded at a future date.

Security deposits pertain to deposits made under lease contracts entered by the Parent Company and DEARBC.

Deferred input VAT on capital goods represents input VAT on property and equipment that are to be amortized over its useful life or 5 years, whichever is shorter.

Other noncurrent assets pertain to deferred expenses expected to be amortized beyond one year from the next reporting period.

14. Short-term notes payable

	31 January 2023	30 April 2022	30 April 2021
Peso-denominated loans	₱6,945,000	₱5,880,000	₱4,720,000
Dollar-denominated loans	11,732,765	2,897,789	3,168,665
	₱18,677,765	₱8,777,789	₱7,888,665

The unsecured peso-denominated loans bear interest at 5.25% to 6.75%, 2.125% to 2.250% and 2.50% to 4.125% as at January 2023, April 2022 and April 2021, respectively, and usually mature after 30 to 90 days.

As at January 2023, April 2022 and April 2021, the balance of dollar-denominated unsecured notes payable in original currency amounted to US\$215,000 or ₱11,732,765, US\$55,370 or ₱2,897,789 and US\$65,800 or ₱3,168,665 respectively. The loans bear an interest at 5.00% to 6.00%, 1.85% to 2.00% and 2.25% to 2.65% as at January 2023, April 2022 and April 2021, respectively and usually mature after 28 to 90 days.

Total interest expense on short-term loans amounted to ₱402,578, ₱210,762 and ₱353,182 for period ended January 2023, April 2022 and April 2021, respectively.

15. Long-term debt

	31 January 2023	30 April 2022	30 April 2021
Bank and Financial Institutions:			
BDO	₱1,500,000	₱1,500,000	₱1,500,000
DBP	1,500,000	1,500,000	1,500,000
	3,000,000	3,000,000	3,000,000
Less debt issuance cost	10,061	14,368	19,876
	2,989,939	2,985,632	2,980,124
Less current portion	333,333	–	–
	₱2,656,606	₱2,985,632	₱2,980,124

On August 3, 2020, the Company repaid ₱1,500,000 of the long-term loan through its existing short-term credit facility. On October 23, 2020 the Company has refinanced its ₱1,500,000 loan payable over 9 equal quarterly installments with the first repayment date on August 3, 2023 and last repayment date on August 3, 2025.

In November 6, 2020, the Company availed of its long-term credit facility amounting to ₱1,500,000 at an interest rate of 3.00% p. a., maturing on 2025, to partially finance its general corporate requirements and/or refinance existing debts. The Company shall repay the loan in 5 years, inclusive of a 3-year grace period on the principal, the principal payable in 8 equal quarterly installments to commence at the end of the 13th quarter from the initial drawdown date until fully paid.

Interest expense on long-term loans amounted to ₱90,810, ₱93,063 and ₱93,984 for the periods ended January 2023, April 2022 and April 2021, respectively.

The Company is compliant with its loan covenants as at January 31, 2023, April 30, 2022 and April 30, 2021.

16. Bonds Payable

	31 January 2023	30 April 2022	30 April 2021
Face value of bonds	₱6,478,460	₱6,478,460	₱6,478,460
Less discount on bonds payable	30,455	56,062	88,668
	₱6,448,005	₱6,422,398	₱6,389,792
Less current portion	5,808,007		
	₱639,998	₱6,422,398	₱6,389,792

On October 30, 2020, the Parent Company issued peso-denominated fixed-rate bonds with an aggregate principal amount of 5,000,000,000 with an oversubscription option of up to 2,500,000,000, with the following 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 will be used by the Company to repay its existing short-term and unsecured loans. As of April 30, 2021, ₱5,832,560 three-year fixed-rate and ₱645,900 five-year fixed-rate bonds were issued.

The movement in unamortized debt issuance costs follow:

	31 January 2023	30 April 2022	30 April 2021
Balance at beginning of year	₱56,062	₱88,668	₱ –
Additions	-	-	104,466
Amortisations	(25,607)	(32,606)	(15,798)
Balance at end of year	₱30,455	₱56,062	₱88,668

17. General and administrative expenses

This account consists of the following:

	31 January 2023	31 January 2022	31 January 2021
Personnel	₱380,576	₱339,207	₱320,446
Depreciation and amortization	90,170	85,159	84,873
Professional fees	70,996	62,966	44,793
Technology cost	49,873	39,614	42,122
Training and employee activities	49,914	42,843	26,216
Travel and transportation	25,029	15,965	18,287
Taxes and insurance	14,286	15,181	18,281
Rent	12,835	12,126	13,195
Utilities	16,795	11,264	10,575
Outside services	6,456	9,262	8,752
Supplies	6,147	7,242	9,027
Others	17,734	13,976	12,148
	₱740,811	₱654,805	₱608,715

18. Accounts payable and accrued expenses

	31 January 2023	30 April 2022	30 April 2021
Accounts payable:			
Trade	₱6,050,256	₱5,115,778	₱3,622,280
Nontrade	86,248	98,919	198,481
Due to related parties:	53,835	107,857	69,282
Accrued operating expenses:			
Salaries, bonuses and other employee benefits	217,531	171,352	205,689
Advertising, promotions and discount	386,712	309,705	316,974
Tinplate and consigned stocks	237,117	225,434	194,844
Professional and outside services	169,518	105,770	114,011
Freight and warehousing	296,426	173,375	134,843
Payable to government agencies	204,604	184,060	174,112
Interest	143,701	32,563	31,997
Land preparation and rental	95,011	105,051	103,497
Utilities	70,666	65,316	63,603
Derivatives (Note 9)	21,003		
Others	246,599	96,973	185,336
	₱8,279,227	₱6,792,153	₱5,414,949

Trade payables are noninterest-bearing and are normally settled on 30 to 120-day terms.

Due to related parties are unsecured and noninterest-bearing purchases of services, rentals, toll pack and management services from related parties which are expected to be paid within the next fiscal year.

Accrued expenses are payable within the next fiscal year.

19. Common Stock

	31 January 2023	30 April 2022	30 April 2021
	<i>No. of shares</i>		
Common stock – ₱1 par value			
Authorized – 3,000,000,000			
Issued – 2,797,320,004	2,797,320	2,797,320	2,797,320
	2,797,320	2,797,320	2,797,320

On December 9, 2019, in a joint special meeting of the Board and stockholders of the Parent Company, the conversion of the authorized common shares amounting to ₱3,000,000,000 to common shares convertible to voting, participating RCPS was approved. The RCPS shall be convertible to common shares. The SEC approved the amendment of the Parent Company's articles of incorporation on February 11, 2020 (see Note 1).

On August 3, 2020, the SEC approved the amendment of the Parent Company's Articles of Incorporation to reflect the conversion of 335,678 convertible common shares to RCPS and the removal of the conversion feature of the remaining convertible common shares.

On February 5, 2021, the Board approved the conversion of 335,678,400 RCPS issued to SEA Diner to 335,678,400 common shares. The common shares do not have the dividend and liquidation preference and conversion and redemption features of the RCPS.

20. Related Party Transactions

The Company has transactions with related parties as described below. These transactions are done in the normal course of business and outstanding balances are usually settled in cash.

A summary of significant transactions and accounts balances with related parties follows:

Category/ Transaction	Period	Amount of the transaction, 31 January 2023, 2022 and 2021	Outstanding balance – receivables/ (payables) as of 31 January 2023, 30 April 2022 and 2021	Terms	Conditions
Ultimate Parent					
▪ Sales	2023	4,413	2,295	non-interest bearing	no impairment
	2022	611	2,012		
	2021	-	2,047		
▪ Purchases	2023	(5,538)	(756)	non-interest bearing	no impairment
	2022	(2,700)	(2,743)		
	2021	(1,182)	1,464		
▪ Security deposits	2023	-	337	non-interest bearing	no impairment
	2022	(376)	-		
	2021	-	-		
▪ Services and other reimbursements	2023	576	258	non-interest bearing	no impairment
	2022	9,143	2,298		
	2021	2,427	15,057		
Under Common Control					
▪ Sales	2023	5,666,161	6,972,210	non-interest bearing	no impairment
	2022	4,205,609	3,564,801		
	2021	3,112,805	2,759,492		
▪ Purchases and royalties	2023	(8,793)	(30,151)	non-interest bearing	no impairment
	2022	(13,116)	(14,155)		
	2021	(14,310)	(117,533)		
▪ Advances	2023	10,983,049	1,763,697	interest bearing	no impairment
	2022	3,717,699	-		
	2021	8,446,112	467,624		
▪ Services and other reimbursements	2023	344,310	2,326,267	non-interest bearing	no impairment
	2022	41,400	46,599		
	2021	584,772	(63,502)		
Other Related Party					
▪ Sales	2023	226,748	55,515	non-interest bearing	no impairment
	2022	219,062	380,896		
	2021	121,313	179,991		
▪ Purchases	2023	(41,238)	(6,086)	non-interest bearing	no impairment
	2022	(54,060)	(49,383)		
	2021	(53,019)	(47,548)		
▪ Rendering of services	2023	(93,540)	120,258	non-interest bearing	no impairment
	2022	83,624	214,675		
	2021	(277)	(126)		
▪ Lease receivables	2023	104	3,307	non-interest bearing	no impairment
	2022	159	3,385		
	2021	98	3,397		
▪ Rental of office space and common use area	2023	(35,790)	0	non-interest bearing	no impairment
	2022	(92,505)	(23,241)		
	2021	(99,078)	(336)		
	2023	₱17,040,462	₱11,207,151		
	2022	8,114,550	4,125,144		
	2021	12,099,661	3,200,027		

The transactions with related parties are carried out on an arms-length basis and on normal commercial terms consistent with the Company's usual business practices and policies, which are generally no more favourable to the related parties than those extended to unrelated parties. Pricing for the sales of products is market driven, less certain allowances in accordance with applicable business norms. For purchases, the Company's policy is governed by the same internal control procedures which detail matters such as the constitution of internal approving authorities, their monetary jurisdictions, the number of vendors from whom bids are to be obtained and the review procedures. The guiding principle is to objectively obtain the best products and/or services on the best possible terms.

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. As at January 31, 2023, April 30, 2022 and April 30, 2021, the Company has not made any provision for doubtful accounts relating to amounts owed by related parties.

21. Accounting classification and fair values

The table below presents a comparison by category of carrying amounts and fair values of the Company's financial instruments, other than those with carrying amounts that are reasonable approximate of fair values as at January 31, 2023, April 30, 2022 and April 30, 2021.

	January 31, 2023		April 30, 2022		April 30, 2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities						
<i>Measured at amortized cost:</i>						
Long-term notes payable	₱2,989,939	₱2,906,897	₱2,985,632	₱2,984,270	₱2,980,124	₱2,959,045
Bonds payable	6,448,005	6,339,560	6,422,398	6,414,308	6,389,792	6,631,228
	₱9,437,944	₱9,246,457	₱9,408,030	₱9,398,578	₱9,369,916	₱9,590,273

The following methods and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities for which it is practicable to estimate such value:

Cash and Cash Equivalents, Receivables, Short-term Deposits and Accounts Payable and Accrued Expenses

The Company has determined that carrying amounts of cash and cash equivalents, receivables, short-term deposits and accounts payable and accrued expenses reasonably approximate their fair values because these are mostly short-term in nature.

Security and Refundable Deposits

The fair value approximates the carrying amount since the Company does not anticipate its carrying amount to be significantly different from the actual value that the deposit would be eventually collected.

Financial Assets at FVOCI

The fair values of publicly traded instruments and similar investments are based on quoted market prices in an active market.

Short-term Notes Payable

The carrying amount of short-term loans approximates its fair value as at reporting date due to its short-term in nature.

Long-term Notes Payable

The fair value of interest-bearing floating rate loans, categorized as Level 3 input, is based on discounted value of expected future cash flows using the applicable market rates for similar types of instrument as of reporting date.

Bonds Payable

The fair value of interest-bearing bonds, categorized as Level 1 input, is based on quoted market prices in an active market as of reporting date.

22. Determination of fair values

Fair value hierarchy

The following table provides the measurement hierarchy of assets measured at fair value:

	31 January 2023			
	Level 1	Level 2	Level 3	Totals
Financial assets				
Financial Assets at FVOCI	₱29,060	₱–	₱–	₱29,060
Derivative Assets	–	–	4,753	4,753
Non-financial assets				
Fair value of agricultural produce				
Harvested*	–	–	2,783,110	2,783,110
Unharvested	–	–	2,679,732	2,679,732
Land	–	–	610,232	610,232
Investment Property	–	–	167,068	167,068

Financial liabilities				
Derivative Liabilities	–	–	21,003	21,003

* Pertains to fair value of agricultural produce being processed as cased goods as of year-end

31 April 2022

	Level 1	Level 2	Level 3	Totals
Financial assets				
Financial Assets at FVOCI	₱15,384	₱–	₱–	₱15,384
Derivative Assets	–	–	–	–
Non-financial assets				
Fair value of agricultural produce				
Harvested*	–	–	3,872,298	3,872,298
Unharvested	–	–	2,476,150	2,476,150
Land	–	–	610,232	610,232
Investment Property			171,703	171,703
Financial liabilities				
Derivative Liabilities	–	–	–	–

* Pertains to fair value of agricultural produce being processed as cased goods as of year-end

30 April 2021

	Level 1	Level 2	Level 3	Totals
Financial Assets				
Financial assets at FVOCI	₱12,557	₱–	₱–	₱12,557
Derivative Assets				
Non-financial Assets				
Fair value of agricultural produce:				
Harvested*	–	–	3,734,508	3,734,508
Unharvested	–	–	2,158,274	2,158,274
Land	–	–	610,232	610,232
Investment property			177,882	177,882
Financial liabilities				
Derivative Liabilities	–	–	–	–

* Pertains to fair value of agricultural produce being processed as cased goods as of year-end

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.

Fair values of non-financial assets have been determined for measurement and/or disclosure purposes based on the following methods.

Assets	Valuation technique	Significant unobservable inputs
Harvested crops – sold as fresh fruit	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is based on the selling price of fresh fruits as sold in the local and international markets (Level 3).	The unobservable input is the estimated selling price of pineapple 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 (concentrates, pineapple beverages, sliced pineapples, etc.) adjusted for margin and associated costs related to production (Level 3).	The unobservable input is the estimated selling price of pineapple and gross margin per ton specific for processed products.
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	The unobservable inputs are estimated selling price of pineapple and gross margin per ton for fresh

Assets	Valuation technique	Significant unobservable inputs
	harvest. Management used estimated gross margin at point of harvest less future growing costs to be incurred until harvest as the basis of fair value.	and processed products, respectively, estimated volume of harvest and future growing costs.
Land	The fair value of the land was estimated using comparative approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by involving comparison.	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.
Investment Property	The valuation method used to determine fair value is Sales Comparison Approach and Income Approach for land and buildings, respectively.	The unobservable inputs used to determine market value are the prevailing rental rates and return on investment as at valuation date.

Significant increase (decrease) in the significant unobservable inputs of harvested crops sold as fresh fruit and harvested crop used in processed products would result in higher (lower) fair values.

Significant increase (decrease) in the estimated future selling price of pineapple, 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.

23. Leases

Company as a lessee

The following are the amounts recognised in income statement for the periods ended:

	31 January 2023	31 January 2022	31 January 2021
Depreciation expense of right-to-use assets included in property and equipment and investment properties	₱559,341	504,387	391,316
Interest expense on lease liabilities	124,683	107,030	97,181
Expenses relating to short-term leases	327,729	297,753	371,373
Total amount recognized in statement of income	1,011,753	909,170	859,870

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

	31 January 2023	30 April 2022	30 April 2021
At the beginning of period/year	₱2,871,074	₱2,404,981	₱2,636,372
Additions	312,282	841,456	671,722
Adjustments/Transitions	247	(1,111)	(54,130)
Accretion of interest	124,683	156,820	134,351
Payments	(799,688)	(531,072)	(490,027)
Prepayments	-	-	-
Modification of lease term	-	-	(491,284)
Retired	-	-	(2,023)
At the end of period/year	2,508,598	2,871,074	2,404,981
Current lease liabilities	(276,678)	(472,454)	(291,236)
Noncurrent lease liabilities	₱2,231,920	₱2,398,620	₱2,113,745

Company as a lessor

The company has sublease agreements which provide for lease rentals based in an agreed fixed monthly rate.

Lease receivable represents receipts to be received over the remaining lease term. Movement of the lease receivables during the period are as follows:

	31 January 2023	30 April 2022	30 April 2021
At the beginning of period/year	₱36,203	₱59,767	₱3,108
Additions	-	-	77,713
Adjustments/Transitions	-	89	381
Contractual receipts	(19,977)	(25,475)	(24,043)
Interest income	798	1,822	2,608
At the end of period/year	17,024	36,203	59,767
Current lease receivable	(6,856)	(26,035)	(23,650)
Non-current lease receivable	₱10,168	₱10,168	₱36,117

The Parent Company has lease contract with DEARBC that has termination option. This option is negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Parent Company's business needs. Management exercises significant judgement in determining whether the termination option is reasonably certain to be exercised.

24. Commitments and contingencies

- a. Royalty agreement with S&W Fine Foods International Limited and the Parent Company provides for the payment of royalty computed at 3% of list sales, effective May 1, 2019 and 0.5% of list sales, effective May 1, 2020 for 10 years. Royalty expense recognized under "Cost of Sales" account amounted to ₱152,081, ₱174,001 and ₱177,148 as of January 31, 2023, April 2022 and April 2021.
- b. Future capital expenditures based on approved budgets and executable contracts are as follows:

	31 January 2023	April 2022	April 2021
Amounts approved by the board	₱504,531	₱94,118	₱150,945
Commitments in respect of contracts made	506,248	359,993	580,154
Total CAPEX commitments	₱1,010,779	₱454,111	₱731,099

- c. There are lawsuits, tax assessments and certain claims arising out of the normal course of business. Management, in consultation with legal counsel, believes that the resolution of these contingencies, other than those already with provision, will not have a material effect on the consolidated financial statements.

The Company has a pending case for decision of the Court of Tax En Banc (CTA EB) pertaining to deficiency tax assessment covering taxable year 2013 amounting ₱6,796. The Company continues to cooperate with the Court of Tax Appeals by submitting all the requested documents and information explaining how the Assessment Notices for 2013 were rebutted. As of March 14, 2023 the case is pending resolution.

25. Earnings (loss) per share

Basic and diluted earnings per share are calculated by dividing the net income (loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	31 January 2023	31 January 2022	31 January 2020
Profit (loss) attributable to owners of the Company (a)	3,514,723	4,063,246	3,481,058
Weighted average number of common shares issued (b)	2,797,320	2,797,320	2,573,534
Basic Earnings per Common Share attributable to equity holders of the Parent (a/b)	1.26	1.45	1.35

For the purpose of calculation of the diluted earnings per ordinary share, the weighted average number of common shares is adjusted to take into account the dilutive effect arising the conversion of common shares to RCPS, with the potential ordinary shares weighted for the period outstanding.

	31 January 2023	31 January 2022	31 January 2021
Weighted average number of common shares issued	2,797,320	2,797,320	2,573,534
Convertible preference shares	-	-	335,678
Weighted average number of common shares issued (diluted) (c)	2,797,320	2,797,320	2,909,212
Diluted Earnings per Common Share attributable to equity holders of the Parent (a/c)	1.26	1.45	1.20

26. Operating segments

Product Segments

In 2021, the Company reorganized its product segments to better reflect how the Company monitors the performance of its business units for the purpose of making decisions about resource allocation as the Company ventured into the dairy and snacks market, and the demand for convenience cooking and healthy products increased. The Company also reclassified the prior year segment results based on the new product segments for comparative purposes.

Convenience Cooking and Dessert

The Company's convenience cooking and dessert includes sales of packaged tomato-based and non-tomato-based products, such as tomato sauce and paste, spaghetti sauce, ketchup, pasta sauce, recipe sauce, pizza sauce, pasta, broth and condiments, sold under the Del Monte and Contadina brands and soy sauces under the Kikkoman brand as part of an exclusive distributorship arrangement for the Philippines. This category also includes packaged pineapple solids and tropical mixed fruit products sold within the Philippines under the Del Monte, Fiesta and Today's brands.

Healthy Beverages and Snacks

The Company's healthy beverages which are sold in the Philippines under the Del Monte brand include ready-to-drink juices, fruit and vegetable juice drinks, and pineapple juice concentrate in various packaging formats, including Tetra Pak and PET. The Company's hallmark product in the beverage segment is 100% Pineapple Juice, including derivations thereof, such as 100% Pineapple Juice that is enriched with additional vitamins, fiber or calcium or that is specifically developed to help manage cholesterol. In addition, the beverage segment covers juice drinks made from other fruits, vegetables, herbs and botanicals, such as Tipco juice, and the Company's Fit 'n Right products, which are drinks fortified with green coffee extract (an antioxidant-containing supplement derived from unroasted raw coffee beans, which is believed to improve blood pressure and cholesterol levels) to help reduce sugar absorption from food and L-carnitine (a chemical compound similar to an amino acid that is produced by the body and which helps the body to metabolize fat into energy) to assist in fat metabolism. This segment also includes the Company's recently launched dairy products and biscuit snacks.

Premium Fresh Fruit

The Company's Premium Fresh Fruit category include sales of S&W-branded premium fresh pineapples in Asia Pacific and private label or non-branded MD2 and C74 fresh pineapples in Asia. The Company's key product in the Premium Fresh Fruit segment is the MD2 pineapple variant, which is the Company's main export product and sold under the "S&W Sweet 16" brand.

Packaged Fruit and Beverages – Export

This segment includes revenues from sales of packaged fruit and beverage products sold internationally. Packaged fruit in this segment includes fruit products that are packaged in different formats such as can, plastic cup, pouch and aseptic bag, and which are sold under the S&W brand in approximately 30 countries and the Del Monte brand for parties who have the license rights to Del Monte in other markets, as well as

under the private labels of non-affiliated parties. A portion of MD2 pineapples that are not exported as fresh fruit are used to produce Nice Fruit frozen pineapple products and not-from-concentrate juices or packaged as a premium version of the Company's Del Monte-branded packaged pineapples, Deluxe Gold. Deluxe Gold products. Beverage products in this segment include 100% Pineapple Juice and juice drinks in various flavors in can and Tetra Pak packaging and pineapple juice concentrate. In addition, this segment also covers not-from-concentrate juices. Not-from-concentrate juice is prepared solely from the juice of whole pineapples at the Company's not-from-concentrate juicing plant and contains no additional ingredients. The Company produces 100% MD2 not-from-concentrate pineapple juice for export to certain countries within Asia for industrial use and for resale to consumers under buyer's own labels.

Others

The Company's cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to animals. This segment also includes culinary products sold internationally.

The BOD (Chief Operating Decision Maker) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. The amounts of segment assets and liabilities, and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets, liabilities and profit or loss in the consolidated financial statements, which is in accordance with PFRS.

Information about reportable segments

	Nine months ended 31 January 2023			Nine months ended 31 January 2022			Nine months ended 31 January 2021		
	Combined	Elimination	Consolidated	Combined	Elimination	Consolidated	Combined	Elimination	Consolidated
Revenues									
Convenience Cooking and Desert	₱10,774,724	-	₱ 10,774,724	₱10,356,818	-	₱10,356,818	₱10,159,608	-	₱10,159,608
Healthy Beverages and Snacks	5,659,385	-	5,659,385	5,069,482	-	5,069,482	5,231,323	-	5,231,323
Premium Fresh Fruit	6,427,635	(397,527)	6,030,108	4,767,288	(167,592)	4,599,696	4,210,685	(185,504)	4,025,181
Packaged fruit and Beverages	6,738,715		6,738,715	5,320,701		5,320,701	4,140,850		4,140,850
Others	270,172	(174,988)	95,184	225,297	(160,860)	64,437	392,928	(150,982)	241,946
Changes in fair value – PAS 41	2,198,075	-	2,198,075	2,461,147	-	2,461,147	1,843,091	-	1,843,091
Total	₱32,068,706	(572,515)	₱ 31,496,191	₱28,200,733	(328,452)	₱27,872,281	25,978,485	(336,486)	25,641,999
Income before interest and tax									
Convenience Cooking and Desert	₱2,467,324	-	₱2,467,324	₱2,637,335	-	₱2,637,335	₱2,650,116	-	₱2,650,116
Healthy Beverages and Snacks	275,755	-	275,755	550,542	-	550,542	844,454	-	844,454
Premium Fresh Fruit	1,423,344	-	1,423,344	1,356,508	-	1,356,508	1,106,410	-	1,106,410
Packaged fruit and Beverages	419,823	-	419,823	557,435	-	557,435	180,386	-	180,386
Others	28,295	-	28,295	22,070	-	22,070	24,680	-	24,680
Changes in fair value – PAS 41	51,936	-	51,936	61,791	-	61,791	(59,986)	-	(59,986)
Total	₱4,666,477	-	₱4,666,477	₱5,185,681	-	₱5,185,681	₱4,746,060	-	₱4,746,060

27. Events after the Reporting Period

The Board of Directors approved on March 2, 2023 the declaration of cash dividends in the amount of ₱0.30188 per share to all common shareholders of record as of March 16, 2023, payable on March 21, 2023. The source of dividend payment is the Company's unrestricted retained earnings as of January 31, 2023.

28. Other Matters

- a. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.
- b. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favourable or unfavourable impact on net sales or revenues or income from continuing operations.
- c. There were no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation and there were no changes in contingent liabilities and contingent assets since the last annual statements of financial position date.
- d. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationship of the Company with unconsolidated entities or other persons created during the reporting period.
- e. The effects of seasonality or cyclicity on the interim operations of the Company's businesses are explained in Note 4, Seasonality of operations.
- f. The Company's material commitments for capital expenditure projects have been approved but are still ongoing and not yet completed as of end of January 31, 2023. These consist of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business. The said projects will be carried forward to the next quarter until its completion. The fund to be used for these projects will come from available cash, short and long-term loans.
- g. The Company is the subject of, or a party to, various suits and pending or threatened litigations. While it is not feasible to predict or determine the ultimate outcome of these matters, the Company believes that none of these legal proceedings will have a material adverse effect on its financial position.
- h. The retained earnings is restricted for the payment of dividends to the extent representing the accumulated equity in net earnings of the subsidiaries and unrealised asset revaluation reserve. The accumulated equity in net earnings of the subsidiaries is not available for dividend distribution until such time that the Company receives the dividends from the subsidiaries.

Annex A

Key Performance Indicators

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

A. Current Ratio

	31-Jan-23	30-Apr-22	30-Apr-21	Benchmark
Current Ratio	0.79	1.07	1.09	Minimum of 1.20

Lower compared to April 2022 and April 2021 due to increase in current liabilities from bonds maturing in October 2023.

B. Debt to Equity

	31-Jan-23	30-Apr-22	30-Apr-21	Benchmark
Liabilities to Equity	2.99	2.08	2.36	Maximum of 2.50

Higher compared to April 2021 and April 2020 due to higher debt incurred as of January 2023.

C. Net Profit Margin

	31-Jan-23	31-Apr-22	31-Apr-21	Benchmark
Net Profit Margin attributable to owners of the company	11.16%	13.39%	13.39%	Minimum of 3%

Lower net profit compared to April 2021 and April 2020 due to lower gross income.

D. Return on Asset

	31-Jan-23	30-Apr-22	30-Apr-21	Benchmark
Return* on Asset	8.29%	11.74%	12.68%	Minimum of 1.21

Lower return on asset compared to April 2022 and April 2021 due to higher assets driven by increase in receivables.

E. Return on Equity

	31-Jan-23	30-Apr-22	30-Apr-21	Benchmark
Return* on Equity	33.10%	36.19%	43.11%	Minimum of 8%

Lower return on equity compared to April 2022 and April 2021 due to lower net income during the period.

*Net Income uses trailing twelve months for January 2023

Causes for any Material Changes in the Financial Statements

A. Inventories

Inventories increased by ₱2,228.6 million, or 43.1%, from ₱5,170.9 million as of April 30, 2022 to ₱7,399.5 million as of January 31, 2023 due to higher inventory production and higher costs during the period.

B. Receivables

Receivables increased by ₱7,048.9 million, or 91.6%, from ₱7,696.4 million as of April 30, 2022 to ₱14,745.3 million as of January 31, 2023 due to increase of intercompany trade sales during the period.

C. Short-term notes payable

Short-term notes increased by 9,900 million, or 112.8%, from ₱8,777.8 million as of April 30, 2022 to ₱18,677.8 million as of January 31, 2023 to support working capital needs.

D. Prepaid expenses and other current assets

Prepaid and other current assets increased by ₱261.2 million, or 22.9%, from ₱1,142.0 million as of April 30, 2022 to ₱1,403.2 million as of January 31, 2023. The increase is mainly driven by higher advances to suppliers during the period.

E. Accounts payable and accrued expenses

Accounts payable increased by ₱1,487.1 million, or 21.9%, from ₱6,792.1 million as of April 30, 2022 to ₱8,279.2 million as of January 31, 2023. The increase is mainly driven by higher purchases for the period.

Liquidity and Covenant Compliance

Certain unsecured bank loan agreements contain various 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.

The Company monitors its liquidity risk to ensure that it has sufficient resources to meet its liabilities as they become due, under both normal and stressed circumstances without incurring unacceptable losses or risk to the Company's reputation. The Company 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 and constantly maintains good relations with its banks, such that additional facilities, whether for short or long term requirements, may be made available.

As of January 31, 2023, April 30, 2022 and April 30, 2021, the Company is in compliance with the covenants stipulated in its loan agreements.

Annex B
DEL MONTE PHILIPPINES, INC.
SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Ratio	Formula	31 January 2023	30 April 2022	30 April 2021
(i) Liquidity Analysis Ratios:				
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	0.79	1.07	1.09
Quick Ratio	(Current Assets - Inventory - Biological – Prepaid Expenses) / Current Liabilities	0.45	0.53	0.52
(ii) Solvency Ratio				
	Total Assets / Total Liabilities*	1.33	1.48	1.42
Financial Leverage Ratios:				
Debt Ratio	Total Debt*/Total Assets	0.47	0.51	0.55
Debt-to-Equity Ratio	Total Liabilities/Total Stockholders' Equity	2.99	2.08	2.36
(iii) Asset to Equity Ratio				
	Total Assets / Total Stockholders' Equity	3.99	3.08	3.36
(iv) Interest Coverage				
	Earnings Before Interest and Taxes (EBIT)** / Interest Charges	8.48	11.45	9.85
(v) Profitability Ratios				
Return on Assets	Net Income*** / Total Assets	8.29%	11.74%	12.68%
Return on Equity	Net Income*** / Total Stockholders' Equity	33.10%	36.34%	43.11%
		31 January 2023	31 January 2022	31 January 2021
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	27.85%	30.99%	30.85%
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Sales	11.16%	14.58%	13.58%
Net Profit Margin	Net Profit / Sales	11.16%	14.58%	13.58%

* Total Debt used for January 2023 refers to financial liabilities bonds payable, and leases.

** EBIT =Earnings before interests and taxes

*** Net Income uses trailing twelve months for January 2023