

COVER SHEET

SEC Registration Number

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COMPANY NAME

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A	N	D		S	U	B	S	I	D	I	A	R	I	E	S														

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

J	Y		C	A	M	P	O	S		C	E	N	T	R	E	,		9	T	H		A	V	E	N	U	E		C
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Form Type

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Department requiring the report

S	E	C	
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

www.delmontephil.com

Company's Telephone Number

(02) 8- 8562888

Mobile Number

N/A

No. of Stockholders

11

Annual Meeting (Month / Day)

Any day of August

Fiscal Year (Month / Day)

April 30

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Katherine Joy F. de Jesus-Lagazo

Email Address

deJesusKJF@delmonte-phil.com

Telephone Number/s

(02) 8- 856 2556

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

JY Campos Center, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City, Philippines

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE AND SECTION 141
OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended April 30, 2024
2. SEC Identification Number 112
3. BIR Tax Identification No. 000-291-799-000
4. Exact name of issuer as specified in its charter: DEL MONTE PHILIPPINES, INC.
5. Province, Country or other jurisdiction of incorporation or organization: Philippines
6. Industry Classification Code: _____ (SEC Use Only)
7. Address of principal office and Postal Code: JY Campos Centre, 9th Avenue corner 30th Street
Bonifacio Global City, Taguig City
8. Issuer's telephone number, including area code: (632) 8856 2888
9. Former name, former address, and former fiscal year, if changed since last report N/A
10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class
Common shares

Number of Shares issued and outstanding
2,797,320,004 shares

Amount of debt outstanding
PHP 645,900,000

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

Yes [] No [X]

If yes, state the name of such stock exchange and the classes of securities listed therein: **N/A**

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 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 that the registrant was required to file such reports);

Yes [] No [X]

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

Yes [] No [X]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days

prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form. (See definition of "affiliate" in "Annex B").

**APPLICABLE ONLY TO ISSUERS INVOLVED IN
INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS
DURING THE PRECEDING FIVE YEARS:**

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Yes ☐ No ☐ N/A

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:
- a) Any annual report to security holders; **none**
 - b) Any proxy or information statement filed pursuant to SRC Rule 20 and 17.1 (b); **none**
 - c) Any prospectus filed pursuant to SRC Rule 8.1-1; **none**

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of _____ on _____.

By:



Joselito D. Campos, Jr.
Chief Executive Officer



Parag Sachdeva
Treasurer and Chief Financial Officer



Luis F. Alejandro
President and Chief Executive Officer



Katherine Joy F. de Jesus - Lagazo
Company Secretary

SUBSCRIBED AND SWORN to before me this AUG 13 2024 affiant(s) exhibiting to me his/their Residence Certificate, as follows:

NAMES	PASSPORT NO.	DATE/PLACE OF ISSUE
Joselito D. Campos, Jr.	PO033661A	24 Aug 2016 / DFA-Manila
Luis F. Alejandro	P4710982A	13 Oct 2017 / DFA-Manila
Parag Sachdeva	Z4816522	16 May 2018 / Manila
Katherine Joy F. de Jesus- Lagazo	P1732873B	03 June 2019 / DFA NCR-East

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Series of 2024.



ATTY. JOEL FERRER FLORES
Notary Public for Makati City
Until December 31, 2024
Appointment No. M-115(2023-2024)
Roll of Attorney No. 77376
MCLE Compliance VIII NO. 0001393-
Jan. 03, 2023 Until Apr. 14, 2028
PTR No. 10073945/ Jan. 02, 2024/Makati City
IBP No. 330740/ Jan. 02, 2024/Pasig City
1107 D Bataan St., Guadalupe Nuevo, Makati City



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Part I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

Overview

DMPI is a market-leading food and beverage producer in the Philippines and internationally, with a dominant position across a range of products. The Company was incorporated under the laws of the Philippines on 11 January 1926 and has been in operation in the Philippines for 98 years and caters to the needs of today's consumers for premium quality, healthy and convenient fresh and packaged products. The Company produces, markets and distributes its products worldwide under a variety of brand names, including Del Monte, which has been in existence since 1886, S&W, which has been in existence since 1896, and Contadina, which has been in existence since 1918. The Del Monte brand was the number one locally-owned brand in the Philippines in 2019 and 2020, according to Campaign Asia.

The Company's four main product segments are (i) Convenience Cooking and Dessert, (ii) Healthy Beverages and Snacks, (iii) Premium Fresh Fruit, and (iv) Packaged Fruit and Beverages – Export. The Company's key products include: ketchup, tomato sauce, spaghetti sauce, pasta and packaged pineapple and mixed fruit in the Convenience Cooking and Dessert segment; pineapple or other fruit juices and juice drinks in the Healthy Beverages and Snacks segment; S&W Sweet 16 pineapples in the Premium Fresh Fruit segment; and various pineapple and mixed fruit products and pineapple juice concentrate in the Packaged Fruit and Beverages – Export segment. For the year ended April 30, 2024 the Company's Convenience Cooking and Dessert, Healthy Beverages and Snacks, Premium Fresh Fruit, and Packaged Fruit and Beverages – Export segments contributed 34%, 18%, 23% and 18%, respectively, to the Company's revenues.

According to NielsenIQ, the Company is the market leader in the Philippines for a number of its products, such as packaged pineapples, canned mixed fruits, ready-to-drink juices (excluding doy/foil pouches), tomato sauce, spaghetti sauce, and tomato paste with market shares of approximately 95.7%, 76.8%, 40.2%, 84.9%, 41.8% and 71.3% respectively for the twelve months April 2024. In addition, in 2021, the Group became the largest exporter of fresh pineapples to China, as well as one of the top three fresh pineapple exporters to Japan, South Korea and the Middle East, according to GlobalData UK Ltd. 2021. The Company believes it was one of the largest exporters of fresh pineapples to China in terms of volume for the year ended 30 April 2024 and estimates that for the first six months ended 30 June 2024, it had a market share by volume of approximately 68% for China, approximately 49% for South Korea and approximately 20% for Japan based on the volume of fresh pineapples sold by the Group under the Premium Fresh Fruit segment and customs data from the China Chamber of Commerce of Foodstuffs and Native Produce, the Korea Customs Service for South Korea and the Ministry of Agriculture, Fishery and Forestry for Japan, respectively.

DMPI manages one of the world's largest pineapple growing operations, including an approximately 31,000-hectare plantation in Mindanao in the southern Philippines, which is situated in an area outside the typhoon belt and at elevations and climate conditions suitable for pineapple cultivation year-round. As of 30 April 2024, approximately 9,000 hectares of the Company's plantation in Mindanao was dedicated to MD2 pineapple cultivation. The Company's processing facility in Bugo, Cagayan de Oro (the "Bugo Processing and Production Facility"), situated an hour's drive from the plantation, has an annual capacity to process approximately 700,000 tons of pineapples. The Bugo Processing and Production Facility is complemented by a state-of-the-art fresh cold storage and fresh packing facilities, a freezing facility, a not-from-concentrate juicing plant, and an adjacent dock. These fully integrated operations in Mindanao ensure an efficient supply chain from production to market and the delivery of premium quality products. The Company also has a beverage plant in Cabuyao, Laguna (the "Cabuyao PET Plant"), which is about a 1.5-hour drive from Manila. (Plantation/Cannery Team)

As a result of its extensive distribution network in the Philippines selling into general trade, modern trade, food service, and convenience and other emerging channels, DMPI's products are available in every major city in the Philippines. Beyond the stores, Del Monte is able to continuously engage with its consumers through Del Monte Kitchenomics, the company's 37-year-old Customer Relationship Marketing program. Throughout the years, Del Monte Kitchenomics remains committed to provide recipes and cooking tips to its consumers --- evolving from a direct mail

program in 1984 to a pioneering online ecosystem with a 3 million strong Facebook community, mobile application and direct-to-consumer website where consumers can explore, learn to cook and shop.

Internationally, DMPI sells S&W-branded and private label premium fresh fruit products directly to customers in the Asia Pacific region and the Middle East, and other S&W-branded and private label packaged products to its affiliate S&W Fine Foods for sale in the Asia Pacific region and the Middle East. Moreover, the Company sells packaged fruit and beverage products to its affiliates DMFI for sale in the U.S. and South America, and DMFP for distribution in India, in each case, under the Del Monte brand, and various packaged fruit and beverage products to third-party customers that sell Del Monte-branded products in other parts of the world.

DMPI has been able to sustain consistent growth over the past several years. In the year ended April 30, 2024, the Company recorded consolidated revenues of ₱38,749.1 million (U.S.\$672.9 million), a decrease by 5.6% from ₱41,067.6 million (U.S.\$ 740.0 million) in the year ended April 30, 2023. The Company's net income decreased by 29.8% from ₱3,708.4 million in the year ended April 30, 2023 to ₱2,604.9 million (U.S.\$45.2 million) in the year ended April 30, 2024. The Company's EBITDA (before depreciation for bearer plants) for the year ended April 30, 2024 was ₱12,825.9 million (U.S.\$222.7 million), a decrease of 1.9% from ₱13,073.1 million in the year ended April 30, 2023.

Risk Factors affecting operations

Demand for and Pricing of the Company's Products

The price at which the Company sells its products affects demand and is a key driver of revenue and profitability. The Company considers various factors including, among others, inflation, sales channels, increases in prices of raw materials, packaging materials, and competitors' pricing to determine the prices for its products. To the extent that the Company cannot sufficiently pass on price increases, or cannot adjust prices or address changes in factors affecting demand, its profitability and results of operations would be affected.

The Company believes that many of its products are staple products positioned in premium segments of the market, and are thus relatively inelastic to changes in price. As such, through its pricing strategy, the Company seeks to achieve a balance between profit and market share. For example, the Company has historically been able to pass on the effect of regular price increases for selected products in its Healthy Beverages and Snacks segment to consumers. Given current economic condition, our categories have employed plans on fill optimization, multipacks, and store promotions in order to continue striking a balance between profit and market share. In the Company's export markets, the Company has also been able to grow demand in its Premium Fresh Fruits segments while maintaining its premium pricing.

On the other hand, despite the Company's products being positioned in the premium end of the market, demand in the Philippines for the Company's Convenience Cooking and Desserts products are influenced by the competing products in adjacent categories, more affordable products in the same category and various food service options available to consumers. Consumers tend to adjust their buying choices according to shifts in the perceived value-for-money propositions for these products, in addition to convenience and taste. To address this, the Company has implemented various strategies such as offering a wider selection of packaging sizes and more affordable packaging formats for products in this segment such as ketchup and offering Today's as a mid-tier brand option for spaghetti sauce, which has resulted in the Company being able to capture demand from more price-sensitive consumers.

Adaptation to Changes in Consumer Tastes and Preferences

The Company's future business and financial performance depend, in part, on its ability to successfully evolve its current product portfolio within existing segments to continuously strengthen its relevance, as well as on its ability to increase consumption of its products among a broader customer base. The Company's future success is also dependent, to a certain extent, on its ability to maintain the competitive positioning of its products, adopt relevant new technologies to meet changes in consumer demand and continue to introduce innovative products in a timely manner. To achieve these objectives, the Company must anticipate and respond to changes in consumer tastes and preferences by introducing new products or improving its existing products (such as in terms of flavor, texture, formats, or

packaging) to address changing consumption habits and preferences (including emerging dietary and health concerns). Consumer preferences may evolve due to a number of factors, including changes in economic conditions and income levels, shifts in demographic and social trends, changes in lifestyle and leisure activity patterns, regulatory factors and developments, and actions and strategies of competitors – any of which may affect consumers' perception of and willingness to purchase the Company's products.

As a result of the recent trend both within the Philippines and internationally towards healthier eating, the Company has developed products that target the more health-conscious consumer, such as *Fit 'n Right* juice drinks, which are fortified with green coffee extract to help reduce sugar absorption from food and L-carnitine to assist in fat metabolism, and a new range of *100% Pineapple Juice* enriched with fiber or calcium or which have cholesterol-reducing properties. *100% Pineapple Juice* Fiber-enriched is fortified with acacia gum, a natural dietary fiber to aid in digestion and may help reduce risk of heart disease. *100% Pineapple Juice* Heart Smart is fortified with a blend of plant sterols and stanols and is clinically proven to help reduce cholesterol while *100% Pineapple Juice* Bone Smart is fortified with calcium that helps build strong bones and vitamin D3 that helps boost calcium absorption. The ability of the Company to maintain or grow its market share going forward will be influenced by its ability to continue to enhance its existing products and develop new products in response to the healthier eating trend or any other trends that may develop in the future.

Beyond its existing core categories, the Company's innovation programs provide the Company with an ability to expand into adjacent categories or incorporate new technologies that may require a different route-to-market strategy. The Company typically incurs development and marketing costs in connection with the introduction of new products both within existing and adjacent categories. The successful launch and sale of new products utilizes the Company's sales and marketing resources and typically requires incurrence of new product launch expenses. An unsuccessful introduction of a new product may result in a reduction of the Company's operating income as introduction costs, including listing fees, can exceed revenues during the year the product is launched. The ability of the Company to successfully introduce new products in the market in the future, as it has done in recent years, will affect the Company's financial position and results of operations.

Product Mix

The Company's profit margins and operational performance are affected by changes in the combination of products that the Company sells. The Company's business can be broadly divided into the following product segments: (i) Convenience Cooking and Dessert, (ii) Healthy Beverages and Snacks, (iii) Premium Fresh Fruit and (iv) Packaged Fruit and Beverages – Export. Revenues from the Philippines are derived primarily from the Convenience Cooking and Dessert and the Healthy Beverages and Snacks segments. The Convenience Cooking and Desserts segment includes products such as pineapple solids, mixed tropical fruit, tomato-based sauces, pasta sauces, condiments and pasta; while the Healthy Beverages and Snacks segment includes products such as juices, dairy drinks and biscuits. On the other hand, revenues from the international market are derived primarily from sales in the Premium Fresh Fruit segment (comprising sales of premium fresh MD2 pineapples), as well as in the Packaged Fruit and Beverages – Export segment (which includes sales of not-from-concentrate juice and *Deluxe Gold* packaged pineapples). Typically, different products vary in product pricing, revenue growth rate and gross profit margin. Each of the Company's products and brands has its own unique positioning with different marketing strategies and product promotion costs. As a result, the Company's revenue and profitability are significantly affected by its product mix.

While product mix is determined by multiple factors, the Company is focused on developing and growing its more profitable and higher margin business segments, particularly Convenience Cooking and Dessert, Healthy Beverages and Snacks, and Premium Fresh Fruit. For example, in August 2020 and February 2021, the Company entered into the dairy and snacks sub-segments with the launch its new products *Mr. Milk* and *Del Monte* Potato Crisp. In September 2021, following the success of the company's initial entry into Dairy via *Mr. Milk*, the Company also entered into a joint venture with Vinamilk, Vietnam's largest dairy company, aiming to leverage Vinamilk's technical expertise and DMPI's distribution muscle in making available a portfolio of superior-tasting dairy products with relevant fortification and health benefits. Further, in respect of the international market, sales volumes from the Company's Premium Fresh Fruit segment have grown faster than sales volumes from Packaged Fruit and Beverages – Export. Accordingly, due to the higher profit margins and faster volume growth of this segment, the Company has

increased the production of premium fresh MD2 pineapples and recorded a corresponding increase in profitability in its international business.

The Company continues to invest in the development of new and innovative products and technologies to reduce wastage and generate additional revenue from MD2 pineapples that are not used for the Premium Fresh Fruit segment. Nice Frozen Dry technology utilizes MD2 pineapples that are not exportable and converts them into a branded packaged frozen pineapple product that is able to maintain all the characteristics of the fruit despite freezing and defrosting, without the use of chemicals. The Company's not-from-concentrate juice process helps it maximize the use of all parts of MD2 pineapples which do not qualify for exports. The ability of the Company to continuously develop new products and utilize new technologies to expand its product mix and diversify its revenue streams while maximizing the usage of its raw materials will affect its revenues and results of operations.

Sales Channels

The Company sells its products through multiple channels, including generally: (i) directly to modern trade channels such as large supermarket chains, (ii) through wholesale distributors who then sell the Company's to modern trade and general trade outlets; (iii) to food service channels, and (iv) to industrial customers, in both the Philippine market and the international market. Sales to retail outlets generally result in the highest margin; retail sales generally comprise sales where products can be bought through modern trade and general trade channels (such as supermarkets, groceries, sari-sari stores and public market stalls), convenience stores, and e-commerce channels. Food service channels comprise quick service restaurants and other food service restaurants, while industrial channels consist of mostly bulk sales to manufacturers. Each channel is influenced by competitive dynamics, consolidation and channel competition trends that may influence the Company's results of operations. For example, consolidation in retail channels may increase the negotiating power of large retailers against product manufacturers like the Company and its distributors. The financial health or operational issues of certain wholesale distributors may influence the amount of goods that such distributor is willing to buy from the Company. On the other hand, for the industrial channel, consumer demand for such manufacturers' products will influence the amount of goods that the manufacturer is willing to buy from the Company. Lastly, events such as the COVID-19 pandemic has had a negative effect on the food service channel in the Philippines as a whole as a result of lockdowns and related dining restrictions. Apart from affecting its margins and results of operations, the Company's sales channels mix help to diversify its revenue base and make it less susceptible to fluctuations from any single market or customer.

Raw Materials Costs

The primary inputs, ingredients and other raw materials that are required by the Company include energy (including natural gas), fuel, packaging materials, fruits, vegetables, tomatoes, grains (including corn), sugar, spices, meats, meat by-products, soybean meal, water, fats, oils and chemicals. These inputs are primarily sourced locally and internationally, and to the extent that these raw materials are not manufactured or grown by the Company, prices for these and other items being used may fluctuate and the Company might experience shortages in these items due to factors beyond its control. Examples of events beyond the Company's control include as commodity market fluctuations, inflation, availability of supply, weather conditions, natural disasters, currency fluctuations, governmental regulations (including import restrictions, agricultural programs and energy programs), labor strikes and the financial health of the Company's suppliers. These events may result in higher costs for the Company or interruptions to the Company's production schedules, each of which could have a material adverse effect on its results of operations. Production delays could lead to reduced sales volumes and profitability as well as loss of market share. Conversely, favorable movements of raw materials costs and other items would improve the Company's margins and results of operations.

Competition

The Company is subject to a number of competitive factors in both the Philippine and international markets, including in respect of price, product quality and availability, production efficiency, brand awareness and loyalty, distribution coverage, security of raw material supply, customer service, the ability to respond effectively to changes in the regulatory environment, and shifting consumer tastes and preferences. Changes in the competitive landscape,

including new entrants to the market, consolidation of existing competitors, and other factors affecting the competitive environment could have a material impact on the Company's financials and results of operations.

Philippines

In the Philippines, the Company faces competition from other domestic producers as well as from imported products and foreign brands. The Company's primary competition in its main business segments comprises: Dole Philippines, Inc., RAM Foods Corporation, NutriAsia and RFM Corporation in respect of Convenience Cooking and Dessert segment products such as pineapple solids, mixed tropical fruit, tomato-based sauces, condiments and pasta; and Dole Philippines, Inc., Coca-Cola and PepsiCo in respect of products in its Healthy Beverages and Snacks segment, such as juices in Tetra Pak, PET and single-serve cans. Although a number of the Company's products hold market-leading positions in their respective categories in the Philippines, the Company expects to face new competition as it expands its product offering in the Philippines to categories where it does not have clear market presence or leadership. To protect the Company's market-leading positions and increase brand awareness, the Company continues to invest in its marketing, advertising and promotional activities as well as in new product development and innovation.

International

In the international market, the Company faces competition from other Philippine producers as well as multinational and other foreign companies who sell products under different brands, and in certain instances, under the same brand as the Company's products. In order to remain competitive, the Company continually aims to improve the quality and efficiency of its pineapple production processes and to develop new and innovative pineapple-based products for export.

In respect of the Premium Fresh Fruit segment, the Company faces competition from a few players that have large-scale operations and offer products of similar quality. The Company's primary competitors are Dole Philippines, Inc., which exports Dole-branded fresh pineapple out of the Philippines for sale internationally, and Fresh Del Monte Produce Inc., which sells Del Monte-branded fresh pineapples out of the Philippines in the international market. In addition, the Company faces competition from pineapple producers in Taiwan, though, due to the climate conditions in Taiwan, the pineapple growing period is restricted to specific months, as opposed to being year-round like the Philippines. Costa Rica is also a significant producer of pineapples globally, although logistical considerations prevent it from being a major supplier to Asia and the Middle East. In respect of the Packaged Fruit and Beverages – Export segment, the Company's key competitors in the Asia Pacific region are Dole Asia Company Limited, which sells Dole-branded packaged fruit products in the region, and Fresh Del Monte Produce Inc., which also sells Del Monte-branded packaged fruit products around the region. The Company also faces competition from Thailand and Indonesia particularly for commoditized products such as pineapple juice concentrate. Depending on supply levels from these competing producers and countries, which from time to time can experience fluctuations due to various factors, the Company's sales volumes may be affected over specific periods.

Effectiveness of Sales and Marketing Activities

The effectiveness of the Company's sales and marketing activities is critical to its market share expansion and revenue growth. In the Philippines, the Company communicates with consumers through various channels and customer touchpoints, including advertisement on television and social media platforms (such as YouTube, Facebook, Instagram and Twitter) and its *Del Monte Kitchenomics* website and mobile application. Customer touchpoints at the purchase stage include in-store promotions and loyalty programs. In addition, the Company partners with celebrities and other key influencers for media or online collaborations and events in the Philippines and internationally.

As a result of increased sales and marketing activities internationally (oftentimes in collaboration with its distributors), the Company has seen a significant increase in sales in its Premium Fresh Fruit segment. In China, the Company has partnered with distributors who have enabled the expansion of the availability of the Company's products beyond tier 1 cities, to include a number of tier 2 and 3 cities, such as Chengdu, Chongqing, Zhengzhou and Changsha. The recent shift to online sales through e-commerce sites, such as JD.com and Alibaba's Hema, has resulted in an additional increase in the Premium Fresh fruit sales. As the Company continues to expand the geographic distribution of its products into new tier 2, 3 and 4 cities, the success and profitability of such expansion may be affected by the

effectiveness of the Company's sales and marketing activities, such as in-store promotions and sampling, and promotions on social media and e-commerce platforms.

Advertising affects consumer awareness of the Company's products and brands, which in turn, affects purchase decisions and consequently, sales volumes. The Company believes that customer loyalty for its brands is the cumulative result of the Company's marketing and brand-building efforts to build consumers' awareness of and affinity for the Company's products. As the effect of the Company's sales and marketing activities on the sales and revenues may be delayed, the benefit of such activities may not be fully reflected in the Company's financial performance in the period in which such sales and marketing activities took place.

Economic, Social and Political Conditions

The majority of the Company's assets and revenues are located in or derived from its operations in the Philippines; as a result, the Company's financial performance and results of operation are substantially influenced by the economic, social and political conditions within the Philippines. Although prior to the COVID-19 pandemic the Philippine economy has experienced stable growth in recent years, the Philippine economy has in the past been affected by or subject to periods of slow or negative growth, high inflation, rising interest rates, changes in energy prices and other costs of doing business, significant fluctuations in the Peso, weak economic conditions and volatility in the global or regional economies.

Sales of many of the Company's products in the Philippines are influenced to a certain extent by the general state of the Philippine economy as well as the stability of economic, social and political conditions in the country. As an example, while demand for certain of the Company's products, such as juice drinks, tend to be susceptible to changes in income levels or nominal price increases due to inflation, the Company also sells a number of other products, such as packaged pineapple, *100% Pineapple Juice* and spaghetti sauces, sales of which are less sensitive to changes in income and other economic and social conditions due to the perception of such goods as staple household items.

In addition to sales in the Philippine market, a significant portion of the Company's revenues are derived from exports of premium fresh pineapples and packaged fruit and beverage products internationally. As such, the Company's revenues from international operations are influenced by the economic, social and political conditions of its export markets, particularly in China, which is the Company's primary export market for the Premium Fresh Fruit segment. Changes in the international trade policies and relations of China and other countries to which the Company exports its products, such as capital controls or tariffs, may adversely affect demand for the Company's products or prevent the Company from exporting its products to the affected country. The imposition of any such capital controls or tariffs, particularly in China, would have a significant impact on the Company's international export operations and revenues from international sales. On the other hand, in recent years, the trade tension between the United States and China has resulted in closer trade relations between China and the rest of Asia, resulting in volume growth in the Company's export volumes to China.

Taxes and Regulatory Environment

The Company operates in a highly-regulated environment and is subject to various taxes. As a result, the Company's results of operations can be significantly affected by the introduction of new taxes, such as excise taxes on sweetened beverages, or changes to existing tax laws which change the way the Company's production inputs or final products are treated for tax purposes or the rate of tax to which they are subject. As a PEZA-registered Ecozone Export Enterprise, the Company can enjoy certain fiscal and tax incentives, including a reduced tax rate of 5% on gross income earned, in lieu of all national and local taxes, provided that it complies with the requirement to sell 70% of its production volume to the export market in order to benefit. During certain periods in the past, DMPI has not been able to meet this export requirement, and the Company may continue to have difficulty complying with the export requirement in the future. During those periods in the past, if the Company failed to comply with the 70% export requirement (i.e., exceeded the maximum allowable local sales of 30%), the Company was subject to (a) the corporate income tax at the regular rate of 25% (with retroactive application from July 1, 2020, pursuant to CREATE, which became effective on April 11, 2021) and the applicable local business tax on the excess local sales, (b) duties and taxes on the annual depreciation value of imported production machinery and equipment in an amount proportionate to the

excess local sales, and (c) real property tax on the assessed value of machinery and equipment in an amount proportionate to the excess local sales. For the year ended April 30, 2024, the effective tax rate of the Company was 14.5% of income before income tax. This range can vary depending on the mix of export and local volume. For the year ended April 30, 2024, 80.85% of the Company's total sales volume pertained to its PEZA-registered activities, of which 70.57% was subject to a tax rate of 5% on gross income earned and 29.43% of such volume was subject to the normal corporate income tax rate.

In general, the Company passes on tax increases to consumers by raising the prices of products, although the timing and size of such increases can be influenced by factors such as inflation and other economic conditions in the Philippines and the Company's international markets, such as China. Price changes that the Company makes in response to changes in tax rates can affect demand for the Company's products as well as its revenues, profit margin and net income.

The Company is also subject to a number of local, national and international laws and regulations in the Philippines and other countries in which it operates. Such laws and regulations primarily relate to, among other things, environmental protection, employee health and safety, food safety and product labeling requirements. While the Company has internal processes and procedures in place to comply with applicable laws and regulations, changes in such laws and regulations may result in substantial compliance costs and have a material adverse effect on the Company's business and results of operations.

Pineapple Output

The Company's results are affected by the volume and quality of pineapples it is able to successfully produce from its plantation, from where it sources the majority of its pineapple requirements. Pineapple cultivation in open fields and the resulting harvest tonnage is affected by weather conditions which can influence the crop yield, quality and timing of harvest, as well as require an increase in and optimization of the Company's plantation area for its main crop. For example, incidence of abnormally low rainfall for significantly long periods of time, resulting in poor growth and nutritional content and delay in pineapple harvests. Drought also results in pineapples become exposed to intense solar radiation causing high incidence of severe sunburn thereby reducing the volume for export market and increasing rejection for production.

Conversely, abnormally high and frequent rainfall for significantly long periods of time may affect harvest tonnage, as such extended rainfall may affect internal fruit quality and cause fruit translucency characterized by water-soaked flesh that reduces fruit recovery.

The adverse weather conditions above can cause significant impact on profitability by reducing the volume of pineapples at the same or even higher cost of cultivation. Moreover, the ability of the Company to increase its land bank to support demand and expansion plans, as well as optimizing the acreage of its plantation used for growing different pineapple variants, will both affect the Company's results and profitability. In particular, given the success of its Premium Fresh Fruit segment in recent years which relies on the MD2 pineapple variant, the Company's growth and results in international markets will be influenced by the availability of supply of MD2 pineapples from its plantation to support its expansion targets.

In light of the above factors and through the implementation of various measures, the Company has been able to generate a steadily growing supply of quality pineapples.

Seasonality

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, particularly in Philippines, are usually highest during the three months from October to December. This seasonal production primarily relates to the majority of packaged fruits and toll manufactured goods. As a result, seasonality could affect the Company's financial condition and results of operations from one quarter to another, particularly in relation to the third quarter of each year. To counter the seasonality of certain of the Company's products sold in the Philippines, such as packaged fruit, the Company has implemented a

number of marketing and advertising initiatives to encourage the sustained consumption of such products throughout the year, rather than for one-off consumption at festive occasions.

Item 2. Properties

DMPI operates a Bugo Processing and Production Facility in Bugo, Cagayan de Oro City which occupies approximately 27 hectares of land, of which approximately 16 hectares of freehold land are owned by DMPI. DMPI leases the remaining approximately 11 hectares of land from the NDC and the Bank of the Philippine Islands as Trustee of the DMPI Retirement and Provident Plans pursuant to 25-year lease agreements, which are due to expire on February 29, 2032 and January 28, 2038, respectively. DMPI acquired the 16-hectare freehold land on March 30, 1931. The constitutional restriction on foreign ownership of land only took effect in 1935 and has no effect on such land owned by DMPI. The Company also owns approximately 135 square meters of land with a building in Singapore, which is partly leased to an affiliate company that is domiciled in Singapore and partly leased to a third party. There are no mortgages, liens, or encumbrances on the land owned by the Company. However, 2,629 square meters of the land owned by DMPI in Bugo, Cagayan de Oro City is subject to a road right of way.

DMPI also enters into lease agreements or other arrangements with various persons and entities for its pineapple growing operations, which cover approximately 31,198 hectares of land in Mindanao, Philippines. DMPI has an existing long-term lease agreement with DEARBC for approximately 8,945 (including Dumlao Properties) hectares of land; an existing long-term lease agreement with the NDC for approximately 983 hectares less an estimated area of 14.2 hectares of foreshore land; and growership agreements with several owners for approximately 21,270 hectares of agricultural land. None of the Company's material lease agreements are due to expire in the next 12 months. Generally, the leased properties are required to be devoted to their present actual use or the purposes stated in the relevant agreements. The Company is looking to acquire more land dedicated to planting MD2 pineapples by entering into lease and growership agreements with landowners, to be funded using internally generated funds.

The Company's owned and leased properties are in good condition, save for ordinary wear and tear.

Description	Location/Address	Condition	Book Value (₱ in millions)
Bugo Production and Processing Facility			2,941.96
Administrative (Main) Office	Bugo, Cagayan de Oro City	Good	64.87
Can Plant	Bugo, Cagayan de Oro City	Good	273.89
Cannery Clothes and Shoes Changing	Bugo, Cagayan de Oro City	Good	0.96
Central Maintenance	Bugo, Cagayan de Oro City	Good	57.53
Coal-Fired Boiler Plant	Bugo, Cagayan de Oro City	Good	60.78
Compound & Yard	Bugo, Cagayan de Oro City	Good	1,082.81
Concentrate Plant	Bugo, Cagayan de Oro City	Good	43.46
DM Bugo Clinic	Bugo, Cagayan de Oro City	Good	2.92
Engineering & Design	Bugo, Cagayan de Oro City	Good	0.16
Factory Offices	Bugo, Cagayan de Oro City	Good	3.54
General Products Plant	Bugo, Cagayan de Oro City	Good	0.00
GPSL/PCL/GL Plant	Bugo, Cagayan de Oro City	Good	122.85
Labeling & Warehousing	Bugo, Cagayan de Oro City	Good	117.64
Machine Shop	Bugo, Cagayan de Oro City	Good	0.14
Mixed Fruit Plant	Bugo, Cagayan de Oro City	Good	24.64
Preparation Plant	Bugo, Cagayan de Oro City	Good	103.30
Processing Plant	Bugo, Cagayan de Oro City	Good	517.68
Quality Control	Bugo, Cagayan de Oro City	Good	4.09
Steam & Power Plant	Bugo, Cagayan de Oro City	Good	65.00
Sugar Recovery Plant	Bugo, Cagayan de Oro City	Good	37.44
Tetra Plant	Bugo, Cagayan de Oro City	Good	138.53
Waste Water Treatment Plant	Bugo, Cagayan de Oro City	Good	219.73

Plantation Operations			2,056.65
Baungon	Baungon, Bukidnon	Good	9.69
Camp 1 (JMC)	Manolo Fortich, Bukidnon	Good	348.22
Camp 14	Manolo Fortich, Bukidnon	Good	15.04
Camp 9	Manolo Fortich, Bukidnon	Good	31.89
Camp Fabia	Manolo Fortich, Bukidnon	Good	8.74
Camp Phillips	Manolo Fortich, Bukidnon	Good	776.12
Cawayanon	Manolo Fortich, Bukidnon	Good	15.30
Claveria	Claveria, Misamis Oriental	Good	11.66
Dalwangan	Malaybalay City, Bukidnon	Good	2.02
Damilag	Manolo Fortich, Bukidnon	Good	0.53
Dehydro Freezing Plant	Manolo Fortich, Bukidnon	Good	552.51
El Salvador, Mis. Or.	El Salvador, Misamis Oriental	Good	0.11
FF Packing Shed	Manolo Fortich, Bukidnon	Good	78.86
Harvester Shop	Manolo Fortich, Bukidnon	Good	0.00
Hospital	Manolo Fortich, Bukidnon	Good	4.74
Impasug-ong	Impasug-ong, Bukidnon	Good	11.89
Kiantig Quezon, Buk.	Quezon, Bukidnon	Good	0.26
Land Preparation Assembly Area	Manolo Fortich, Bukidnon	Good	0.00
Livestock & Cut-meat	Manolo Fortich, Bukidnon	Good	25.73
Montemar Industries	Manolo Fortich, Bukidnon	Good	0.00
Phillips Social Hall	Manolo Fortich, Bukidnon	Good	0.00
South Bukidnon	Quezon, Bukidnon	Good	155.11
Sumilao	Sumilao, Bukidnon	Good	4.76
Taliwan	Taliwan, Misamis Oriental	Good	1.22
Lantapan/Midbuk	Lantapan, Bukidnon	Good	2.25
Others			744.83
Customers Area	Various locations	Good	0.82
Forwarding Warehouses	Various locations	Good	91.98
Kalawaan Office	Pasig City	Good	6.07
Las Pinas Warehouse	Las Piñas City	Good	0.56
NutriAsia Plant (Cabuyao Laguna)	Cabuyao, Laguna	Good	0.29
PET Plant (Cabuyao, Laguna)	Cabuyao, Laguna	Good	479.99
Taguig Office	Taguig City	Good	145.19
Tollpacker - Dairy Zest	Valenzuela City	Good	0.00
Tollpacker - Innovative Packaging	Valenzuela City	Good	1.97
Tropical Asset Fruit Corp. (TFAC)	Malolos, Bulacan	Good	1.80
FG Warehouse-MITIMCO		Good	0.00
MDC	Tagoloan, Misamis Oriental	Good	14.20
Iloilo Warehouse	Iloilo City	Good	1.19
Cebu Warehouse	Cebu City	Good	0.77
Total			5,747.44

Item 3. Legal Proceedings

The Group is the subject of, or a party to, other 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.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable for the current period.

Part II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant’s Common Equity and Related Stockholder Matters

The Common Shares have not been publicly traded in the Philippines as of April 30, 2024.

The following table sets forth the shareholders of the Company, their respective shareholdings and the corresponding percentage of ownership as of April 30, 2024:

Name	Type of Shares	Number of Shares	% of Ownership
Central American Resources, Inc.	Common	2,433,668,395	87%
SEA Diner Holdings (S) Pte. Ltd.	Common	363,651,600	13%
Rolando C. Gapud	Common	1	0%
Joselito D. Campos, Jr.	Common	1	0%
Edgardo M. Cruz, Jr.	Common	1	0%
Luis F. Alejandro	Common	1	0%
Jeanette Beatrice Naughton	Common	1	0%
Emil Q. Javier	Common	1	0%
Corazon S. De La Paz-Bernardo	Common	1	0%
Jose T. Pardo	Common	1	0%
Godfrey E. Scotchbrook	Common	1	0%
Total		2,797,320,004	100%

Dividends and Dividend Policy

Limitations and Requirements

Under Philippine law, dividends may be declared out of a corporation’s unrestricted retained earnings which shall be payable in cash, property or stock to all stockholders on the basis of outstanding stock held by them. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the Philippine SEC.

Unless otherwise required by law, the Board, at its sole discretion, shall determine the amount, type and date of payment of the dividends to the shareholders, taking into account various factors, including:

- the level of the Company’s earnings, cash flow, return on equity and retained earnings;
- its results for and its financial condition at the end of the year in respect of which the dividend is to be paid and its expected financial performance;
- the projected levels of capital expenditures and other investment programs;
- restrictions on payments of dividends that may be imposed on it by any of its financing arrangements and current or prospective debt service requirements; and
- such other factors as the Board deems appropriate.

The approval of the Board is generally sufficient to authorize the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing at least two-thirds of the outstanding capital stock at a regular or special meeting duly called for the purpose.

The Revised Philippine Corporation Code prohibits stock corporations from retaining surplus profits in excess of 100% of their paid-in capital stock, except when justified by definite corporate expansion projects or programs approved by the Board, or when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividend without its consent, and such consent has not yet been secured, or when it can be clearly shown that such retention is necessary under special circumstances obtaining in the corporation, such as when there is need for special reserve for probable contingencies.

In relation to foreign shareholders, dividends payable may not be remitted using foreign exchange sourced from the Philippine banking system unless the investment was first registered with the BSP.

Record Date and Payment Date

Pursuant to existing Philippine SEC rules, cash dividends declared by corporations whose securities are registered or whose shares are listed in the stock exchange must have a record date not less than 10 days nor more than 30 days from the date of declaration. For stock dividends, the record date should not be less than 10 days nor more than 30 days from the date of the stockholders' approval, provided however, that the set record date should not be less than 10 trading days from receipt by the Philippine Stock Exchange (“PSE”) of the notice of declaration of stock dividend. In the event that a stock dividend is declared in connection with an increase in authorized capital stock, the same shall be approved by, and the corresponding record date shall be fixed by, the Philippine SEC. Disclosure of the record date for both cash and stock dividends must be made not less than 10 trading days from the said record date.

Pursuant to the Philippine SEC and PSE rules, all cash dividends and stock dividends declared by a company shall be remitted to PDTC for immediate distribution to participants not later than 18 trading days after the record date (the “**Payment Date**”); provided that in the case of stock dividends, the credit of the stock dividend shall be on the Payment Date which in no case shall be later than the stock dividends' listing date. If the stock dividend shall come from an increase in capital stock, all stock shall be credited to PDTC for immediate distribution to its participants not later than 20 trading days from the record date set by the Philippine SEC, which in no case shall be later than the stock dividends' listing date.

Dividend History

Cash dividends declared by the Company for the three most recent fiscal years are as follows:

In respect of the year ended April 30,	Declaration date	Dividend per share (₱)	Total dividend amount (₱)	Record date	Payment date
2024	April 30, 2024 ⁽¹⁾	0.63347	₱1,310.4 million	April 30, 2024	June 30, 2024
2024	December 11, 2023 ⁽²⁾	0.14355	401.6 million	December 31, 2023	December 31, 2023
2024	September 5, 2023 ⁽³⁾	0.15886	444.4 million	September 30, 2023	September 30, 2023
2024	June 15, 2023 ⁽⁴⁾	0.04989	139.6 million	June 29, 2023	July 5, 2023
2023	March 2, 2023 ⁽⁵⁾	0.30188	844.5 million	March 16, 2023	March 21, 2023
2023	December 1, 2022 ⁽⁶⁾	0.41476	1,160.2 million	December 21, 2022	December 22, 2022
2023	September 1, 2022 ⁽⁷⁾	0.17906	500.9 million	September 19, 2023	September 22, 2022
2022	June 17, 2022 ⁽⁸⁾	0.80143	2,241.9 million	July 4, 2022	July 7, 2022
2022	March 3, 2022 ⁽⁹⁾	0.16975	474.8 million	March 17, 2022	March 21, 2022
2022	December 7, 2021 ⁽¹⁰⁾	0.15	419.6 million	December 21, 2021	December 22, 2021
2022	August 18, 2021 ⁽¹¹⁾	0.147559	412.8 million	September 6, 2021	September 7, 2021
2021	May 27, 2021 ⁽¹²⁾	0.34	940.9 million	June 11, 2021	June 14, 2021

Notes:

- (1) On April 31, 2024, the Parent Company declared cash dividend of ₱0.63347 per share to the holders of common shares of the Parent Company as of close of April 30, 2024 amounting to ₱1,310,408, net of final taxes.
- (2) On December 11, 2023, the Parent Company declared cash dividend of ₱0.14355 per share to the holders of common shares of the Parent Company as of close of December 26, 2023 amounting to ₱401,555. Dividends amounting to ₱44,372, net of final taxes, were remitted to SEA Diner. The remaining balance due to CARI amounting to ₱296,950 was offset against the receivables from DMPL.

- (3) On September 5, 2023, the Parent Company declared cash dividend of ₱0.15886 per share to the holders of common shares of the Parent Company as of close of September 20, 2023 amounting to ₱444,385. Dividends amounting to ₱49,104, net of final taxes, were remitted to SEA Diner. The remaining balance due to CARI amounting to ₱328,621 was offset against the receivables from DMPL.
- (4) On June 15, 2023 the Parent Company declared cash dividend of ₱0.04989 per share to the holders of common shares of the Parent Company as of close of March 29, 2023 amounting to ₱139,558. Dividends amounting to ₱15,421, net of final taxes, were remitted to SEA Diner. The remaining balance due to CARI amounting to ₱103,203 was offset against the receivables from DMPL.
- (5) On March 2, 2023, the Parent Company declared cash dividend of ₱0.30188 per share to the holders of common shares of the Parent Company as of close of March 16, 2023 amounting to ₱844,455. Dividends amounting to ₱93,312, net of final taxes, were remitted to SEA Diner. The remaining balance due to CARI amounting to ₱624,474 was offset against the receivables from DMPL.
- (6) On December 1, 2022, the Parent Company declared cash dividend of ₱0.41476 amounting to ₱1,160,216 to holders of record as of December 21, 2022. Dividends amounting to ₱128,204, net of final tax, were remitted to SEA Diner. The remaining balance was subsequently entered by the Parent Company and CARI into an offsetting agreement wherein the dividend payable to CARI amounting to ₱857,980, net of final tax, was offset against the receivables from DMPL.
- (7) On September 1, 2022, the Parent Company declared cash dividend of ₱0.17906 amounting to ₱500,888 to holders of record as of September 19, 2023. Dividends amounting to ₱55,348 and ₱370,407, net of final tax, were remitted to SEA Diner and CARI, respectively. The remaining balance was subsequently entered by the Parent Company and CARI into an offsetting agreement wherein the dividend payable to CARI amounting to ₱289,428, net of final tax, was offset against the receivables from S&W Fine Foods International Ltd.
- (8) On June 17, 2022, the Parent Company has approved the declaration of cash dividends in the amount of ₱0.80143 per share to the holders of common shareholders as of close of July 4, 2022, and paid on July 7, 2022, amounting to ₱2,241.9 million.
- (9) On March 3, 2022, the Parent Company declared cash dividend amounting to ₱474,845 to holders as of close of business of March 17, 2022. Dividends amounting to ₱52.2 million and ₱351.1 million, both net of final taxes, were remitted to Sea Diner Holdings Pte and CARI, respectively.
- (10) On December 7, 2021, the Parent Company declared cash dividend to the holders of common shares of the Corporation as of close of December 21, 2021 amounting to ₱419.6 million. Dividends amounting to ₱46.4 million, net of final tax, were remitted to Sea Diner Holdings Pte. Ltd. The remaining balance was subsequently entered by the Parent Company and CARI, into an offsetting agreement wherein the dividend payable to CARI amounting to ₱310.3 million, net of final tax, was offset against the receivables DMPL of ₱380.3 million and payables to S&W Fine Foods International Ltd. of ₱66.3 million.
- (11) On August 18, 2021, the Parent Company declared cash dividend to the holders of common shares of the Corporation as of close of September 6, 2021 amounting to ₱412.8 million. Dividends amounting to ₱45.6 million and ₱289.2 million, both net of final taxes, were remitted to Sea Diner Holdings Pte. Ltd and CARI respectively. The remaining balance due to CARI amounting to ₱16.0 million was offset against the receivables from DMPL.
- (12) On May 27, 2021, the Board approved the cash dividend declaration of ₱0.34 dividend per Common Share. The amount of dividends payable to SEA Diner is ₱122.3 million (gross of withholding tax), while the amount of dividends payable to CARI is ₱818.6 million (gross of withholding tax). The Company and CARI are expected to enter into an offsetting agreement whereby the dividends due to CARI, amounting to ₱695.8 million (net of withholding tax), will be offset against the receivables due to the Company from S&W Fine Foods.

Dividend Policy

On January 22, 2018, the Company's Board of Directors approved the adoption of a new cash dividend policy. The Company intends to maintain an annual cash dividend payout ratio of at least 33.0% of its consolidated net income for the preceding fiscal year, subject to compliance with applicable laws and regulations, and the absence of circumstances which may restrict the payment of such amount of dividends, including, but not limited to, major corporate projects and undertakings. Further, on March 3, 2020, the Board approved a policy limiting the total dividend that may be declared in any fiscal year to a maximum of 75.0% of the Company's consolidated net income for the preceding fiscal year, except as may be otherwise decided by the Board. The Board may, at any time, modify such dividend payout ratio and any dividend policy depending on the Company's results of operations and future projects.

The Company's subsidiaries, which are not significant businesses as of April 30, 2024, do not have defined dividend policies. Dividend declaration is discretionary to the Board and subject to the respective companies' board approval.

Item 6. Management's Discussion and Analysis or Plan of Operation

The following discussion pertaining to the financial condition and results of operations of the Company should be read in conjunction with the Company's audited consolidated financial statements as of and for the years ended April 30, 2022, 2023 and 2024 and the notes thereto set forth elsewhere in this report. The Company's audited consolidated

financial statements as of and for the years ended April 30, 2022, 2023 and 2024, included in this report were prepared in compliance with the PFRS.

This discussion contains forward-looking statements and reflects the current views of the Company with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those set forth in Item 1 of this report and elsewhere in this report.

The translation of Peso amounts into U.S. dollars as of and for the year ended April 30, 2024 are provided for convenience only and is unaudited. For readers' convenience only, amounts in Pesos as of and for the year ended April 30, 2024 were converted to U.S. dollars using the BSP Reference Rate quoted on in the BSP's Reference Exchange Rate Bulletin on April 30, 2024 of ₱57.583 = U.S.\$1.00.

Results of Operations

Year Ended April 30, 2024 Compared to Year Ended April 30, 2023

	For the year ended April 30,					
	2023		2024			
	(audited)	(unaudited)	(audited)	(unaudited)		
			(in millions, except %)			
	₱	% of total	₱	U.S.\$	% of total	% change
Revenues.....	41,067.6	100.0	38,749.1	672.9	100.0	(5.6)
Cost of sales	(30,651.8)	(74.6)	(29,587.4)	(513.8)	(76.4)	(3.5)
Gross income.....	10,415.8	25.4	9,161.7	159.1	23.6	(12.0)
Distribution and selling expenses.....	(4,147.8)	(10.1)	(3,512.1)	(61.0)	(9.1)	(15.3)
General and administrative expenses.....	(957.6)	(2.3)	(1,047.6)	(18.2)	(2.7)	9.4
Finance cost.....	(1,150.0)	(2.8)	(1,983.8)	(34.5)	(5.1)	72.5
Foreign exchange gain – net..	42.4	0.1	47.1	0.8	0.1	11.2
Interest income	243.1	0.6	500.8	8.7	1.3	106.0
Loss from joint venture	(97.9)	(0.2)	(31.9)	(0.6)	(0.1)	(67.4)
Other income.....	288.6	0.7	223.0	3.9	0.6	(22.7)
Other expense.....	(280.3)	(0.7)	(311.1)	(5.4)	(0.8)	11.0
Income before income tax	4,356.4	10.6	3,046.3	52.9	7.9%	(30.1)
Income tax expense						
Current.....	(707.7)	(1.7)	(407.3)	(7.1)	(1.1)	(42.4)
Deferred	59.7	0.1	(34.2)	(0.6)	(0.1)	(157.3)
Net income	3,708.4	9.0	2,604.9	45.2	6.7	(29.8)

Revenues

The Company's consolidated revenues decreased by ₱2,318.5 million, or 5.6%, from ₱41,067.6 million in the year ended April 30, 2023 to ₱38,749.1 million (U.S.\$ 672.9 million) in the year ended April 30, 2024, as the Company recorded decline in revenues from the Packaged Fruit and Beverages – Export segments.

The following table sets forth the Company's consolidated revenues by operating segment for the periods indicated:

For the year ended April 30,						
	2023		2024			
	(audited)	(unaudited)	(audited)	(unaudited)	% of total	% change
	₱	% of total	(in millions, except %) ₱	U.S.\$		
Convenience Cooking and Dessert	12,656.8	30.8	13,044.6	226.5	33.7	3.1
Healthy Beverages and Snacks..	7,531.1	18.3	7,147.3	124.1	18.4	(5.1)
Premium Fresh Fruit	8,237.5	20.1	8,993.9	156.2	23.2	9.2
Packaged Fruit and Beverages – Export	9,234.7	22.5	6,821.5	118.5	17.6	(26.1)
Others.....	135.6	0.3	143.7	2.5	0.4	6.0
Changes in Fair Value – PAS 41	3,271.9	8.0	2,598.1	45.1	6.7	(20.6)
Total	41,067.6	100.0	38,749.1	672.9	100.0	(5.6)

Convenience Cooking and Dessert

Revenues from the Convenience Cooking and Dessert segment increased by ₱387.8 million, or 3.1%, from ₱12,656.8 million for the year ended April 30, 2023 to ₱13,044.6 million (U.S.\$226.5 million) for the year ended April 30, 2024. The category saw revenue improvement brought by the relevant usage consumption campaigns and low cash outlay packs but this was offset by the drop in penetration of Mixed Fruits heavily impacted by inflation due to the rise of complementary dessert ingredients.

Healthy Beverages and Snacks

Revenues from the Healthy Beverages and Snacks segment decreased by ₱383.8 million, or 5.1%, from ₱7,531.1 million for the year ended April 30, 2023 to ₱7,147.3 million (U.S.\$124.1 million) for the year ended April 30, 2024. Healthy Juice Beverages saw a recovery on demand in Supermarkets as well as Convenience Stores driving out-of-home consumption. The category benefitted from the extreme heat of the Summer coupled with the impact of the launch of the ‘Give in to Goodness’ omnibus juice campaign which brought the Del Monte brand to the consciousness of the young consumers. The Dairy business which peaked in shares and sales in FY23 was particularly challenged in FY24 due to a series of price increases, competitive aggression and product quality concerns that were immediately corrected.

Premium Fresh Fruit

Revenues from the Premium Fresh Fruit segment increased by ₱756.4 million, or 9.2%, from ₱8,237.5 million for the year ended April 30, 2023 to ₱8,993.9 million (U.S.\$156.2 million) for the year ended April 30, 2024. Fresh sales rose driven by stronger demand particularly in North Asia, better pricing across all markets and improved supply. The Company’s new naturally ripened extra sweet S&W Deluxe premium fresh pineapple in China, Japan and South Korea continued to gain momentum in China’s retail segment. Fresh sales benefitted from favorable consumer and trade response to this variety.

Packaged Fruit and Beverages – Export

Revenues from the Packaged Fruit and Beverages – Export segment decreased by ₱2,413.2 million, or 26.1%, from ₱9,234.7 million for the year ended April 30, 2023 to ₱6,821.5 million (U.S.\$118.5 million) for the year ended April 30, 2024. Sales of packaged products have declined due to reduced demand of pineapple, mixed fruit and various retail and industrial juice formats, especially in Americas. However, this decline was partially offset by increased sales in Europe.

Cost of Sales

Cost of sales decreased by ₱1,064.4 million, or 3.5%, from ₱30,651.8 million in the year ended April 30, 2023 to ₱29,587.4 million (U.S.\$ 513.8 million) in the year ended April 30, 2024. As a percentage of revenue, cost of sales was higher at 76.4% of revenues in the year ended April 30, 2024 as compared to 74.6% of revenues in the previous year. The increase was primarily driven by lower pineapple supply during the year which resulted to lower productivity in the cannery as well under absorption from fixed spends.

Gross Income

As a result of the foregoing, gross income decreased by ₱1,254.1 million, or 12.0%, from ₱10,415.8 million in the year ended April 30, 2023 to ₱9,161.7 million (U.S.\$159.1 million) in the year ended April 30, 2024. The Company's gross margin in the year ended April 30, 2024 was 23.6%, lower than the 25.4%, gross margin it recorded in the year ended April 30, 2023.

Distribution and Selling Expenses

Distribution and selling expenses decreased by ₱635.7 million, or 15.3%, from ₱4,147.8 million in the year ended April 30, 2023 to ₱3,512.1 million (U.S.\$61.0 million) in the year ended April 30, 2024. This decrease was the result of lower freight and storage cost for the period. As a percentage of revenues, distribution and selling expenses were lower at 9.1% of revenues in the year ended April 30, 2024 compared to 10.1% in the previous period.

General and Administrative Expenses

General and administrative expenses increased by ₱90.0 million, or 9.4%, from ₱957.6 million in the year ended April 30, 2023 to ₱1,047.6 million (U.S.\$18.2 million) in the year ended April 30, 2024 mainly driven by salaries and benefits, depreciation and higher technology costs.

Finance Cost

Finance cost, which primarily consists of interest expenses and miscellaneous financial charges increased by ₱833.8 million, or 72.5%, from ₱1,150.0 million in the year ended April 30, 2023 to ₱1,983.8 million in the year ended April 30, 2024 due to increasing cost of borrowing brought by higher borrowings and higher market interest rates.

Foreign Exchange Gain – net

Foreign exchange gain – net increased by ₱4.7 million, or 11.2%, from ₱42.4 million in the year ended April 30, 2023 to ₱47.1 million in the year ended April 30, 2024 due to devaluation of the Peso against the U.S. dollar which resulted in higher translation of export sales and receivables. The Company's foreign exchange gain consists of unrealized translation of balance sheet items (primarily foreign currency-denominated receivables and foreign currency loan) and realized foreign exchange gains as a result of changes in exchange rate.

Interest Income

Interest income increased by ₱257.7 million, or 106.0%, from ₱243.1 million in the year ended April 30, 2023 to ₱500.8 million (U.S.\$8.7 million) in the year ended April 30, 2024, primarily due to interest income charged on the overdue balance of S&W Fine Foods and DMFI.

Other Income

Other income decreased by ₱65.60 million, or 22.7%, from ₱288.6 million in the year ended April 30, 2023 to ₱223.0 million (U.S.\$3.9 million) in the year ended April 30, 2024, lower other long-outstanding payables reversals for the current period.

Other Expense

Other expense increased by ₱30.8 million, or 11.0%, from ₱280.3 million in the year ended April 30, 2023 to ₱311.1 million (U.S.\$5.4 million) in the year ended April 30, 2024, primarily due to higher management fees paid to S&W Fine Foods and depreciation expense.

Income before Income Tax

As a result of the foregoing, income before income tax decreased by ₱1,310.1 million, or 30.1%, from ₱4,356.4 million in the year ended April 30, 2023 to ₱3,046.3 million (U.S.\$52.9 million) in the year ended April 30, 2024.

Income Tax Expense

Income tax expense decreased by ₱206.5 million, or 31.9%, from ₱648.0 million in the year ended April 30, 2023 to ₱441.5 million (U.S.\$7.7 million) in the year ended April 30, 2024, mainly attributable to lower income for the current period.

Net Income

As a result of the foregoing, net income decreased by ₱1,103.5 million, or 29.8%, from ₱3,708.4 million in the year ended April 30, 2023 to ₱2,604.9 million (U.S.\$45.2 million) in the year ended April 30, 2024. The Company's net income margin in the year ended April 30, 2024 was 3.7%, lower than last year.

EBIT

The following table sets forth the Company's consolidated EBIT by operating segment for the periods indicated:

	For the year ended April 30,					
	2023		2024			
	(audited)	(unaudited)	(audited)	(unaudited)		
			(in millions, except %)			
	₱	% of total	₱	U.S.\$	% of total	% change
Convenience Cooking and Dessert.....	2,565.9	50.1	2,016.5	35.0	46.4	(21.4)
Healthy Beverages and Snacks.....	446.3	8.7	156.4	2.7	3.6	(65.0)
Premium Fresh Fruit	1,925.6	37.6	2,643.8	45.9	60.9	37.3
Packaged Fruit and Beverages – Export.....	215.7	4.2	(611.5)	-	10.6	383.5
Others.....	40.0	0.8	23.3	0.4	0.5	41.8
Changes in Fair Value – PAS 41	(70.3)	(1.4)	115.9	2.0	2.7	(264.9)
Total	5,123.2	100.0	4,344.4	75.4	100.0	(15.2)

Convenience Cooking and Dessert

EBIT from the Convenience Cooking and Dessert segment decreased by ₱549.4 million, or 21.4%, from 2,565.9 million for the year ended April 30, 2023 to ₱2,016.5 million (U.S.\$35.0 million) for the year ended April 30, 2024. Despite higher sales, the unfavorable performance of the segment was largely affected by higher product cost on pineapples, tomato paste and imported finished goods which was also negatively affected by devaluation of the Peso against the US dollar during the period.

Healthy Beverages and Snacks

EBIT from the Healthy Beverages and Snacks segment decreased by ₱289.9 million, or 65.0 %, from ₱446.3 million for the year ended April 30, 2023 to ₱156.4 million (U.S.\$2.7 million) for the year ended April 30, 2024. The unfavorable performance of the segment was largely affected by challenged volume of the dairy business as well as higher product cost on cannery operations (higher cost of pineapple), as well as higher cost of imported traded goods (snacks).

Premium Fresh Fruit

EBIT from the Premium Fresh Fruit segment increased by ₱718.2 million, or 37.3%, from ₱1,925.6 million for the year ended April 30, 2023 to ₱2,643.8 million (U.S.\$45.9 million) for the year ended April 30, 2024, primarily as a result of higher sales volume, sustained price increases across all markets and favourable effects of devaluation of the Peso against the US dollar during the period. This was partially offset by higher fruit and labor costs.

Packaged Fruit and Beverages – Export

EBIT from the Packaged Fruit and Beverages – Export segment decreased by ₱827.2 million, or 383.5 %, from ₱215.7 million for the year ended April 30, 2023 to (₱611.5) million (U.S.\$10.6 million) for the year ended April 30, 2024 driven by lower sales in the Americas. The decline in EBIT was mainly driven by higher production cost partially offset by better pricing and favorable effects of devaluation of the Peso against the US dollar during the period.

Year Ended April 30, 2023 Compared to Year Ended April 30, 2022

	For the year ended April 30,					
	2022		2023			
	(audited)	(unaudited)	(audited)	(unaudited)		
			(in millions, except %)			
	₱	% of total	₱	U.S.\$	% of total	% change
Revenues	36,556.5	100.0	41,067.6	740.0	100.0	12.3
Cost of sales	(25,742.2)	(70.4)	(30,651.8)	(552.3)	(74.6)	19.1
Gross income	10,814.3	29.6	10,415.8	187.7	25.4	(3.7)
Distribution and selling expenses	(3,631.3)	(9.9)	(4,147.8)	(74.7)	(10.1)	14.2
General and administrative expenses	(864.2)	(2.4)	(957.6)	(17.3)	(2.3)	10.8
Finance cost	(698.4)	(1.9)	(1,150.0)	(20.7)	(2.8)	64.7
Foreign exchange gain – net..	107.2	(0.3)	42.4	(0.8)	0.1	(60.4)
Interest income	60.9	0.2	243.1	4.4	0.6	299.2
Loss from joint venture	(50.1)	(0.1)	(97.9)	(1.8)	(0.2)	95.4
Other income	188.6	0.5	288.6	5.2	0.7	53.0
Other expense	(241.0)	(0.7)	(280.3)	(5.1)	(0.7)	16.3
Income before income tax	5,686.0	15.6	4,356.4	78.5	10.6	(23.4)
Income tax expense						
Current	(792.6)	(2.2)	(707.7)	(12.8)	(1.7)	(10.7)
Deferred	0.3	0.0	59.7	1.1	0.1	19,800.0
Net income	4,893.8	13.4	3,708.4	66.8	9.0	(24.2)

Revenues

The Company's consolidated revenues increased by ₱4,511.1 million, or 12.3%, from ₱36,556.50 million in the year ended April 30, 2022 to ₱41,067.60 million (U.S.\$ 740.00 million) in the year ended April 30, 2023, as the Company recorded growth in revenues from the Premium Fresh Fruit and Packaged Fruit and Beverages – Export segments.

The following table sets forth the Company's consolidated revenues by operating segment for the periods indicated:

	For the year ended April 30,					
	2022		2023			
	(audited)	(unaudited)	(audited)	(unaudited)	% of total	% change
	₱	% of total	(in millions, except %) ₱	U.S.\$		
Convenience Cooking and Dessert	12,057.2	33.0	12,656.8	228.06	30.8	5.0
Healthy Beverages and Snacks..	6,889.3	18.8	7,531.1	135.70	18.3	9.3
Premium Fresh Fruit	6,586.7	18.0	8,237.5	148.43	20.1	25.1
Packaged Fruit and Beverages – Export	7,639.4	20.9	9,234.7	166.40	22.5	20.9
Others.....	87.8	0.2	135.6	2.44	0.3	54.4
Changes in Fair Value – PAS 41	3,296.1	9.0	3,271.9	58.96	8.0	(0.7)
Total	36,556.5	100.0	41,067.6	740.00	100.0	12.3

Convenience Cooking and Dessert

Revenues from the Convenience Cooking and Dessert segment increased by ₱599.60 million, or 5.0%, from ₱12,057.2 million for the year ended April 30, 2022 to ₱12,656.8 million (U.S.\$228.6 million) for the year ended April 30, 2023. This performance was driven by the combined impact of compelling communication campaigns that built relevance for Del Monte products in family meals, low-cash outlay SKUs and multipacks value offers to help consumers cope with high inflation, and improved distributor operations.

Healthy Beverages and Snacks

Revenues from the Healthy Beverages and Snacks segment increased by ₱641.8 million, or 9.3%, from ₱6,889.3 million for the year ended April 30, 2022 to ₱7,531.10 million (U.S.\$135.7 million) for the year ended April 30, 2023. Innovations in the healthy beverages and snacks segment grew strongly due to higher sales of Mr. Milk, Potato Crisp and Munchsters in the snacking segment. As schools in the Philippines shifted to in-person classes from online, Del Monte activated its milk sampling activities in a number of schools, and also tied up with a leading book store chain and toy store chain to promote its dairy product.

Premium Fresh Fruit

Revenues from the Premium Fresh Fruit segment increased by ₱1,650.8 million, or 25.1%, from ₱6,586.7 million for the year ended April 30, 2022 to ₱8,237.50 million (U.S.\$148.4 million) for the year ended April 30, 2023. Fresh sales rose driven by stronger demand particularly in North Asia, better pricing and improved supply. The Company's new naturally ripened extra sweet S&W Deluxe premium fresh pineapple in China, Japan and South Korea continued to gain momentum in China's retail segment. Fresh sales benefitted from favorable consumer and trade response to this variety.

Packaged Fruit and Beverages – Export

Revenues from the Packaged Fruit and Beverages – Export segment increased by ₱1,595.30 million, or 20.9%, from ₱7,639.40 million for the year ended April 30, 2022 to ₱9,234.70 million (U.S.\$166.40 million) for the year ended April 30, 2023. Sales of packaged products grew behind higher sales of pineapple, mixed fruit and

various retail and industrial juice formats. In the U.S., a major QSR launched new summer drinks, one of which – Pineapple Passion fruit Refreshers – uses the Company’s pineapple product.

Cost of Sales

Cost of sales increased by ₱4,909.6 million, or 19.1%, from ₱25,742.2 million in the year ended April 30, 2022 to ₱30,651.8 million (U.S.\$ 552.3 million) in the year ended April 30, 2023. As a percentage of revenue, cost of sales was higher at 74.6% of revenues in the year ended April 30, 2023 as compared to 70.4% of revenues in the previous year. The increase was primarily the result of higher cost of imported packaging materials (mainly tinplate), traded goods, tomato paste and pasta, as well as higher cost of pineapple due to lower recovery.

Gross Income

As a result of the foregoing, gross income decreased by ₱398.5 million, or 3.7%, from ₱10,814.3 million in the year ended April 30, 2022 to ₱10,415.9 million (U.S.\$187.7 million) in the year ended April 30, 2023. The Company’s gross margin in the year ended April 30, 2023 was 25.4%, lower than the 29.6% gross margin it recorded in the year ended April 30, 2022.

Distribution and Selling Expenses

Distribution and selling expenses increased by ₱516.5 million, or 14.2%, from ₱3,631.3 million in the year ended April 30, 2022 to ₱4,147.8 million (U.S.\$74.70 million) in the year ended April 30, 2023. This increase was the result of higher freight, storage cost and personnel costs for the period. As a percentage of revenues, distribution and selling expenses were slightly higher at 10.1% of revenues in the year ended April 30, 2023 compared to 9.9% in the previous period.

General and Administrative Expenses

General and administrative expenses increased by ₱93.4 million, or 10.8%, from ₱864.2 million in the year ended April 30, 2022 to ₱957.6 million (U.S.\$17.3 million) in the year ended April 30, 2023 mainly driven by salaries and benefits, employee related activities and higher technology costs.

Finance Cost

Finance cost, which primarily consists of interest expenses and miscellaneous financial charges increased by ₱451.6 million, or 64.7%, from ₱698.4 million in the year ended April 30, 2022 to ₱1,150.0 million in the year ended April 30, 2023 due to increasing cost of borrowing brought by higher borrowings and higher market interest rates.

Foreign Exchange Gain – net

Foreign exchange gain – net decreased by ₱64.8 million, or 60.4%, from ₱107.2 million in the year ended April 30, 2022 to ₱42.4 million in the year ended April 30, 2023 due to devaluation of the Peso against the U.S. dollar which resulted in higher translation of export sales and receivables. The Company’s foreign exchange gain consists of unrealized translation of balance sheet items (primarily foreign currency-denominated receivables and foreign currency loan) and realized foreign exchange gains as a result of changes in exchange rate

Interest Income

Interest income increased by ₱182.2 million, or 299.2%, from ₱60.9 million in the year ended April 30, 2022 to ₱243.1 million (U.S.\$4.4 million) in the year ended April 30, 2023, primarily due to interest income charged on the overdue balance of S&W Fine Foods.

Other Income

Other income increased by ₱100.0 million, or 53.0%, from ₱188.6 million in the year ended April 30, 2022 to ₱288.6 million (U.S.\$5.2 million) in the year ended April 30, 2023, primarily due to reversal of employee incentives and other long-outstanding payables.

Other Expense

Other expense increased by ₱39.3 million, or 16.3%, from ₱241.0 million in the year ended April 30, 2022 to ₱280.3 million (U.S.\$5.1 million) in the year ended April 30, 2023, primarily due to higher management fees paid to S&W Fine Foods and property operating expenses.

Income before Income Tax

As a result of the foregoing, income before income tax decreased by ₱1,329.6 million, or 23.4%, from ₱5,686.0 million in the year ended April 30, 2022 to ₱4,356.4 million (U.S.\$78.5 million) in the year ended April 30, 2023.

Income Tax Expense

Income tax expense decreased by ₱144.3 million, or 18.2%, from ₱792.3 million in the year ended April 30, 2022 to ₱648.0 million (U.S.\$11.7 million) in the year ended April 30, 2023, mainly attributable to lower average tax rate.

Net Income

As a result of the foregoing, net income decreased by ₱1,185.4 million, or 24.2%, from ₱4,893.8 million in the year ended April 30, 2022 to ₱3,708.4 million (U.S.\$66.8 million) in the year ended April 30, 2023. The Company's net income margin in the year ended April 30, 2023 was 9.0%, lower than last year.

EBIT

The following table sets forth the Company's consolidated EBIT by operating segment for the periods indicated:

	For the year ended April 30,					
	2022		2023			
	(audited)	(unaudited)	(audited)	(unaudited)		
			(in millions, except %)			
	₱	% of total	₱	U.S.\$	% of total	% change
Convenience Cooking and Dessert.....	2,831.6	45.7	2,565.9	46.2	50.0	(9.4)
Healthy Beverages and Snacks.....	713.5	11.5	446.3	8.0	8.7	(37.4)
Premium Fresh Fruit	1,931.5	31.2	1,925.6	34.7	37.6	(0.3)
Packaged Fruit and Beverages – Export.....	679.5	11.0	215.7	3.9	4.2	(68.3)
Others.....	62.2	1.0	39.9	0.7	0.8	35.9
Changes in Fair Value – PAS 41	12.0	0.2	(70.3)	(1.3)	(1.4)	(685.8)
Total	6,230.3	100.0	5,123.2	92.3	100.0	(17.4)

Convenience Cooking and Dessert

EBIT from the Convenience Cooking and Dessert segment decreased by ₱265.7 million, or 9.4%, from ₱2,831.6 million (U.S.\$52.1 million) for the year ended April 30, 2022 to ₱2,565.9 million (U.S.\$46.2 million) for the year ended April 30, 2023. Despite higher sales, the unfavorable performance of the segment was largely affected by higher product cost, especially on imported tomato paste and pasta which was also negatively affected by devaluation of the Peso against the US dollar during the period.

Healthy Beverages and Snacks

EBIT from the Healthy Beverages and Snacks segment decreased by ₱267.2 million, or 37.4 %, from ₱713.5 million for the year ended April 30, 2022 to ₱446.3 million (U.S.\$8.0 million) for the year ended April 30, 2023. Despite higher sales, the unfavorable performance of the segment was largely affected by higher product cost on cannery operations (higher cost of pineapple and variable manufacturing overhead), as well as higher cost of traded goods (snacks).

Premium Fresh Fruit

EBIT from the Premium Fresh Fruit segment decreased by ₱5.90 million, or 0.3%, from ₱1,931.5 million for the year ended April 30, 2022 to ₱1,925.6 million (U.S.\$34.7 million) for the year ended April 30, 2023, primarily as a result of higher sales volume, sustained price increases across all markets and favourable effects of devaluation of the Peso against the US dollar during the period. This was partially offset by higher fruit and packaging costs, as well as higher ocean freight cost and trucking rates increases during the period.

Packaged Fruit and Beverages – Export

EBIT from the Packaged Fruit and Beverages – Export segment decreased by ₱463.8 million, or 68.3%, from ₱679.5 million for the year ended April 30, 2022 to ₱215.7 million (U.S.\$3.9 million) for the year ended April 30, 2023 backed by strong sales in the Americas and North Asia. The decline in EBIT was mainly driven by higher production cost and distribution cost, partially offset by better pricing and favorable effects of devaluation of the Peso against the US dollar during the period.

Financial Condition

As of April 30, 2024 Compared to as of April 30, 2023

The following is a discussion of DMPI's current and noncurrent assets and liabilities as of April 30, 2024 compared to April 30, 2023.

Assets

DMPI's assets increased by ₱1,770.4 million, or 14.6%, from ₱53,040.7 million as of April 30, 2023 to ₱60,811.1 million (U.S.\$ 1,056.1 million) as of April 30, 2024, primarily as a result of increases in property, plant and equipment, accounts receivable and prepaid expenses and other current assets, as discussed below.

	As of April 30,		
	2023	2024	2024
	(audited)		(unaudited)
	(₱)	(₱)	(U.S.\$)
	(in millions)		
.....			
Current assets			
Cash and cash equivalents	584.9	271.2	4.7
Receivables	14,179.1	18,047.8	313.4
Inventories.....	7,345.7	5,050.8	87.7
Biological assets.....	2,489.2	2,797.2	48.6
Prepaid expenses and other current assets	1,093.3	6,134.7	106.5
Total current assets	25,692.2	32,301.7	561.0
Noncurrent assets			
Biological assets.....	168.6	198.3	3.4
Financial assets at fair value through other comprehensive income	34.1	33.1	0.6
Investment properties	165.5	159.3	2.8

	As of April 30,		
	2023	2024	2024
	(audited)		(unaudited)
	(₱)	(₱)	(U.S.\$)
	(in millions)		
Property, plant and equipment.....	22,075.1	23,326.1	405.1
Intangible assets	2,987.4	2,987.4	51.9
Receivable – net of current portion	146.0	127.7	2.2
Net retirement benefits asset	586.7	449.1	7.8
Deferred tax assets – net.....	0.0	0.0	0
Other noncurrent assets	1,185.1	1,228.4	21.3
Total noncurrent assets.....	27,348.5	28,509.4	495.1
Total assets.....	53,040.7	60,811.1	1,056.1

Current Assets

DMPI's current assets increased by ₱6,609.5 million, or 25.7%, from ₱25,692.2 million as of April 30, 2023 to ₱32,301.7 million (U.S.\$561.0 million) as of April 30, 2024 due to the increase in receivables and prepaid and other current expenses, as discussed below.

Cash and cash equivalents

Cash and cash equivalents decreased by ₱313.7 million, or 53.6%, from ₱584.9 million as of April 30, 2023 to ₱271.2 million (U.S.\$4.7 million) as of April 30, 2024, primarily as a result of decrease in cash in bank from operations.

Receivables

Receivables increased by ₱3,868.7 million, or 27.3%, from ₱14,179.1 million as of April 30, 2023 to ₱18,047.8 million (U.S.\$313.4 million) as of April 30, 2024, primarily as a result of increase in related party receivables from higher sales, and third parties.

Inventories

Inventories decreased by ₱2,294.9 million, or 31.2%, from ₱7,345.7 million as of April 30, 2023 to ₱5,050.8 million (U.S.\$87.7 million) as of April 30, 2024 primarily as a result of the decrease in finished goods and packaging materials used for its cannery operations in Bugo. Average days in inventory (calculated as the past four quarters of average inventory over daily total delivered cost for the past 12 months) for the period was 86 days, which was lower by 3 days from average days in inventory of 89 days in the year ended April 30, 2023.

Biological assets

The current portion of biological assets increased by ₱308.0 million, or 12.4%, from ₱2,489.2 million as of April 30, 2023 to ₱2,797.2 million (U.S.\$48.6 million) as of April 30, 2024, primarily due to increase in field hectares induced for fruit-bearing.

Prepaid expenses and other current assets

Prepaid expenses and other current assets increased by ₱5,041.4 million, or 461.1%, from ₱1,093.3 million as of April 30, 2022 to ₱6,134.7 million (U.S.\$106.5 million) as of April 30, 2024, primarily due to increase in the intercompany advances to supplier.

Noncurrent Assets

DMPI's noncurrent assets increased by ₱1,160.9 million, or 4.24%, from ₱27,348.5 million as of April 30, 2023 to ₱28,509.4 million (U.S.\$495.1 million) as of April 30, 2024 mainly due to the increase of property, plant and equipment, biological assets and other non-current assets, as discussed below.

Biological assets

The noncurrent portion of biological assets increased by ₱29.7 million, or 17.6%, from ₱168.6 million as of April 30, 2023 to ₱198.3 million (U.S.\$3.4 million) as of April 30, 2024, primarily due to the absence live cattle sales, and increase in prices of feeds' raw materials, freight, and labor.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income decreased by ₱1.0 million, or 3.0%, from ₱34.1 million as of April 30, 2023 to ₱33.1 million (U.S.\$0.6 million) as of April 30, 2024, primarily as a result of lower fair values.

Investment properties

Investment properties decreased by ₱6.2 million, or 3.7%, from ₱165.5 million as of April 30, 2023 to ₱159.3 million (U.S.\$2.8 million) as of April 30, 2024 due to depreciation of property and right-of-use assets.

Property, plant and equipment

Property, plant and equipment increased by ₱1,251.0 million, or 5.7%, from ₱22,075.1 million as of April 30, 2023 to ₱23,326.1 million (U.S.\$405.1 million) as of April 30, 2024, primarily as a result of the additions to the bearer plants at cost due higher planting hectares and conversion of fields to nursery, additional machinery and equipment and right of use of asset due to additional leases during the year.

Intangible Assets

There were no additions to the Intangible Assets during the period ended April 30, 2024

Receivable – net of current portion

Receivable – net of current portion decreased by ₱18.3 million, or 12.6%, from ₱146.0 million as of April 30, 2023 to ₱127.7 million (U.S.\$2.2 million) as of April 30, 2024, as a result of lease collections from its lease arrangements.

Net retirement benefits asset

Net retirement benefits asset decreased by ₱137.6 million, or 23.4%, from ₱586.7 million as of April 30, 2023 to ₱449.1 million (U.S.\$7.8 million) as of April 30, 2024, primarily as a result of decrease in fair value of plan assets due to benefit payments and transfer from the plan.

Other noncurrent assets

Other noncurrent assets increased by ₱43.3 million, or 3.7%, from ₱1,185.1 million as of April 30, 2023 to ₱1,228.4 million (U.S.\$21.3 million) as of April 30, 2024 due to higher advance rent which will commence beyond one year from the reporting period.

Liabilities

DMPI's liabilities increased by ₱5,965.6 million, or 14.9%, from ₱40,099.8 million as of April 30, 2023 to ₱46,065.4 million (U.S.\$800.0 million) as of April 30, 2024 primarily as a result of the increase in long-term debt and lease liabilities, as discussed below.

	As of April 30,		
	2023	2024	2024
	(audited)		(unaudited)
	(₱)		(U.S.\$)
	(in millions)		
LIABILITIES			
Current liabilities			
Short-term notes payable.....	20,472.9	23,351.7	405.5
Accounts payable and accrued expenses	7,433.2	8,612.0	149.6
Current portion of:			
Bonds Payable	5,816.0	-	-
Long-term debt	687.5	750.0	13.0
Lease liabilities	429.2	279.2	4.8
Income tax payable.....	29.0	6.6	0.1
Total current liabilities	34,867.8	32,999.5	573.1
Noncurrent liabilities			
Long-term debt – net of current portion	2,303.9	9,298.4	161.5
Bonds payable	640.4	642.5	11.2
Deferred tax liabilities – net	281.7	302.9	5.3
Lease liabilities – net of current portion	2,006	2,822.1	49.0
Other noncurrent liabilities.....	—	-	—
Total noncurrent liabilities	5,232	13,065.9	226.9
Total liabilities	40,099.8	46,065.4	800.0

Current Liabilities

DMPI's current liabilities decreased by ₱1,868.3 million, or 5.4%, from ₱34,867.8 million as of April 30, 2023 to ₱32,999.5 million (U.S.\$573.1 million) as of April 30, 2024, primarily as a result of maturity of bonds payable during the year.

Short-term notes payable

Short-term notes payable increased by ₱2,878.8 million, or 14.1%, from ₱20,472.9 million as of April 30, 2023 to ₱23,351.7 million (U.S.\$405.5 million) as of April 30, 2024, to support working capital needs.

Accounts payable and accrued expenses

Accounts payable and accrued expenses increased by ₱1,178.8 million, or 15.9%, from ₱7,433.2 million as of April 30, 2023 to ₱8,612.0 million (U.S.\$149.6 million) as of April 30, 2024, primarily as a result of the increase in forward contract and related parties payables.

Current portion of Bonds Payable and Long-term debt

The amounts under current liabilities for of bonds and long-term debt represents the portion falling due within fiscal year 2024.

Current portion of lease liabilities

Current portion of lease liabilities decreased by ₱150.0 million, or 35.0%, from ₱429.2 million as of April 30, 2023 to ₱279.2 million (U.S.\$4.8 million) as of April 30, 2024, primarily as a result of lease payments during the year.

Income tax payable

Income tax payable decreased by ₱22.4 million, or 77.4%, from ₱29.0 million as of April 30, 2023 to ₱6.6 million (U.S.\$0.1 million) as of April 30, 2024 due to lower tax expense during the year.

Noncurrent Liabilities

DMPI's noncurrent liabilities increased by ₱7,833.9 million, or 149.7%, from ₱5,232.0 million as of April 30, 2023 to ₱13,065.9 million (U.S.\$226.9 million) as of April 30, 2024, due additional long-term debt availed during the year.

Long-term debt – net of current portion

Long-term debt – net of current portion increased by ₱6,994.5 million or 303.6% from ₱2,303.9 million as of April 30, 2023 to ₱9,298.4 million (U.S.\$161.5 million) as of April 30, 2024, due to additional long term loan availed.

Bonds payable

Bonds payable increased by ₱2.1 million, or 0.3%, from ₱640.4 million as of April 30, 2023 to ₱642.5 million (U.S.\$11.2 million) as of April 30, 2024 due to debt issue cost (DIC) amortization for the current year.

Deferred tax liabilities – net

Deferred tax liabilities – net increased by ₱21.2 million, or 7.5%, from ₱281.7 million as of April 30, 2023 to ₱302.9 million (U.S.\$5.3 million) as of April 30, 2024, primarily as a result of higher timing differences on accrued expenses and remeasurement of retirement plan.

Lease liabilities – net of current portion

Lease liabilities – net of current portion increased by ₱816.1 million, or 40.7%, from ₱2,006.0 million as of April 30, 2023 to ₱2,822.1 million (U.S.\$49.0 million) as of April 30, 2024, due to additions of lease contracts entered into by the Company during the period.

As of April 30, 2023 Compared to as of April 30, 2022

The following is a discussion of DMPI's current and noncurrent assets and liabilities as of April 30, 2023 compared to April 30, 2022.

Assets

DMPI's assets increased by ₱11,357.4 million, or 27.3%, from ₱41,683.3 million as of April 30, 2022 to ₱53,040.7 million (U.S.\$ 955.8 million) as of April 30, 2023, primarily as a result of increases in property, plant and equipment, intangible assets, inventories, prepaid expenses and other current assets, as discussed below.

	As of April 30,		
	2022	2023	2023
	(audited)		(unaudited)
	(₱)	(₱)	(U.S.\$)
	(in millions)		
.....			
Current assets			
Cash and cash equivalents.....	856.7	584.9	10.5
Receivables	7,696.4	14,179.1	255.5
Inventories.....	5,170.9	7,345.7	132.4
Biological assets.....	2,476.2	2,489.2	44.9
Prepaid expenses and other current assets	1,142.0	1,093.3	19.7
Total current assets	17,342.2	25,692.2	463
Noncurrent assets			
Biological assets.....	144.9	168.6	3
Financial assets at fair value through other comprehensive income	15.4	34.1	0.6
Investment properties	171.7	165.5	3

	As of April 30,		
	2022	2023	2023
	(audited)		(unaudited)
	(₱)	(₱)	(U.S.\$)
	(in millions)		
Property, plant and equipment.....	19,261.6	22,075.1	397.8
Intangible assets	2,987.4	2,987.4	53.8
Receivable – net of current portion	157.6	146.0	2.6
Net retirement benefits asset	512.9	586.7	10.6
Deferred tax assets – net.....	0.0	0.0	0
Other noncurrent assets	1,089.6	1,185.1	21.4
Total noncurrent assets.....	24,341.1	27,348.5	492.8
Total assets.....	41,683.3	53,040.7	955.8

Current Assets

DMPI's current assets increased by ₱8,350.2 million, or 48.15%, from ₱17,342.2 million as of April 30, 2022 to ₱25,692.2 million (U.S.\$463.0 million) as of April 30, 2023 due to the increase in receivables and prepaid and other current expenses, as discussed below.

Cash and cash equivalents

Cash and cash equivalents decreased by ₱271.8 million, or 31.73%, from ₱856.7 million as of April 30, 2022 to ₱584.9 million (U.S.\$10.5 million) as of April 30, 2023, primarily as a result of decrease in cash in bank from operations.

Receivables

Receivables increased by ₱6,482.7 million, or 84.23%, from ₱7,696.4 million as of April 30, 2022 to ₱14,179.1 million (U.S.\$255.5 million) as of April 30, 2023, primarily as a result of increase in related party receivables from higher sales, and third parties.

Inventories

Inventories increased by ₱2,174.8 million, or 42.1%, from ₱5,170.9 million as of April 30, 2022 to ₱7,345.7 million (U.S.\$132.4 million) as of April 30, 2023 primarily as a result of the increase in finished goods and packaging materials used for its cannery operations in Bugo. Average days in inventory (calculated as the past four quarters of average inventory over daily total delivered cost for the past 12 months) for the period was 91 days, which was higher by 7 days from average days in inventory of 84 days in the year ended April 30, 2022.

Biological assets

The current portion of biological assets increased by ₱13.0 million, or 0.5%, from ₱2,476.2 million as of April 30, 2022 to ₱2,489.20 million (U.S.\$44.9 million) as of April 30, 2023, primarily due to increase in agricultural produce to support sales volumes, and increase in prices of farm inputs.

Prepaid expenses and other current assets

Prepaid expenses and other current assets decreased by ₱48.7 million, or 4.3%, from ₱1,142.0 million as of April 30, 2022 to ₱1,093.3 million (U.S.\$19.7 million) as of April 30, 2023, primarily due to decrease in the advances to suppliers.

Noncurrent Assets

DMPI's noncurrent assets increased by ₱3,007.4 million, or 12.4%, from ₱24,341.1 million as of April 30, 2022 to ₱27,348.5 million (U.S.\$492.8 million) as of April 30, 2023 mainly due to the increase of property, plant and equipment and other non-current assets, as discussed below.

Biological assets

The noncurrent portion of biological assets increased by ₱23.7 million, or 16.4%, from ₱144.9 million as of April 30, 2022 to ₱168.6 million (U.S.\$3.0 million) as of April 30, 2023, primarily as a result of the decrease of live cattle sales and increase in price of feeds' raw materials.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income increased by ₱18.7 million, or 121.4%, from ₱15.4 million as of April 30, 2022 to ₱34.1 million (U.S.\$0.6 million) as of April 30, 2023, primarily as a result of higher fair values.

Investment properties

Investment properties decreased by ₱6.2 million, or 3.6%, from ₱171.7 million as of April 30, 2022 to ₱165.5 million (U.S.\$3.0 million) as of April 30, 2023 due to depreciation of property and right-of-use assets.

Property, plant and equipment

Property, plant and equipment increased by ₱2,813.5 million, or 14.6%, from ₱19,261.6 million as of April 30, 2022 to ₱22,075.1 million (U.S.\$397.8 million) as of April 30, 2023, primarily as a result of the additions to the bearer plants at cost resulting from higher hectares used for standing crops and increased prices of farm inputs.

Intangible Assets

There were no additions to the Intangible Assets during the period ended April 30, 2023.

Receivable – net of current portion

Receivable – net of current portion decreased by ₱11.6 million, or 7.4%, from ₱157.6 million as of April 30, 2022 to ₱146.0 million (U.S.\$2.6 million) as of April 30, 2023, as a result of lease collections from its lease arrangements.

Net retirement benefits asset

Net retirement benefits asset increased by ₱73.8 million, or 14.39%, from ₱512.9 million as of April 30, 2022 to ₱586.7 million (U.S.\$10.6 million) as of April 30, 2023, primarily as a result of decrease in present value of defined benefit retirement obligation due to higher actuarial gains and benefit payments.

Other noncurrent assets

Other noncurrent assets increased by ₱95.5 million, or 8.8%, from ₱1,089.6 million as of April 30, 2022 to ₱1,185.1 million (U.S.\$21.4 million) as of April 30, 2023 due to higher advance rent which will commence beyond one year from the reporting period.

Liabilities

DMPI's liabilities increased by ₱11,938.5 million, or 42.4%, from ₱28,161.3 million as of April 30, 2022 to ₱40,099.8 million (U.S.\$722.4 million) as of April 30, 2023 primarily as a result of the increase in long-term debt and issuance of bonds payable, as discussed below.

	As of April 30,		
	2022	2023	2023
	(audited)		(unaudited)
	(₱)		(U.S.\$)
	(in millions)		
LIABILITIES			
Current liabilities			
Short-term notes payable.....	8,777.8	20,472.9	368.9
Accounts payable and accrued expenses	6,792.2	7,433.2	133.9
Current portion of:			
Bonds Payable	—	5,816.0	104.8
Long-term debt	—	687.5	12.4
Lease liabilities	472.5	429.2	7.7
Income tax payable.....	121.2	29.0	0.5
Total current liabilities	16,163.7	34,867.8	628.2
Noncurrent liabilities			
Long-term debt – net of current portion	2,985.6	2,303.9	41.5
Bonds payable	6,422.4	640.4	11.5
Deferred tax liabilities – net	191.0	281.7	5.1
Lease liabilities – net of current portion	2,398.6	2,006	36.1
Other noncurrent liabilities.....	—	—	—
Total noncurrent liabilities	11,997.6	5,232	94.2
Total liabilities	28,161.3	40,099.8	722.4

Current Liabilities

DMPI's current liabilities increased by ₱18,704.1 million, or 115.7%, from ₱16,163.7 million as of April 30, 2022 to ₱34,867.8 million (U.S.\$628.2 million) as of April 30, 2023, primarily as a result of bonds and long-terms loans falling due within fiscal year 2024.

Short-term notes payable

Short-term notes payable increased by ₱11,695.1 million, or 133.2%, from ₱8,777.8 million as of April 30, 2022 to ₱20,472.9 million (U.S.\$368.9 million) as of April 30, 2023, to support working capital needs.

Accounts payable and accrued expenses

Accounts payable and accrued expenses increased by ₱641.0 million, or 9.4%, from ₱6,792.2 million as of April 30, 2022 to ₱7,433.2 million (U.S.\$133.9 million) as of April 30, 2023, primarily as a result of the increase in trade payables related to foreign purchases.

Current portion of Bonds Payable and Long-term debt

The amounts under current liabilities for of bonds and long-term debt represents the portion falling due within fiscal year 2024.

Current portion of lease liabilities

Current portion of lease liabilities decreased by ₱43.3 million, or 9.2%, from ₱472.5 million as of April 30, 2022 to ₱429.2 million (U.S.\$7.7 million) as of April 30, 2023, primarily as a result of additional lease contracts entered into by Company during the year.

Income tax payable

Income tax payable decreased by ₱92.2 million, or 76.1%, from ₱121.2 million as of April 30, 2022 to ₱29 million (U.S.\$0.5 million) as of April 30, 2023 due to higher income attributable to PEZA operations relative to total income, taxed at lower rate of 5%.

Noncurrent Liabilities

DMPI's noncurrent liabilities decreased by ₱6,765.6 million, or 56.4%, from ₱11,997.6 million as of April 30, 2022 to ₱5,232.0 million (U.S.\$94.2 million) as of April 30, 2023, due to reclassification of the current portion of bonds and long-term debt to current liabilities.

Long-term debt – net of current portion

Long-term debt – net of current portion decreased to ₱681.7 million or 22.8% from ₱2,985.6 as of April 30, 2022 to ₱2,303.9 million (U.S.\$41.5 million) as of April 30, 2023, due to reclassification of the current portion of long-term debt to current liabilities.

Bonds payable

Bonds payable decreased by ₱5,782.0 million, or 90.0%, from ₱6,442.4 million as of April 30, 2022 to ₱640.4 million (U.S.\$11.5 million) as of April 30, 2023 due to reclassification of the current portion of bonds to current liabilities.

Deferred tax liabilities – net

Deferred tax liabilities – net increased by ₱90.7 million, or 47.5%, from ₱191.0 million as of April 30, 2022 to ₱281.7 million (U.S.\$5.1 million) as of April 30, 2023, primarily as a result of higher timing differences on accrued expenses and land revaluation.

Lease liabilities – net of current portion

Lease liabilities – net of current portion decreased by ₱392.6 million, or 16.4%, from ₱2,398.6 million as of April 30, 2022 to ₱2,006.0 million (U.S.\$36.1 million) as of April 30, 2023, due to additions of lease contracts entered into by the Company during the period.

Cash Flows

The following table sets forth the selected information from the Company's consolidated statements of cash flows for the periods indicated:

	For the years ended April 30,			
	2022	2023	2024	
		(audited)		(unaudited)
	(in millions)			
	₱	₱	₱	U.S.\$
Net cash flows provided by operating activities.....	9,444.4	2,308.9	4,872.4	86.6
Net cash flows used in investing activities ⁽¹⁾	(9,227.0)	(10,179.4)	(8,504.3)	(147.7)
Net cash flows provided by (used in) financing activities	372.5	7,596.3	3,225.9	56.0
Net increase (decrease) in cash and cash equivalents .	(148.2)	(271.8)	(313.7)	(5.4)

Notes:

- (1) Net cash flows used in investing activities includes additions to bearer plants at cost recognized as property, plant and equipment in compliance with the amendments in PAS 41.

Net cash flows provided by operating activities

For the year ended April 30, 2024, net cash flows provided by operating activities was ₱4,872.4 million (U.S.\$84.6 million), while the Company had consolidated income before income tax of ₱3,046.3 million (U.S.\$52.9 million). Cash generated by operating income (after adding back non-cash items and after deducting working capital changes) was ₱5,044.4 million (U.S.\$87.61 million). This primarily resulted from the Company's lower profit for the period and decrease in working capital as a result of an increase in accounts receivable and prepaid expenses during the period. The Company generated cash from interest of ₱46.2 million (U.S.\$0.8 million) and paid income taxes of ₱182.0 million (U.S.\$3.2 million) in the year ended April 30, 2024.

For the year ended April 30, 2023, net cash flows provided by operating activities was ₱2,308.8 million (U.S.\$41.6 million), while the Company had consolidated income before income tax of ₱4,356.4 million (U.S.\$78.5 million). Cash generated by operating income (after adding back non-cash items and after deducting working capital changes) was ₱2,649.1 million (U.S.\$47.73 million). This primarily resulted from the Company's higher profit for the period and decrease in working capital as a result of a decrease in receivables during the period. The Company generated cash from interest of ₱241.9 million (U.S.\$4.36 million) and paid income taxes of ₱555.9 million (U.S.\$10.02 million) in the year ended April 30, 2023.

For the year ended April 30, 2022, net cash flows provided by operating activities was ₱9,444.4 million (U.S.\$180.9 million), while the Company had consolidated income before income tax of ₱5,686.1 million (U.S.\$108.9 million). Cash generated by operating income (after adding back non-cash items and after deducting working capital changes) was ₱9,914.4 million (U.S.\$189.9 million). This primarily resulted from the Company's higher profit for the period and decrease in working capital as a result of a decrease in receivables during the period. The Company generated cash from interest of ₱58.4 million (U.S.\$1.1 million) and paid income taxes of ₱499.7 million (U.S.\$9.6 million) in the year ended April 30, 2022.

Net cash flows provided by (used in) investing activities

For the year ended April 30, 2024, adjusted net cash flows used in investing activities was ₱8,504.3 million (U.S.\$147.7 million). This cash outflow comprised of construction in progress of ₱700.0 million (U.S.\$12.2 million), additional machinery and equipment of ₱234.2 million (U.S.\$4.1 million), and additions to bearer plants of ₱7,291.2 million (U.S.\$126.6 million). Major items in construction in progress includes construction of Additional Line 4 in JMC Packing House, Additional 307 Cookroom Line, Acquisition of 307 Line 6 Autocaser, Construction of Fruit Truck Ingress and Egress in JMC PH and Construction of 21 Duplex Houses, which are part of the significant top projects implemented in fiscal year 2024. These projects are expected to be completed by fiscal year 2025.

For the year ended April 30, 2023, adjusted net cash flows used in investing activities was ₱10,179.4 million (U.S.\$183.4 million). This cash outflow comprised of construction in progress of ₱1,175.3 million (U.S.\$21.2 million), additional machinery and equipment of ₱245.8 million (U.S.\$4.4 million), and additions to bearer plants of ₱8,072.0 million (U.S.\$145.5 million). Major items in construction in progress include installation of additional FDM 202 Line in Bugo Cannery, construction of North DC Warehouse in Marilao Bulacan and purchase of Tetra Line for Cabuyao Plant.

For the year ended April 30, 2022, adjusted net cash flows used in investing activities was ₱9,227.0 million (U.S.\$176.9 million). This cash outflow comprised of construction in progress of ₱647.8 million (U.S.\$12.4 million), additional machinery and equipment of ₱718.6 million (U.S.\$13.8 million), and additions to bearer plants of ₱6,785.0 million (U.S.\$130.1 million). Major items in construction in progress include installation of additional FDM 202 Line in Bugo Cannery, construction of North DC Warehouse in Marilao Bulacan and purchase of Tetra Line for Cabuyao Plant.

Net cash flows provided by (used in) financing activities

For the year ended April 30, 2024, net cash flows provided by financing activities was ₱3,225.9 million (U.S.\$56.0 million). For the year ended April 30, 2024, the Company received proceeds of ₱49,495.2 million (U.S.\$859.5 million) from availments of Peso and U.S. dollar-denominated bank loans and paid out a corresponding ₱39,799.7 million (U.S.\$691.0 million) for the same.

For the year ended April 30, 2023, net cash flows provided by financing activities was ₱7,596.3 million (U.S.\$136.9 million). For the year ended April 30, 2023, the Company received proceeds of ₱45,003.1 million (U.S.\$810.9 million) from availments of Peso and U.S. dollar-denominated bank loans and paid out a corresponding ₱33,454.7 million (U.S.\$602.8 million) for the same.

For the year ended April 30, 2022, net cash flows provided by financing activities was ₱372.5 million (U.S.\$70.1 million). For the year ended April 30, 2021, the Company received proceeds of ₱7,777.8 million (U.S.\$149.1 million) from availments of Peso and U.S. dollar-denominated bank loans and paid out a corresponding ₱6,923.1 million (U.S.\$132.6 million) for the same.

Capital Expenditures

Pursuant to its business expansion, the Company has invested and expects to continue to allocate a significant amount of its resources to capital expenditures to improve and expand its operations, reduce costs and maintain its existing equipment and facilities, including through investments related to the expansion of fresh packing and Mindanao production capacity, among other things.

The table below sets forth certain components of the Company's additions to property, plant and equipment excluding right-of-use assets for the periods indicated:

	For the years ended April 30,						
	2022		2023		2024		
	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	
	(in millions, except %)						
	₱	% of total	₱	% of total	₱	U.S.\$	% of total
Machinery and equipment.....	718.6	8.5	245.8	2.4	234.2	4.1	2.3
Buildings and improvements	23.7	0.3	5.9	0.1	17.1	0.3	0.2
Leasehold improvements	321.6	3.8	538.4	5.4	150.1	2.6	1.5
Construction in progress	647.8	7.6	1,175.3	11.7	700.0	12.2	7.0
Bearer plants at cost ⁽¹⁾	6,785.0	79.9	8,072.0	80.4	7,291.2	126.6	72.6
Total	8,496.7	100.0	10,037.4	100.0	8,392.6	145.7	100.0

Notes:

- (1) Bearer plants at cost are calculated as additions to bearer plants at cost for the period less capitalizable borrowing cost. The Company adopted the amendments in PAS 41. The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply.
- (2) In the year ended April 30, 2020, the Company, as lessee, adopted PFRS 16 on its leases which sets forth that at the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company adopted PFRS 16 using the modified retrospective approach upon adoption of PFRS 16 in 2020 and elected to apply the standard to contracts that were previously identified as leases applying PAS 17 and Philippine Interpretation IFRIC-4.

Capital expenditures for the next three years are attributable to factory equipment acquisitions and replacement of farm equipment asset enhancement/modification.

The following table sets out the Company's planned and estimated future capital expenditures (excluding capital expenditure related to bearer plants) based on approved budgets and executable contracts:

	For the year ended April 30,		
	2025	2026	2027
	(unaudited, estimated) (₱ in millions)		
Uncommitted amounts approved by the Board.....	938.0	1,139.4	1,109.1
Commitments in respect of contracts made	98.1	-	-
Total.....	1,036.1	1,139.4	1,109.1

Uncommitted amounts represent the total expected amount of capital spending for the period with no purchase order yet and not yet contracted while the commitments in respect of contracts made pertain to the expected cost of materials and services both delivered and served and still to be delivered and to be served based on purchase orders or contracts with suppliers.

The Company expects to incur capital expenditures of up to an aggregate of approximately ₱1,036.1 million for the year ended April 30, 2025, primarily for supporting growth and capacity expansion, driving automation and cost efficiency, enhancing quality control, safety and compliance across the Company's facilities, and replacing and overhauling existing assets. Other than ordinary course research and development, there are no product research and development projects that form part of the Company's 12-month plan of operation. The Company expects to source the funds necessary to support its estimated capital expenditure requirements for the next three years from operating cash flows, retained earnings and debt financing, subject to market conditions.

These expected amounts reflects the Company's estimates and strategy as of April 30, 2024. The capital expenditures may change as projects are reviewed, or contracts are entered into and are subject to various factors, including market conditions, the general state of the Philippine economy, the operating performance and cash flow of the Company and its ability to obtain financing on terms satisfactory to management.

Contractual Obligations and Commitments

The following table sets forth the Company's contractual obligations and commitments as of April 30, 2024.

	Total	Year ending April 30, 2024	Years ending April 30, 2025 and beyond
		(₱ in millions)	
Short-term notes payable.....	23,351.7	23,351.7	—
Long-term debt.....	10,048.4	750.0	9,298.4
Bonds payable.....	642.5	—	642.5
Accounts payable and accrued expenses	8,612.0	8,612.0	—
Income tax payable	6.6	6.6	—
Lease liabilities (current and non-current) – upon adoption of PFRS 16.....	3,101.2	279.1	2,822.1
Rentals and lease commitments	5,549.3	755.8	4,793.5
Total	51,311.7	33,755.2	17,556.5

The Company's short-term interest-bearing loans and borrowings consist of U.S. dollar-denominated unsecured notes payable in original currency amounting to U.S.\$ 302.5 million (₱17,421.7 million) as of April 30, 2024. The loans bear interest at 5.7% to 6.5% and usually mature after 28 to 90 days.

Trade payables are non-interest-bearing and are normally settled on 30- to 60-day terms.

Income tax payable consists of current tax liability and deferred tax liability. Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted by the end of 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.

Based on existing agreements, the future minimum rental commitments as of April 30, 2024 for all non-cancellable long-term leases of real property, equipment and grower agreements amounted to ₱5,549.3 million (U.S.\$96.4 million).

The Company has unsecured lines of credit with local banks amounting to ₱24,196.4 million (U.S.\$430.5 million) as of April 30, 2024. The Company can draw on these credit lines for its working capital and capital expenditure needs.

Covenant Compliance

Certain of the Company's unsecured bank loan agreements contain covenants that are typical of such facilities, such as financial covenants relating to required interest cover and debt-to-equity ratios.

The Company's loan agreements require that the Company maintain a debt service coverage ratio of at least 1.2x and debt-to-equity ratio not exceeding 2.5x based on consolidated financial statements. The debt-to-equity ratio was revised to 3.0x pursuant to the amendment agreements dated October 26 and 27, 2023. For the years ended April 30 2023 and 2024, the Company was in compliance with the covenants stipulated in the loan agreement.

Any failure by the Company to comply with its financial covenants could constitute an event of default, if irremediable or if remediable but not remedied during the applicable grace period. Upon the occurrence of an event of default, in respect of the Company's bonds, the principal of the bonds together with all accrued and unpaid interest shall be due and payable, and in respect of the Company's loans, the lenders may terminate the commitment, accelerate debt repayment, and declare the entire unpaid principal amount of the loan, all interest accrued and unpaid and all other amounts payable to be due and payable.

Related Party Transaction Covenant

Pursuant to Trust Deed dated March 18, 2024, the Parent Company shall procure that the aggregate amount of all outstanding balances due from related parties (such amount to be determined with reference to the semi-annual or annual consolidated financial statements of the Parent Company and its subsidiaries prepared in accordance with PFRS for such Test Period) as of the last day of each Test Period does not exceed U.S.\$175.2 million (or the Dollar Equivalent thereof).

For so long as the "Inventory Purchase" in the aggregate amount of U.S.\$75.0 million for the purchase of inventory by the Parent Company from an Affiliate is outstanding, such amount that remains outstanding shall be excluded in determining the aggregate amount of all outstanding balances due from related parties specified above for the relevant test period.

Furthermore, such amounts as are incurred in connection with the transactions related to the derivative settlement, share redemption and share sale agreement entered into among the Parent Guarantor, Del Monte Pacific Limited, Central American Resources, Inc. and SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner") dated 19 February 2024 (as may be amended, supplemented, modified, restated or replaced from time to time, the "Derivative Settlement, Share Redemption and Share Sale Agreement"), shall be excluded in determining the aggregate amount of all outstanding balances due from related parties specified above for the relevant test period. As at April 30, 2024, the Parent Company is in compliance with the related party transaction covenant

Off-Balance Sheet Arrangements

As of April 30, 2024, the Company served as financial guarantor of the obligations of Jubilant Year Investments Limited ("Jubilant")'s \$70.0 million issued Senior Perpetual Capital Securities. The Company has also future rental commitments for all non-cancellable long-term leases of real property, equipment and grower agreements based on existing agreements.

Key Performance Indicators

The following are the key performance indicators that the Company uses to track its profitability, leverage and insolvency, which are integral aspects of the Company's performance and financial position.

	As of and for the year ended April 30,		
	2022	2023	2024
	(audited)		
Profitability			
Gross profit margin ⁽¹⁾	29.6%	25.4%	23.6%
EBIT margin ⁽²⁾⁽³⁾	17.0%	12.5%	11.2%
Net revenue growth ⁽⁴⁾	6.1%	12.3%	(5.6%)
Financial Leverage			
Debt-to-equity ratio ⁽⁵⁾	1.6	2.1	2.5
Solvency			
Current ratio or working capital ratio ⁽⁶⁾	1.1	0.7	1.0

Notes:

- (1) Gross profit margin is calculated as gross income divided by revenues.
(2) The table below sets forth the computation of EBIT for the years ended April 30, 2022, 2023 and 2024:

	For the years ended April 30,			
	2022	2023	2024	
	(audited)			(unaudited)
	(P)			(U.S.\$)
	(in millions)			
Net income	4,893.8	3,708.4	2,604.9	45.2
Non-controlling interest.....	0.0	0.0	0.0	0.0
Interest expense	605.0	1,009.8	1,799.0	31.2
Interest income	(60.9)	(243.1)	(500.8)	(8.7)
Income tax expense	792.3	648.1	441.4	7.7
EBIT	6,230.2	5,123.2	4,344.5	75.4

- (3) EBIT margin is calculated as EBIT divided by revenues, where EBIT is calculated as set out in note 3 above.
(4) Net revenue growth is calculated as current period revenues less prior period revenues, divided by prior period revenues.
(5) Debt-to-equity ratio is calculated as total liabilities divided by total equity, where total liabilities is composed of notes payable (short-term and long-term), accounts payable and accrued expenses, lease liabilities (current and non-current), income tax payable, deferred tax liabilities and other noncurrent liabilities.
(6) Current ratio or working capital ratio is calculated as total current assets divided by total current liabilities.

Item 7. Financial Statements (FS) and Other Documents required to be filed with the FS under SRC Rule 68, as Amended

The FY 2024 Audited Financial Statements of the Company is attached hereto as Annex "A". The additional components of the FS are hereto attached as follows:

Index to Supplementary Schedules

Tabular schedule of standards and interpretations as of reporting date, and a Map of the group of companies showing the relationships between and among the company and its ultimate parent company, middle parent, subsidiaries or co- subsidiaries, and associates

Item 8. Independent Public Accountant and External Audit Fees

SGV & Co., a member firm of Ernst & Young Global Limited, has audited the Company's consolidated financial statements as of and for the years ended April 30, 2022, 2023 and 2024, in accordance with Philippine Standards on Auditing.

SGV & Co. has acted as the Company's external auditor since May 2015. Gaile A. Macapinlac serves as the current audit partner while Erwin A. Pagma had served as such since 2022 until 2023. The Company has not had any material disagreements on accounting and financial disclosures with its current external auditor for the same periods or any subsequent interim period. SGV & Co. has neither shareholdings in the Company nor any right, whether legally enforceable or not, to nominate persons or to subscribe for the securities in the Company. SGV & Co. will not receive any direct or indirect interest in the Company or its securities (including options, warrants or rights thereto) pursuant to or in connection with the initial public offering. The foregoing is in accordance with the Code of Ethics for Professional Accountants in the Philippines set by the Board of Accountancy and approved by the Professional Regulation Commission.

The following table sets out the aggregate fees for the years ended April 30, 2022, 2023 and 2024 for professional services rendered by SGV & Co. to the Company.

	For the year ended April 30,		
	2022	2023	2024
	(P in millions)		
Audit fees ⁽¹⁾	5.0	5.2	5.3
Other fees ⁽²⁾	—	0.8	0.5
Tax fees ⁽³⁾	0.5	—	—
Total	5.5	6.02	5.8

Notes:

- (1) Audit fees includes the audit of annual financial statements, and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those calendar years.
- (2) Other fees includes forensic services, royalty expense audit and advice in relation to IFRS 16.
- (3) Tax fees includes tax advisory services provided by the independent auditor.

The fees presented above include out-of-pocket expenses incidental to the independent auditors' work, the amounts of which do not exceed 15% of the agreed-upon engagement fees.

In relation to the audit of the Company's annual financial statements, pursuant to the Company's Manual on Corporate Governance, the Audit and Risk Committee shall, among other activities: (a) review significant financial reporting issues so as to ensure the integrity of the Company's financial statements and any announcements relating to the Company's financial performance; (b) review and report to the Board of Directors the adequacy and effectiveness of the Company's internal controls and internal audit function; (c) review the scope and results of the external audit, and the independence and objectivity of the external auditors; (d) make recommendations to the Board on the appointment, re-appointment and removal of the external auditors, including the remuneration and terms of engagement of the external auditors; and (e) meet with the Company's external auditor and with the head of the Internal Audit department without the presence of Management at least once a year.

Part III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

Board of Directors

The overall management and supervision of the Company, including the exercise of corporate powers and the conduct of the business of the Company, are undertaken by the Board of Directors.

Pursuant to the Company's amended articles of incorporation, its Board of Directors shall consist of nine (9) members. The table below sets forth the members of the Company's Board of Directors as of April 30, 2024:

Name	Age	Nationality	Position
Rolando C. Gapud	82	Filipino	Chairman of the Board
Joselito D. Campos, Jr.	73	Filipino	Director
Edgardo M. Cruz, Jr.	68	Filipino	Director
Luis F. Alejandro	70	Filipino	Director
Jeanette Beatrice Naughton	48	Filipino-American	Director
Corazon S. De La Paz-Bernardo	83	Filipino	Independent Director
Emil Q. Javier	83	Filipino	Independent Director
Jose T. Pardo	85	Filipino	Independent Director
Godfrey E. Scotchbrook	78	British	Independent Director

The following is a brief description of the business experience of the Company's Board of Directors for the past five years.

Mr. Rolando C. Gapud, 82, Filipino, is a Director and the Chairman of the Company, a Director of Jubilant Year Investments Limited ("**Jubilant**"), a subsidiary of the Company, Executive Chairman of DMPL, the indirect parent company of the Company, Chairman of the Board of DMFI, an affiliate of the Company, and Chairman of DMFHL, the holding company of DMFI. He is also a Director of DMFP, a joint venture of DMPL with the Bharti Group of India. He has over 45 years of experience in banking, finance and general management, having worked as CEO of several Philippine companies, notably Security Bank and Trust Company, Oriental Petroleum and Minerals Corp and Greenfield Development Corp. He was also the COO of the joint venture operations of Bankers Trust and American Express in the Philippines. He has served in the Boards of various major Philippine companies, including the Development Bank of the Philippines, the development finance arm of the Government. He holds a Master of Science in Industrial Management degree from the Massachusetts Institute of Technology. He is a member of the Asian Executive Board of the Sloan School of MIT and the Board of Governors of the Asia School of Business, a joint venture between the Sloan School of MIT and Bank Negara, the Central Bank of Malaysia.

Mr. Joselito D. Campos, Jr., 73, Filipino, is a Director and CEO of the Company, a Director of Jubilant, a Director and the President of Philippine Packing Management Service Corporation ("**PPMSC**"), a subsidiary of the Company, the Managing Director and CEO of DMPL, the indirect parent company of the Company, the Vice Chairman of DMFI, an affiliate of the Company, and a Director DMFHL, the holding company of DMFI. He is also a Director of DMFP, a joint venture of DMPL with the Bharti Group of India. Mr. Campos is Chairman and CEO of the NutriAsia Group of Companies, a major food conglomerate in the Philippines and an affiliate and indirect minority shareholder of the Company. He is also Chairman of Fort Bonifacio Development Corp and Chairman of Ayala-Greenfield Development Corp, two major Philippine property developers. He is a Director of San Miguel Corporation, one of the largest and oldest business conglomerates in the Philippines. He was formerly Chairman and CEO of United Laboratories, Inc. ("**Unilab**") and its regional subsidiaries and affiliates. Unilab is one of the Philippines' largest pharmaceutical companies 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 Philippine Centre 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. Edgardo M. Cruz, Jr., 68, Filipino, is a Director and the Assistant Corporate Secretary of the Company, a Director of Jubilant, a Director and the Corporate Secretary of PPMSC, and a Director of DMPL, the indirect parent company of the Company, of DMFI, an affiliate of the Company, and of DMFHL, the holding company of DMFI. Mr. Cruz is also a member of the Board and Corporate Secretary of the NutriAsia Group of Companies. He is the Chairman and President of Capital Consortium, Inc. He is also the Chairman of the Board of Bonifacio Gas Corporation, Bonifacio Water Corporation, Bonifacio Transport Corporation and Crescent West Development Corporation. He is a member of the Board of Evergreen Holdings Inc., Fort Bonifacio Development Corporation, BG West Properties, Inc., Bonifacio Global City Estate Association and Bonifacio Estate Services Corporation. He is also a Board member and Chief Financial Officer of Bonifacio Land Corporation. He sits on the Boards of Ayala Greenfield Development Corporation and Ayala Greenfield Golf and Leisure Club Inc. He is a member of the Board of Trustees of Bonifacio Arts Foundation Inc., The Mind Museum and the Del Monte Foundation, Inc. Mr. Cruz earned his MBA degree from the Asian Institute of Management and his bachelor's degrees in Accounting and Economics from De La Salle University. He is a Certified Public Accountant.

Mr. Luis F. Alejandro, 70, Filipino, is a Director and the President and COO of the Company, is the President of Jubilant, a Director and the General Manager and Chief Operating Officer of PPMSC, is the COO of DMPL, the indirect parent company of the Company, and a Director of DMFI, an affiliate of the Company, and of DMFP, a joint venture of DMPL with the Bharti Group of India. He has over 40 years of experience in consumer product operations and management. He started his career with Procter & Gamble where he spent 15 years in brand management before joining Kraft Foods Philippines, Inc. as President and General Manager. Later, he joined Southeast Asia Food, Inc. and Heinz UFC Philippines, Inc., two leading consumer packaged condiment companies of the NutriAsia Group, as President and COO. He then became President and COO of ABS-CBN Broadcasting Corporation, a leading media conglomerate in the Philippines. He holds a bachelor's degree in Economics from the Ateneo de Manila University and an MBA from the Asian Institute of Management.

Ms. Jeanette Beatrice Naughton, 48, Filipino-American, is a Director of the Company and also serves as Vice President, Strategic Planning of DMFI, an affiliate of the Company, and of DMFHL, the holding company of DMFI. Ms. Naughton is responsible for spearheading DMFI's strategic planning function and Diversity, Equity and Inclusion (DEI) Initiatives, with principal involvement in DMFI's mid-to-long term corporate vision, financial goals and key measures, business strategies, and resources requirements. Ms. Naughton formerly held management positions at Google at their Mountain View, California headquarters. She has an MBA from the Sloan School of Management of the Massachusetts Institute of Technology and a BA Mathematics degree from Wellesley College.

Ms. Corazon S. De La Paz-Bernardo, 83, Filipino, is an Independent Director of the Company. Ms. De La Paz-Bernardo is also an Independent Director of the following publicly listed companies: D&L Industries, Republic Glass Holdings Corporation and Roxas & Co. She is an Independent Director of Phinma Education Holdings, Inc., Adviser to the Board and the Board Audit Committee of BDO Unibank, Inc., and Adviser to the Board Audit Committee of PLDT; Independent Trustee of University of the East, UE Ramon Magsaysay Memorial Medical Center; Trustee of the Philippine Business for Education and FINEX Foundation, Vice Chairperson of Jaime V. Ongpin Foundation, Inc., Chairperson of Jaime V. Ongpin Microfinance Foundation, and Trustee/Treasurer of MFI Polytechnic Institute, Inc. She was Chairman and Senior Partner of then Joaquin Cunanan & Co. (Price Waterhouse Philippines) from 1981 to 2001 and a member of the board of Price Waterhouse World Firm from 1992 to 1995. She was a Director of San Miguel Corporation, PLDT, Philex Mining, among others, from 2001 to 2008, Ayala Land (2006-April 2010), Chairman of the Board of Equitable PCI Bank (2006-2007), and Vice Chairman of Banco de Oro (BDO, Inc.) (2007-2012). She was President of the Social Security System from 2001 to 2008 and of the Geneva-based International Social Security Association from 2004 to 2010 and is currently its Honorary President. She had served as National President of the Philippine Institute of CPAs, the Management Association of the Philippines, the Financial Executive Institute of the Philippines, Cornell Club of the Philippines, The Outstanding Women in the Nation's Service, and the Philippine Fulbright Scholars Association. She is an awardee of The Outstanding Filipino in Public Accounting, and Outstanding Professional in Public Accounting by the Professional Regulatory Commission. She graduated Magna Cum Laude at the University of the East and ranked first place in the 1960 Certified Public Accountants Board Examination. She holds a Master of Business Administration degree from Cornell University in New York as a Fulbright grantee and University of the East Scholar. She is a life member of the Cornell University Council. She was conferred the degree of Doctor of Humanities (H.D.) honoris causa by the University of the Cordilleras (Baguio City) in 2017.

Dr. Emil Q. Javier, 83, Filipino, is an Independent Director of the Company. He is also an Independent Director of DMPL, the indirect parent company of the Company. He is a Filipino agronomist with a broad understanding of developing country agriculture. He was the first and only developing country scientist to Chair the Technical Advisory Committee of the prestigious Consultative Group for International Agricultural Research, a global consortium led by the World Bank and the Food and Agriculture Organization of the United Nations. He was Director General of the Asian Vegetable Research and Development Center based in Taiwan and has served as Chairman of the Board of the International Rice Research Institute, and as Chairman and Acting Director of the Southeast Asian Regional Center for Graduate Study and Research in Agriculture. In the Philippines, during various periods, he had been President of the University of the Philippines, Minister for Science and Technology and President of the National Academy of Science and Technology. He was also conferred the rank of National Scientist by the President of the Philippines, the highest honor given by the President to a Filipino in the field of science and technology. Dr. Javier is an Independent Director of Philippine-listed Centro Escolar University. He holds doctorate and master's degrees in plant breeding and agronomy from Cornell University and the University of Illinois at Urbana-Champaign, respectively. He completed his bachelor's degree in agriculture at the University of the Philippines at Los Baños.

Mr. Jose T. Pardo, 85, Filipino, is an Independent Director of the Company. Mr. Pardo is also the Chairman and Independent Director of The Philippine Stock Exchange, Inc., Securities Clearing Corporation of the Philippines, and Philippine Seven Corporation, and the Chairman, Board of Advisers of Bank of Commerce. He is also Chairman of the Council of Business Leaders of Employers Confederation of the Philippines and Philippine Chamber of Commerce, Inc. He is an Independent Director of JG Summit Holdings, Inc., National Grid Corporation of the Philippines, ZNN Radio Veritas, League One Finance and Leasing Corporation, and Araneta Hotels, Inc. Mr. Pardo has held various positions in the Government including Secretary of the Department of Finance (2000-2001) and Secretary of the Department of Trade and Industry (1998-2000). Mr. Pardo also served as the Chairman of the Foundation for Crime Prevention, Assumption College, Wenphil Corporation (Wendy's Philippines), Asian Holdings Corporation, OCCC General Construction Corp., and ABC Development Corporation. He also served as Co-Chairman of De La Salle Philippines, Inc. and EDSA People Power Commission. He was also a Director for San Miguel Purefoods, Inc., Metropolitan Bank Trust Company, Mabuhay Philippine Satellite Corporation, and Coca-Cola Bottlers Philippines, Inc., and the President of the Land and Housing Development Corp. and Philippine Seven Corporation. Mr. Pardo obtained his Bachelor of Science in Commerce, major in Accounting, and his master's degree in business administration from De La Salle University in Manila. In February 2018, he was conferred an Honorary Doctorate in Finance by the same university.

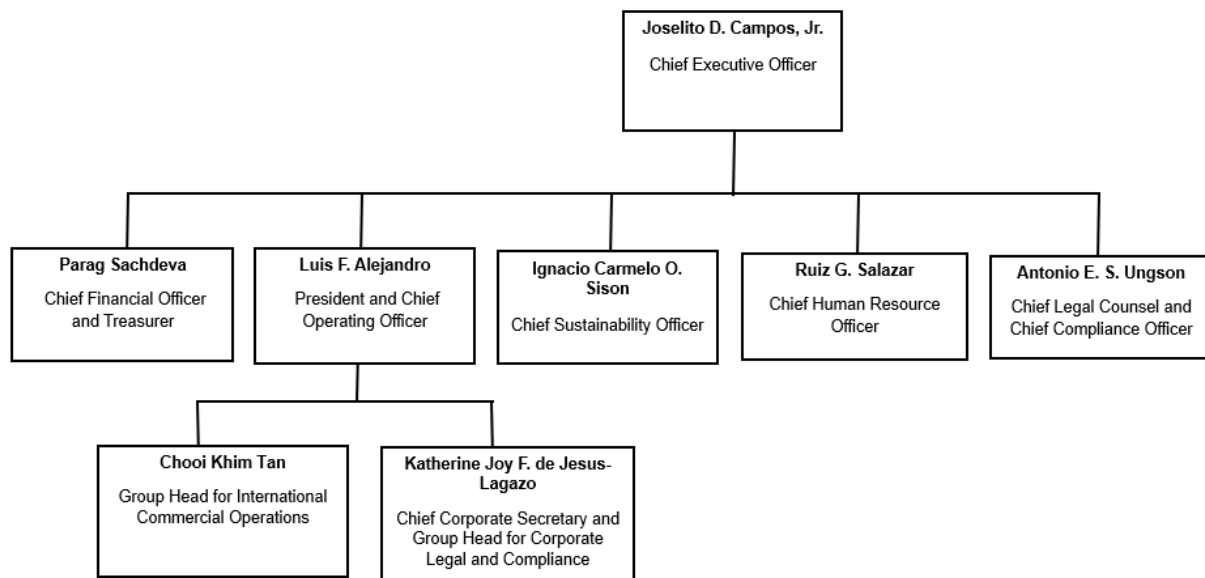
Mr. Godfrey E. Scotchbrook, 78, British, is an Independent Director of the Company, of DMPL, the indirect parent company of the Company, of DMFI, an affiliate of the Company, and of DMFHL, the holding company of DMFI. Mr. Scotchbrook is an independent practitioner in corporate communications, issues 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. 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.

Senior Management

The table below sets forth the Company's senior management as of the date:

Name	Age	Nationality	Position
Joselito D. Campos, Jr.	73	Filipino	Chief Executive Officer
Luis F. Alejandro	70	Filipino	President and Chief Operating Officer
Parag Sachdeva	54	Indian	Chief Financial Officer and Treasurer
Ignacio C. O. Sison	59	Filipino	Chief Sustainability Officer
Antonio Eugenio S. Ungson	52	Filipino	Chief Legal Counsel and Chief Compliance Officer
Katherine Joy F. de Jesus-Lagazo	45	Filipino	Corporate Secretary and Group Head for Corporate Legal and Compliance
Ruiz G. Salazar	60	Filipino	Chief Human Resource Officer

The senior management reporting structure is set out below:



The following is a brief description of the business experience of the Company's senior management for the past five years.

Mr. Joselito D. Campos, Jr., see page 37 of this report.

Mr. Luis F. Alejandro, see page 38 of this report.

Mr. Parag Sachdeva, 54, Indian, is the CFO and Treasurer of the Company, the CFO of Jubilant, the CFO and Treasurer of PPMSC, and the CFO of DMPL, the indirect parent company of the Company. 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 the Company, 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 H.J. Heinz Company 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. Ignacio Carmelo O. Sison, 59, Filipino, is the Chief Sustainability Officer of the Company and is also the Chief Corporate Officer of DMPL, the indirect parent company of the Company, responsible for sustainability, risk management, strategy, investor relations and corporate communications. He has been with DMPL since 1999 and was the group's CFO for nine years. Mr. Sison has over 30 years of experience including leadership roles in finance and sustainability. Before joining DMPL, he was CFO of its previous parent company for three years. Among others, he also worked for Pepsi-Cola Products Philippines and SGV & Co. In 2010, Mr. Sison received the Best CFO award from the Singapore Corporate Awards. He is the Vice Chairman of the Philippine Sustainability Reporting Committee and is a member of the Institute of Corporate Directors. Mr. Sison is the Vice Chairman of the Philippine Sustainability Reporting Committee and is a member of the Institute of Corporate Directors. Mr. Sison is the Chairman of the Finance and Budget Committee of Ateneo de Manila University's Board and is a member of the Advisory Board of the Ateneo Institute of Sustainability. Mr. Sison holds an MSc degree in Agricultural Economics from Oxford University; an MA, Major in Economics, from the International University of Japan; a BA in Economics, magna cum laude, from the

University of the Philippines; and an International Baccalaureate from the Lester B. Pearson United World College, Canada.

Mr. Antonio E. S. Ungson, 52, Filipino, is the Chief Legal Counsel and Chief Compliance Officer of the Company. Mr. Antonio E. S. Ungson is also the Chief Legal Counsel, Chief Compliance Officer, and Company Secretary of DMPL, the Company's indirect parent company. He was the Head of the Legal Department of the Company until August 2023 and Corporate Secretary of the Company until March 2024. Prior to joining the Company in 2006, Mr. 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.

Ms. Katherine Joy F. de Jesus-Lagazo, 45, Filipino, is the Corporate Secretary and Group Head for Corporate Legal and Compliance of the Company. She is also the Corporate Secretary of Del Monte – Vinamilk Dairy Philippines, Inc. and Assistant Corporate Secretary of DMPL, the Company's indirect parent company, of PPMSC, and of Del Monte Foundation, Inc. Prior to joining the Company in 2007, Ms. de Jesus-Lagazo was an Associate in SyCip Salazar Hernandez & Gatmaitan in Manila, where she primarily handled corporate matters, special projects, and banking, finance and securities transactions. She also performed employment and labor relations work and company secretarial services. Ms. de Jesus-Lagazo obtained her Bachelor of Laws, cum laude, from the University of the Philippines College of Law, and her undergraduate degree in Legal Management, with Honorable Mention, from the Ateneo de Manila University.

Mr. Ruiz G. Salazar, 60, Filipino, is the Chief Human Resource Officer of the Company and of DMPL, the indirect parent company of the Company. 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.

Ms. Chooi Khim Tan, 63, Malaysian, is the Group Head for International Commercial Operations of the Company. She has been the General Manager of S&W Fine Foods since September 2009. Prior to joining the DMPL Group, she was with the Sara Lee organization, serving as Marketing Director of Sara Lee Malaysia from 1999 to 2003, General Manager of Sara Lee Thailand Ltd from 2003 to 2008, and President of Sara Lee Malaysia, Singapore, and Vietnam from 2008 to 2009. She had also worked for Unilever Malaysia in various capacities from 1987 to 1999. Ms. Tan obtained her Bachelor of Science degree in Chemistry from Cumberland College in Kentucky, USA and a Master of Science degree in Chemistry from Purdue University in Indiana, USA.

Significant Employees

The Board of Directors and the senior management of the Company have been an integral part of its success. Their knowledge, experience, business relationships and expertise greatly contribute to the Company's operating efficiency and financial performance.

The Company maintains that it considers the collective efforts of the Board of Directors and all of its employees as instrumental to its overall success. The business of the Company is not dependent on any individual person. No employee is indispensable in the organization. The Company has institutionalized through documentation, its processes and training to ensure continuity and scalability in the business without relying on any particular employee.

Family Relationships

As of 30 April 2024, there are no family relationships (by consanguinity or affinity up to the fourth civil degree) among directors and executive officers that are known to the Company other than that between two directors, Mr. Joselito D. Campos, Jr., also CEO of the Company, (father) and Ms. Jeanette Beatrice Naughton (daughter).

Involvement in Certain Legal Proceedings

Except as set out below, the Company is not aware of the occurrence of any of the following events during the past five years, which events may be considered material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter or control person of the registrant:

- Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;
- Being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and
- Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

Mr. Luis F. Alejandro, the Company's President and Chief Operating Officer, is not involved in any criminal proceeding, or bankruptcy and insolvency investigation, except for the libel case filed several years ago by GMA Network, Inc. against ABS-CBN Broadcasting Corp. ("ABS-CBN"), Mr. Alejandro was impleaded as co-accused in his capacity as then President and Chief Operating Officer of ABS-CBN, together with other officers and employees. This case remains pending as of April 30, 2024.

Item 10. Compensation of Directors and Executive Officers

The aggregate compensation paid or incurred during the last three fiscal years to the President and Chief Executive Officer and four other most highly compensated executive officers and all other officers and directors (as a group) of the Company are as follows:

<u>Name and Position</u>	<u>Year ended April 30,</u>	<u>Salary (₱ in millions)</u>	<u>Bonus (₱ in millions)</u>
	2024	293.8	111.3
Chief Executive Officer and four most highly compensated executive officers ⁽¹⁾	2023	263.5	144.6
	2022	235.0	227.9
	2024	199.4	45.4
All other officers and directors as a group unnamed	2023	173.2	46.5
	2022	170.7	46.1

Note:

(1) *The CEO and executive officers of the Company are as follows: Managing Director & CEO, Mr. Joselito D Campos, Jr. and the executives (in alphabetical order): Luis F. Alejandro, Parag Sachdeva, Ignacio Carmelo O. Sison, and Antonio Eugenio S. Ungson.

Standard Arrangement

Other than Directors' fees or payment of reasonable per diem as may be determined by the Board of Directors of the Company for every meeting, there are no standard arrangements pursuant to which the Directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a Director for the last completed fiscal year and the ensuing year.

Other arrangements

Dr. Emil Q. Javier provides guidance and support to the DMPL Group on its plantation operations and development of agri-based initiatives.

Except as described above, there are no arrangements pursuant to which any of the Company's Directors is compensated, or are to be compensated, directly or indirectly, for any service provided as a Director.

Warrants and Options

In December 2021, the stockholders and Board of Directors of the Company jointly approved the Company's 2021 Long Term Incentive Plan (the "**Plan**"), subject to certain requisite regulatory approvals having been obtained. The Plan provides for the grant of stock options on the Company's stock. In a Resolution dated 11 November 2022, the SEC resolved that the issuance under such plan is exempt from the registration requirement under the Securities Regulation Code. No stock option under the Plan has vested as of the date of this Offering Circular and, thus, there has been no exercise of the any such stock option.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no arrangements for compensation to be received from the Company in the event of a resignation or termination of the executive officer's employment, or a change of control of the Company. The Company, however, provides retirement benefits to qualified employees, including the senior management.

Item 11. Security Ownership of Certain Beneficial Owners and Management

The table below sets out the security ownership of DMPI's shareholder of more than 5.0% of the Company's voting securities as of April 30, 2024:

Title of Class	Name and Address of Record Owner; Relationship with Company; and Authorized Representative	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	% of Total Outstanding
<i>Common Shares</i>	Central American Resources, Inc.; c/o PH Arifa, 9 th and 10 th Floors, West Boulevard, Santa Maria Business District, Panama, Republic of Panama; Stockholder; Mr. Joselito D. Campos, Jr.	Central American Resources, Inc. is the beneficial and record owner of the shares indicated.	Panamanian	2,433,668,395	87%
<i>Common Shares</i>	SEA Diner Holdings (S) Pte. Ltd.; 77 Robinson Road, #33-00, Robinson 77, Singapore, 068896; Stockholder; Mr. Tang Edmund Koon Kay	SEA Diner Holdings (S) Pte. Ltd. is the beneficial and record owner of the shares indicated.	Singaporean	363,651,600	13%*

*The Company had purchased 71,060,624 common shares owned by SEA Diner Holdings (S) Pte. Ltd. through a Deed of Absolute Sale dated 5 June 2024. The application for the Certificate Authorizing Registration ("**CAR**") is pending with the Philippine Bureau of Internal Revenue. Once the CAR is issued, the transaction shall be recorded in the Company's stock and transfer book.

The table below sets forth the security ownership of the Company's directors and executive officers as of April 30, 2024:

Title of Class	Name of Registered/ Beneficial Owner	Amount and Nature of Ownership	Citizenship	Percentage of Ownership
Common Shares	<i>Rolando C. Gapud</i>	1 (R) 3,407,136 (B)	Filipino	0.1218%
Common Shares	<i>Joselito D. Campos, Jr.</i>	1 (R) 1,541,821,245 (B)	Filipino	55.1178%
Common Shares	<i>Edgardo M. Cruz, Jr.</i>	1 (R) 3,650,503 (B)	Filipino	0.1305%
Common Shares	<i>Luis F. Alejandro</i>	1 (R) 4,623,970 (B)	Filipino	0.1653%
Common Shares	<i>Jeanette Beatrice Naughton</i>	1 (R)	Filipino-American	Nil
Common Shares	<i>Corazon De La Paz-Bernardo</i>	1 (R)	Filipino	Nil
Common Shares	<i>Emil Q. Javier</i>	1 (R) 730,101 (B)	Filipino	0.0261%
Common Shares	<i>Jose T. Pardo</i>	1 (R)	Filipino	Nil
Common Shares	<i>Godfrey E. Scotchbrook</i>	1 (R) 243,367 (B)	British	0.0087%
Common Shares	<i>Parag Sachdeva</i>	0	Indian	Nil
Common Shares	<i>Ignacio C.O. Sison</i>	1,460,201 (B)	Filipino	0.0522%
Common Shares	<i>Antonio E. S. Ungson</i>	730,101 (B)	Filipino	0.0261%
Common Shares	<i>Katherine Joy F. de Jesus-Lagazo</i>	0	Filipino	Nil
Common Shares	<i>Ruiz G. Salazar</i>	0	Filipino	Nil
Common Shares	<i>Chooi Khim Tan</i>	0	Malaysian	Nil
Total		9 (R) 1,556,666,624 (B)		

(a) Voting Trust Holders of 5% or more

There are no persons holding more than 5.0% of a class of shares of the Company under a voting trust or similar agreement as of end of fiscal year.

(b) Changes in Control

There are no arrangements which may result in a change in control of the Company.

Item 12. Certain Relationships and Related Transactions

DMPI, in the ordinary course of business, engages in various transactions with related parties and affiliates principally consisting of purchases and sales of products and services, intellectual property licensing and leases of property. DMPI's policy with respect to related party transactions is to ensure that these transactions are (i) carried out on an arm's length basis and on standard commercial terms, consistent with the Company's usual business practices and policies; and (ii) will not be prejudicial to the interests of the Company and its minority shareholders. All related party transactions will be subject to the review and approval of the Audit and Risk Committee, the Board and the shareholders, depending on the amounts involved. The Company also complies with the board and shareholder voting mechanisms provided under the Revised Philippine Corporation Code and the relevant regulations of the Philippine SEC for related party transactions. In the case of interlocking directors, directors on the Board and on the Audit and Risk Committee who are interested in the transactions to be approved are required to abstain from voting thereon.

The Company believes that each of its related party transactions is beneficial to DMPI as such transactions enable the Company to capitalize on the know-how and experience of its affiliates' respective management teams and employees, and the intellectual property held by, and distribution network of, entities within the wider DMPL Group, and to achieve synergies as a result of shared procurement and specialized production. Accordingly, the Company believes that its transactions with related parties are not prejudicial to interests of minority shareholders.

For further information on the Company's related party transactions, see Note 35 of the Company's audited consolidated financial statements as of and for the years ended April 30, 2022, 2023 and 2024.

A summary of the amount of the transactions entered into by the Company with related parties for the year ended April 30, 2024 and the outstanding balance due from or to related parties as of April 30, 2024 are set out below. All outstanding balances with these related parties are due to be settled within 12 months of the reporting date. None of the balance is secured.

	Amount of transactions for the year ended April 30, 2024		Outstanding balance due from (due to) related parties as of April 30, 2024	
	₱	U.S.\$	₱	U.S.\$
	(audited)	(unaudited)	(audited)	(unaudited)
	(in millions)			
Nutri-Asia, Inc.				
Sales.....	4.6	0.1	1.8	0.0
Purchases and advanced payment of toll pack fee	-	-	(0.7)	-
Advances and security deposit.....	-	-	(224.9)	(3.9)
Services and other reimbursement	8.3	0.1	(6.5)	(0.1)
Affiliates under common control⁽¹⁾				
Sales.....	5,130.4	89.1	8,829.9	153.3
Purchases and royalties.....	(10.8)	(0.2)	(16.5)	(0.3)
Prepayments	5,116.1	88.8	4,894.6	85.0
Advances	7,589.3	131.8	3,650.9	63.4
Services and other reimbursement	1,328.5	23.1	1,583.0	27.5
Other related parties				
Sales.....	169.9	3.0	174.2	3.0
Purchases	-	-	(44.0)	(0.8)
Rendering of services.....	(26.4)	(0.5)	(62.7)	(1.1)
Lease receivable.....	0.01	-	3.3	0.1
Rental of office space and common use service area	34.3	0.6	(54.4)	(0.9)
Total			18,728.1	325.2

Notes:

- (1) Related party transactions with affiliates under common control includes transactions between the Company and its wholly owned subsidiary PPMSC.

Part IV – CORPORATE GOVERNANCE

Item 13. Annual Corporate Governance

Corporate Governance

Manual on Corporate Governance

Pursuant to Article 9 of the Revised Code of Corporate Governance, the Manual on Corporate Governance of the Company was approved by the Board of Directors on January 22, 2018.

Compliance and Monitoring System

The monitoring of the implementation of the evaluation system of the Company to measure and determine the adherence to and the level of compliance of the Board of Directors and top-level management with the Manual is vested by the Board of Directors in the Chief Compliance Officer. As of April 30, 2024, the Chief Compliance Officer is Mr. Antonio Eugenio S. Ungson.

The Chief Compliance Officer is responsible for monitoring compliance by the Company with the provisions and requirements of the Manual and the rules and regulations of the relevant regulatory agencies and ensures adherence to corporate principles and best practices.

Further, the Company may organize regular seminars or programs on Corporate Governance for directors and key officers, in accordance with SEC regulations.

Pursuant to its commitment to good governance and business practice, the Company shall continue to review and strengthen its policies and procedures, giving due consideration to developments in the area of corporate governance which it determines to be in the best interests of the Company and its stockholders.



Del Monte Philippines, Inc.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of **Del Monte Philippines, Inc. and Subsidiaries** (the “Group”) is responsible for the preparation and fair presentation of the consolidated financial statements including the schedules attached therein, for the fiscal period ended April 30, 2024, April 30, 2023 and April 30, 2022, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Group in accordance with Philippine Standards on Auditing, and in its report to the Stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature: _____

Rolando C. Gapud, Chairman

Signature: _____

Joselito D. Campos, Jr., Chief Executive Officer

Signature: _____

Parag Sachdeva, Chief Financial Officer & Treasurer

Signed this 7th day of August 2024

Republic of the Philippines)
City of MAKATI CITY) S.S.

SUBSCRIBED AND SWORN to before me this AUG 14 2024, in
MAKATI CITY by the affiants who exhibited to me the following –

Name	Competent Evidence of Identity	Date/Place Issued
Joselito D. Campos, Jr.	Passport No. P7796935B	07 October 2021 / DFA - Manila
Parag Sachdeva	Passport No. Z4816522	16 May 2018 / Manila

known to me and to me know to be the same persons who executed the foregoing instrument and
acknowledged that the same is their true and voluntary act and deed.

WITNESS MY HAND AND SEAL on the date and at the place first above written.

Doc. No. 283;
Page No. 18;
Book No. 189;
Series of 2024.

ATTY. JOEL FERRER FLORES
Notary Public for Makati City
Until December 31, 2024
Appointment No. M-115(2023-2024)
Roll of Attorney No. 77376
MCLE Compliance VIII NO. 0001393-
Jan. 03, 2023 Until Apr. 14, 2028
PIR No. 10073945/ Jan. 02, 2024/Makati City
IBP No. 330740/ Jan. 02, 2024/Pasig City
1107 D Bataan St., Guadalupe Nuevo, Makati City

COVER SHEET

for AUDITED FINANCIAL STATEMENTS

SEC Registration Number

	P	W	0	0	0	0	0	1	1	2
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COMPANY NAME

D	E	L		M	O	N	T	E		P	H	I	L	I	P	P	I	N	E	S	,		I	N	C	.		A	N
D		S	U	B	S	I	D	I	A	R	I	E	S																

PRINCIPAL OFFICE (No. / Street / Barangay / City / Town / Province)

J	Y		C	A	M	P	O	S		C	E	N	T	R	E	,		9	T	H		A	V	E	N	U	E		C
O	R	N	E	R		3	0	T	H		S	T	R	E	E	T	,		B	O	N	I	F	A	C	I	O		G
L	O	B	A	L		C	I	T	Y	,		T	A	G	U	I	G		C	I	T	Y	,		P	H	I	L	I
P	P	I	N	E	S																								

Form Type

A	A	C	F	S
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Department requiring the report

S	E	C	
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Secondary License Type, If Applicable

N	/	A	
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COMPANY INFORMATION

Company's Email Address

www.delmontephil.com

Company's Telephone Number

(02) 8- 8562888

Mobile Number

N/A

No. of Stockholders

11

Annual Meeting (Month / Day)

Any day of August

Fiscal Year (Month / Day)

April 30

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Parag Sachdeva

Email Address

SachdevaP@delmonte-phil.com

Telephone Number/s

(088) 855-4312

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

JY Campos Centre 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City, Philippines

NOTE 1 : In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

2 : All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Del Monte Philippines, Inc.
JY Campos Centre, 9th Avenue corner 30th Street
Bonifacio Global City, Taguig City

Opinion

We have audited the consolidated financial statements of Del Monte Philippines, Inc. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at April 30, 2024, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at April 30, 2024, 2023 and 2022 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matters in the next page, 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 Consolidated 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 consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Fair Value of Agricultural Produce

The Group has agricultural produce amounting to ₱5,926 million as at April 30, 2024 that is carried as part of biological assets account in the consolidated statements of financial position.

The valuation of agricultural produce was significant to our audit as the estimation process is complex, involves significant management estimate, and is based on assumptions that could be affected by natural phenomena. The key assumptions in determining the fair value of harvested produce include expected selling prices and gross margins. The key assumptions for the fair value of unharvested produce include its expected selling prices, gross margin, estimated tonnage of harvests and future growing costs.

The Group's disclosures relating to biological assets, in particular agricultural produce, and sources of estimation uncertainty are included in Notes 3, 4, 9, 24 and 37 to the consolidated financial statements.

Audit response

We obtained an understanding of management's fair value measurement methodology and its process in valuing the agricultural produce. We assessed the methodology used in estimating the fair value. We tested the key assumptions used in the valuation of harvested produce which include expected selling prices and gross margin, and unharvested produce its expected selling prices, gross margins, estimated tonnage of harvests and future growing costs, against management plans, historical data, and external data such as selling prices in the principal market. We also reviewed Group's disclosures in Notes 4, 9, 24 and 37 to the financial statements, relating to biological assets and sources of estimation uncertainty.

Impairment Testing of Trademark

Under Philippine Accounting Standard (PAS) 36, *Impairment of Assets*, the Group is required to perform annual impairment tests on the amount of indefinite life intangible asset. As at April 30, 2024, the carrying value of the Group's indefinite life intangible asset amounted to ₱2,987 million. The annual impairment test of indefinite life intangible asset is significant to our audit because the amount is material to the consolidated financial statements. In addition, the determination of the recoverable amount involves management's judgment and significant assumptions about the future results of business such as cumulative average annual revenue growth rates, royalty rate and discount rate that were applied to the relief-from-royalty calculation.

The Group's disclosures about indefinite life intangible asset is included in Notes 4 and 11 to the consolidated financial statements.



Audit Response

We obtained an understanding of the Group's impairment assessment process and the related controls. We tested the reasonableness of the key assumptions used in the valuation, which include cumulative average annual revenue growth rates, royalty rate and discount rate. We compared the key assumptions used, such as cumulative average annual revenue growth rates against historical sales generated with the use of the trademark, local economic development, industry outlook and other relevant external data. We tested the parameters used in the determination of the discount rate and royalty rate against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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



As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 audit. We remain solely responsible for our audit opinion.

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

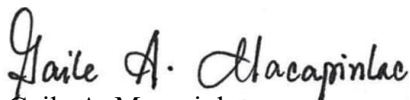
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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

The engagement partner on the audit resulting in this independent auditor's report is Gaile A. Macapinlac.

SYCIP GORRES VELAYO & CO.



Gaile A. Macapinlac

Partner

CPA Certificate No. 98838

Tax Identification No. 205-947-572

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-126-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10079961, January 6, 2024, Makati City

August 7, 2024



DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Thousands)

	April 30		
	2024	2023	2022
ASSETS			
Current Assets			
Cash and cash equivalents (Notes 6, 36 and 37)	₱271,200	₱584,903	₱856,653
Receivables (Notes 7, 35, 36 and 37)	18,047,825	14,179,134	7,696,415
Inventories (Notes 8, 21 and 29)	5,050,767	7,345,733	5,170,899
Biological assets (Note 9)	2,797,184	2,489,173	2,476,150
Prepaid expenses and other current assets (Note 13)	6,134,731	1,093,341	1,142,001
Total Current Assets	32,301,707	25,692,284	17,342,118
Noncurrent Assets			
Biological assets (Note 9)	198,262	168,588	144,876
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 12, 36 and 37)	33,060	34,054	15,384
Investment properties (Note 14)	159,344	165,524	171,703
Property, plant and equipment (Note 15)	23,326,072	22,075,145	19,261,622
Intangible asset (Note 11)	2,987,400	2,987,400	2,987,400
Receivable - net of current portion (Notes 7 and 39)	127,670	145,975	157,627
Net retirement benefits asset (Note 34)	449,141	586,670	512,850
Other noncurrent assets (Notes 16, 36 and 37)	1,228,372	1,185,145	1,089,581
Total Noncurrent Assets	28,509,321	27,348,501	24,341,043
	₱60,811,028	₱53,040,785	₱41,683,161
LIABILITIES AND EQUITY			
Current Liabilities			
Short-term notes payable (Notes 17, 36 and 37)	₱23,351,711	₱20,472,924	₱8,777,789
Accounts payable and accrued expenses (Notes 20, 36 and 37)	8,611,981	7,433,190	6,792,153
Current portion of:			
Bonds payable (Note 19)	—	5,816,019	—
Long-term debt (Notes 18, 36 and 37)	750,000	687,500	—
Lease liabilities (Note 39)	279,176	429,222	472,454
Income tax payable (Note 30)	6,564	28,955	121,190
Total Current Liabilities	32,999,432	34,867,810	16,163,586
Noncurrent Liabilities			
Long-term debt - net of current portion (Notes 18, 36 and 37)	9,298,447	2,303,855	2,985,632
Bonds payable - net of current portion (Note 19)	642,542	640,414	6,422,398
Deferred tax liabilities - net (Note 30)	302,919	281,651	190,989
Lease liabilities - net of current portion (Note 39)	2,822,064	2,005,990	2,398,620
Total Noncurrent Liabilities	13,065,972	5,231,910	11,997,639
Total Liabilities	46,065,404	40,099,720	28,161,225
Equity Attributable to Equity Holders of the Parent Company			
Common stock (Note 31)	2,433,668	2,797,320	2,797,320
Perpetual equity shares (Note 31)	3,805,255	—	—
Convertible preferred shares (Note 31)	363,652	—	—
Other comprehensive income reserves (Notes 12, 14 and 34)	1,092,004	1,040,601	582,420
Retained earnings:			
Appropriated (Note 33)	2,796,541	2,796,541	2,796,541
Unappropriated (Notes 32, 33 and 39)	6,376,336	6,298,582	7,337,584
Less: Treasury shares (Note 31)	(2,129,821)	—	—
Total Equity Attributable to Equity Holders of the Parent Company	14,737,635	12,933,044	13,513,865
Non-controlling interests	7,989	8,021	8,071
Total Equity	14,745,624	12,941,065	13,521,936
	₱60,811,028	₱53,040,785	₱41,683,161

See accompanying Notes to the Consolidated Financial Statements.



DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands)

	Years Ended April 30		
	2024	2023	2022
REVENUES (Notes 24)	₱38,749,105	₱41,067,618	₱36,556,457
COST OF SALES (Note 21)	(29,587,375)	(30,651,751)	(25,742,201)
GROSS INCOME	9,161,730	10,415,867	10,814,256
DISTRIBUTION AND SELLING EXPENSES (Note 22)	(3,512,098)	(4,147,790)	(3,631,340)
GENERAL AND ADMINISTRATIVE EXPENSES (Note 23)	(1,047,596)	(957,580)	(864,164)
FINANCE COST (Note 27)	(1,983,772)	(1,150,006)	(698,358)
INTEREST INCOME	500,842	243,110	60,872
FOREIGN EXCHANGE GAIN - NET (Note 36)	47,134	42,371	107,215
SHARE IN NET LOSS FROM JOINT VENTURE (Note 10)	(31,910)	(97,881)	(50,064)
OTHER EXPENSES (Note 26)	(311,060)	(280,289)	(240,978)
OTHER INCOME (Note 25)	223,027	288,644	188,638
INCOME BEFORE INCOME TAX	3,046,297	4,356,446	5,686,077
INCOME TAX EXPENSE (Note 30)			
Current	407,265	707,760	792,561
Deferred	34,165	(59,677)	(260)
	441,430	648,083	792,301
NET INCOME	2,604,867	3,708,363	4,893,776
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will be reclassified to profit or loss			
Gain (loss) on commodity swaps and nondelivery forward contract	(101,009)	31,010	—
Items that will never be reclassified to profit or loss			
Unrealized gain (loss) on change in fair value of financial assets at FVOCI (Note 12)	(994)	18,670	2,827
Gain on revaluation of land (Note 15)	—	427,162	—
Remeasurement gain on retirement liability (Note 34)	83,691	131,582	222,734
Income tax effect	(20,772)	(150,243)	(56,104)
	(39,084)	458,181	169,457
TOTAL COMPREHENSIVE INCOME	₱2,565,783	₱4,166,544	₱5,063,233
Total Net Income (Loss) Attributable to			
Equity holders of the Parent Company	₱2,604,899	₱3,708,413	₱4,893,831
Non-controlling interests	(32)	(50)	(55)
	₱2,604,867	₱3,708,363	₱4,893,776
Total Comprehensive Income (Loss) Attributable to			
Equity holders of the Parent Company	₱2,565,815	₱4,166,594	₱5,063,288
Non-controlling interests	(32)	(50)	(55)
	₱2,565,783	₱4,166,544	₱5,063,233
Attributable to equity holders of the Parent Company			
Basic earnings per share (Note 43)	₱0.94	₱1.33	₱1.75
Diluted earnings per share (Note 43)	₱0.85	₱1.33	₱1.75
Dividends declared per share to common stock (Note 32)	₱0.94	₱1.70	₱0.80

See accompanying Notes to the Consolidated Financial Statements.



DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity Attributable to Equity Holders of the Parent Company								Non-Controlling Interests	Total Equity
	Capital Stock				Retained Earnings					
	Common (Note 31)	Convertible Preferred (Note 31)	Perpetual (Note 31)	Treasury Shares (Note 31)	Other Comprehensive Income Reserves (Notes 12, 14 and 34)	Appropriated (see Note 33)	Unappropriated (Note 32, 33 and 39)	Total Equity Attributable to Holders of the Parent		
As at May 1, 2023	₱2,797,320	₱–	₱–	₱–	₱1,040,601	₱2,796,541	₱6,298,582	₱12,933,044	₱8,021	₱12,941,065
Total comprehensive income for the year										
Net income for the year	–	–	–	–	–	–	2,604,899	2,604,899	(32)	2,604,867
Other comprehensive income during the year – net of tax	–	–	–	–	(39,084)	–	–	(39,084)	–	(39,084)
Total comprehensive income (loss) for the year	–	–		–	(39,084)	–	2,604,899	2,565,815	(32)	2,565,783
Issuance of senior perpetual securities		–	3,805,255	–	–	–	–	3,805,255	–	3,805,255
Redemption of shares (Note 31)		–		(2,129,821)	–	–	–	(2,129,821)	–	(2,129,821)
Conversion of common shares to preferred shares	(363,652)	363,652			–	–	–	–	–	–
Currency translation adjustment	–	–	–	–	90,487	–	–	90,487	–	90,487
Cash dividend (see Note 32)	–	–	–	–	–	–	(2,527,145)	(2,527,145)	–	(2,527,145)
As at April 30, 2024	₱2,433,668	₱363,652	₱3,805,255	(₱2,129,821)	₱1,092,004	₱2,796,541	₱6,376,336	₱14,737,635	₱7,989	₱14,745,624
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 for the year	–	–	–	–	–	–	3,708,413	3,708,413	(50)	3,708,363
Other comprehensive income during the year – net of tax	–	–	–	–	458,181	–	–	458,181	–	458,181
Total comprehensive income (loss) for the year	–	–	–	–	458,181	–	3,708,413	4,166,594	(50)	4,166,544
Cash dividend (see Note 32)	–	–	–	–	–	–	(4,747,415)	(4,747,415)	–	(4,747,415)
As at April 30, 2023	₱2,797,320	₱–	₱–	₱–	₱1,040,601	₱2,796,541	₱6,298,582	₱12,933,044	₱8,021	₱12,941,065
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 for the year	–	–	–	–	–	–	4,893,831	4,893,831	(55)	4,893,776
Other comprehensive income during the year – net of tax	–	–	–	–	169,457	–	–	169,457	–	169,457
Total comprehensive income (loss) for the year	–	–	–	–	169,457	–	4,893,831	5,063,288	(55)	5,063,233
Cash dividend (see Note 32)	–	–	–	–	–	–	(2,248,107)	(2,248,107)	–	(2,248,107)
As at April 30, 2022	₱2,797,320	₱–	₱–	₱–	₱582,420	₱2,796,541	₱7,337,584	₱13,513,865	₱8,071	₱13,521,936

See accompanying Notes to the Consolidated Financial Statements.



DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)

	Years Ended April 30		
	2024	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱3,046,297	₱4,356,446	₱5,686,077
Adjustments for:			
Depreciation and amortization (Notes 14, 15 and 29)	8,481,425	7,949,960	6,769,735
Finance cost (Note 27)	1,766,512	970,071	566,867
Interest income	(500,842)	(243,110)	(60,872)
Unrealized foreign exchange loss (gain) – net (Note 36)	(156,146)	217,434	(80,970)
Share in net loss of joint venture (Note 10)	31,910	97,881	50,064
Net retirement benefit expense (Note 34)	87,410	83,943	118,476
Amortization of debt issuance costs (Notes 18, 19 and 27)	32,472	39,757	38,179
Gain on sale of property, plant and equipment	(1,172)	(1,213)	(1,877)
Operating income before working capital changes	12,787,866	13,471,169	13,085,679
Decrease (increase) in:			
Receivables (Notes 7 and 35)	(5,232,694)	(8,489,067)	(3,401,516)
Inventories (Note 8)	2,294,966	(2,174,834)	(49,522)
Biological assets (Note 9)	(337,686)	(36,734)	(333,222)
Prepaid expenses and other current assets (Note 13)	(4,915,358)	49,829	(502,930)
Increase (decrease) in accounts payable and accrued expenses (Note 20)	447,311	(171,265)	1,115,894
Cash generated from operations	5,044,405	2,649,098	9,914,383
Income taxes paid	(182,006)	(555,922)	(499,729)
Interest received	46,177	241,857	58,445
Contributions paid to pension plan (Note 34)	(36,188)	(26,153)	(28,672)
Net cash provided by operating activities	4,872,388	2,308,880	9,444,427
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property and equipment (Notes 15 and 42)	(8,444,018)	(10,082,981)	(8,557,133)
Investment in joint venture (Note 10)	(56,330)	(56,325)	(50,064)
Advances to suppliers	(292,490)	(60,246)	(518,133)
Refundable deposits	(5,450)	(11,420)	(20,112)
Security deposits	–	–	(1,984)
Movement in other noncurrent assets (Note 16 and 42)	(161,688)	(121,771)	(448,644)
Proceeds from sale of property and equipment	6,016	8,245	5,595
Payments/ applications of:			
Advances to suppliers	443,562	119,827	349,457
Refundable deposits	2,085	21,242	8,031
Security deposits	4,026	4,026	6,010
Net cash used in investing activities	(8,504,287)	(10,179,403)	(9,226,977)

(Forward)



	Years Ended April 30		
	2024	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availments of notes payable (Notes 17 and 42)	₱49,495,187	₱45,003,143	₱7,777,789
Payments of notes payable (Notes 17 and 42)	(39,799,696)	(33,454,701)	(6,923,099)
Payment of bonds payable (Notes 19 and 42)	(5,832,560)	—	—
Issuance of senior perpetual securities (Note 31)	3,805,255	—	—
Redemption of shares (Note 31)	(2,045,431)	—	—
Interest paid (Notes 17, 18 and 42)	(1,568,440)	(719,352)	(447,660)
Dividends paid (Notes 32 and 42)	(108,897)	(2,263,421)	(248,416)
Payment of lease liabilities (Notes 39 and 42)	(719,544)	(969,408)	(531,072)
Net cash flows provided by (used in) financing activities	3,225,874	7,596,261	(372,458)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	92,322	2,512	6,846
NET DECREASE IN CASH AND CASH EQUIVALENTS	(313,703)	(271,750)	(148,162)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	584,903	856,653	1,004,815
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱271,200	₱584,903	₱856,653

See accompanying Notes to the Consolidated Financial Statements.



DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(In Thousands except Par Value, Earnings per Share and Number of Shares)

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. On (see Note 40). On November 17, 2022 PEZA issue Certificate No. 07-68 amending DMPI’s Ecozone Export Enterprise under Certificate to include Quezon Agro-Industrial Zone (QAIZ).

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

The principal activities of the Parent Company and its subsidiaries (collectively referred to as the “Group”) are as follows:

Name of subsidiary	Principal Place of Business/ Incorporation	Principal Activities	Effective equity held by DMPI		
			April 30		
			2024	2023	2022
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%
Jubilant Year Investments Limited (JYIL)*	British Virgin Islands	Special purpose vehicle	100%	—	—

*Incorporated on January 2, 2024

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 (see Note 10).



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, 2024, 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 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.

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.

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

On December 11, 2023, 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 consisting of 2,636,348,400 common shares and 363,651,600 voting, non-cumulative, convertible, redeemable and participating preferred shares. The Common Shares shall be convertible to Preferred Shares. The Preferred Shares shall be convertible to Common Shares.
2. The Preferred Shares 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 Preferred Shares shall be specified through Enabling Resolutions as may be adopted by the Board prior to the issuance thereof. The application was filed with the SEC on April 24, 2024. As at August 7, 2024, the SEC approval is still pending.

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.



The consolidated financial statements were approved and authorized for issuance by the Board on August 7, 2024.

2. Basis of preparation

Statement of Compliance

The consolidated financial statements of the Group 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 Interpretations issued by the Philippine Financial Reporting Standards Council (FRSC).

Basis of measurement

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

- Investment in joint venture is measured using equity method;
- 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.

Functional and presentation currency

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

Going concern

As of April 30, 2024, the Group’s current liabilities exceeded its current assets by ₱697.7 million. Management believes that the Group will be able to pay or refinance its liabilities as and when they fall due. Accordingly, the use of going concern assumption is appropriate since the Group has unused credit facilities. The Group continues to find new sources of funding to improve cash management. The Group has new proposals from reputable financial institutions for new long-term loans and continues to get incremental short-term lines from partner banks for meeting its short-term obligations that will provide sufficient working capital financing for it to meet its objectives and future financial obligations. In addition, the Group generated net operating cash flows of ₱5.0 billion for the year ended April 30, 2024 and remains vigilant in managing its costs and protecting its margins amidst a high inflationary environment. Management had undertaken various measures to improve operating profits such as packaging materials optimization, investments in the cannery and to improve efficiency, productivity and minimize wastage, increased efficiency in distribution centers, and the implementation of certain price increases that would have assisted in offsetting the inflationary impact across all market segments. In addition, lowering inventory and optimizing capital will be a significant focus for the Group for the years ended April 30, 2025 and 2026 which is expected to further improve cash flow and lower debt.



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. The financial statements of subsidiaries are 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 Group 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.

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

Transactions 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.



Events after the Reporting Period

Post year-end events up to the date when the financial statements are authorized for issue that provide additional information about the Group'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 Judgments, Estimates and Assumptions

Use of Judgments, Estimates and Assumptions

The preparation of the Group's consolidated financial statements in accordance with PFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and other comprehensive income (loss). However, uncertainty about these judgments, estimates and assumptions could result in outcome that could require a material adjustment to the carrying amount of the affected asset or liability in the future. The effects of any change in judgments and estimates are reflected in the consolidated financial statements as they become reasonably determinable.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions are recognized in the period in which the judgments and estimates are revised and in any future period affected.

Judgments, key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are consistent with those applied in the most recent annual financial statements.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the consolidated financial statements.

Assessing uncertain tax positions when determining taxable profit (loss), tax bases, unused tax credits and tax rates. The Group has assessed whether it has any uncertain tax position in accordance with Philippine Interpretation of International Financial Reporting Interpretations Committee (IFRIC) 23, *Uncertainty over Income Tax Treatments*. The Group applies significant judgement in identifying uncertainties over its income tax treatments. The Group determined, based on its tax compliance assessment, and in consultation with its tax team, that it is probable that its income tax treatments will be accepted by the taxation authorities.

Determining the lease term of contracts with renewal and termination options - Group as a lessee. 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 periods for leases 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 Group also entered into a lease contract with DMPI Employees and Agrarian Reform Beneficiaries (DEARBC), with an initial contract period of 25 years from January 11, 1999 to January 10, 2024. The lease contract was amended by both parties effective January 11, 2019 to extend the lease period to January 10, 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 January 11, 2019 since it is not yet reasonably certain to renew beyond the initial 5-year noncancelable 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.

On January 9, 2024, the lease term was extended for another 25 years starting January 11, 2024. Starting May 1, 2024, the annual rental rate will increase from ₱16,500 per hectare to ₱19,000 per hectare and the annual rental rate will increase from ₱19,000 per hectare to ₱20,000 per hectare starting January 1, 2027.

Classification of leases as lessor. The Group entered into lease agreements on its leased property. The Parent Company determines whether it has transferred all the significant risks and rewards of ownership of the leased properties to a lessee, such as lessee has the ultimate control over the use of the asset and the lease term is for the major part of the economic life of the asset. If it is determinable that significant risks and rewards of ownership of lease properties were transferred to the lessees, the lease is accounted as finance lease. If otherwise, the lease is accounted for as an operating lease.

De facto control over Del Monte Txanton Distribution, Inc. (DMTDI). The Parent Company owns 40.0% of DMTDI's common shares as at April 30, 2024, 2023 and 2022. Even with less than the majority voting rights, the Parent Company concluded that DMTDI is a subsidiary and that it has power to direct the relevant activities of DMTDI due to the Parent Company's ability to carry out major decisions in Board meetings and govern the financial and operating policies decision-making of the Parent Company by having majority seats in the Board. This is in line with the Shareholders' Agreement where 4 out of 7 seats is designated to DMPI. The key management personnel (i.e., President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Treasurer and Corporate Secretary) of the Parent Company also serve in the same positions in DMTDI (see Note 1).

Assessment of indefinite life trademarks. Management has assessed the "Del Monte" and "Today's" trademarks used in connection with processed foods in the Philippines as having indefinite useful life since 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 local operations that have proven track record with stable cash flows.

The carrying amount of the trademarks amounted to ₱2,987,400 as at April 30, 2024, 2023 and 2022 (see Note 11).



Estimates and Assumptions

The key estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from such estimates.

Estimating credit losses on receivables. The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forward-looking information such as inflation rate and gross domestic product growth rate, and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Parent Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Provisions are made based on the simplified approach under PFRS 9. A loss allowance is recognized based on lifetime ECL. The allowance for impairment losses on receivables amounted to ₱80,018, ₱79,993 and ₱91,893 as at April 30, 2024, 2023 and 2022, respectively. The carrying amount of receivables, net of allowance for impairment losses, amounted to ₱18,175,495, ₱14,325,109 and ₱7,854,042 as at April 30, 2024, 2023 and 2022, respectively (see Note 7).

Estimating net realizable value (NRV) of inventories. The Group writes down inventories when net realizable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes based on specific identification and as determined by management for inventories estimated to be unsaleable in the future.

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates of the amount which the inventories are expected to be realized are made. 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 reporting date. The Group reviews on a continuous basis the product movement, changes in consumer demands and introduction of new products to identify inventories which are to be written down to net realizable values. The write-down of inventories is reviewed periodically to reflect the accurate valuation in the financial records.

The allowance for inventory losses amounted to ₱201,403, ₱241,377 and ₱250,906 as at April 30, 2024, 2023 and 2022, respectively. The carrying amount of inventories, net of allowance for inventory losses, amounted to ₱5,050,767, ₱7,345,733 and ₱5,170,899 as at April 30, 2024, 2023 and 2022, respectively (see Note 8).

Estimating 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 volume of harvests regularly.



Determination of fair value of unharvested agricultural produce. The fair values of the growing pineapple crops are based on the most reliable estimate of market prices (in both local and international markets at the point of harvest) as determined by the Group, multiplied by estimated tonnage of pineapple fruits based on crop age after planting. Fair value is initially recognized when the pineapple fruit develops when the bearer plant has reached maturity to bear fruit. The fair value is approximated by estimating selling price at point of harvest and gross margin of finished goods less future growing costs to be incurred until harvest. Such future growing costs decrease as the growing crops near the point of harvest.

For the pineapple variety being sold as fresh fruits, the gross margin is based on the market price of pineapple fruits being sold by the Group. For the pineapple variety being processed as cased goods, the gross margin is based on the selling price of the final product sold in the market adjusted for margin related to production.

Estimated tonnage is based on standard weight of the growing pineapple crops when they reach certain months after planting date. Estimated tonnage is also affected by natural phenomenon such as weather patterns and volume of rainfall, and actual field performance.

The change in fair value of unharvested agricultural produce attributable to price changes, actual harvest and estimated future harvest included as part of the biological assets in the consolidated statements of financial position amounted to ₱2,598,118, ₱3,271,864 and ₱3,296,124 as at April 30, 2024, 2023 and 2022, respectively (see Note 9).

Determination of 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.

The fair value of harvested agricultural produce amounted to ₱3,129,179, ₱4,292,431 and ₱3,872,298 for the year ended April 30, 2024, 2023 and 2022, respectively (see Note 9).

Estimating useful lives of investment properties and property, plant and equipment (excluding right-of-use assets). The Group estimates the useful lives of its investment properties and property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of investment property and 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 investment property and 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 life of any of the investment properties and property, plant and equipment would increase the recorded expenses and decrease the noncurrent assets.



Acquisitions, replacements and additions of items of investment property and property, plant and equipment with estimated useful life of less than 3 years and the expenditures is less than US\$5,000 are charged to expense. Management believes that the difference between depreciating such items and directly charging them to expense is not material.

There were no changes in the estimated useful lives of investment properties and property, plant and equipment, excluding right-of-use assets, as at April 30, 2024, 2023 and 2022. The carrying amount of depreciable investment property amounted to ₱4,018, ₱10,198 and ₱16,377 as at April 30, 2024, 2023 and 2022, respectively (see Note 14). The carrying amount of depreciable property, plant and equipment, excluding right-of-use assets, amounted to ₱17,718,837, ₱16,257,557 and ₱13,987,309 as at April 30, 2024, 2023 and 2022, respectively (see Note 15).

Estimating realizability of deferred tax assets. The Group reviews its deferred tax assets at each reporting date and reduces the carrying amount to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The Group's assessment on the recognition of deferred tax assets on deductible temporary difference is based on the projected taxable income in the following periods, including the timing of reversal of future taxable and deductible temporary differences.

The Group's recognized deferred tax liabilities - net amounted to ₱302,919, ₱281,651 and ₱190,989 as at April 30, 2024, 2023 and 2022, respectively (see Note 30).

Impairment of Nonfinancial Assets. An impairment review is performed on non-financial assets (enumerated in the following table) when events or changes in circumstances indicate that the carrying value may not be recoverable. The factors that the Group considers important which could trigger an impairment review include the following:

- significant adverse changes in the technological, market, or economic environment where the Group operates;
- significant decrease in the market value of an asset;
- evidence of obsolescence and physical damage;
- significant changes in the manner in which an asset is used or expected to be used;
- plans to restructure or discontinue an operation;
- significant decrease in the capacity utilization of an asset; or
- evidence is available from internal reporting that the economic performance of an asset is, or will be, worse than expected.

Determining the recoverable amount of these assets requires estimation of cash flows expected to be generated from the continued use and ultimate disposition of such assets. While it is believed that the assumptions used in the estimation of the recoverable amount are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable amounts and any resulting impairment loss could have a material adverse impact on the financial performance.

The Group recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is computed using the value in use approach.



As at April 30, 2024, 2023 and 2022, the carrying values of nonfinancial assets that are subject to impairment testing when impairment indicators are present are as follows (see Notes 9, 11, 14, 15 and 16):

	2024	2023	2022
Biological assets - growing herd	₱198,262	₱168,588	₱144,876
Intangible asset	2,987,400	2,987,400	2,987,400
Investment properties	159,344	165,524	171,703
Property, plant and equipment	23,326,072	22,075,145	19,261,622
Other noncurrent assets, excluding security and refundable deposits	1,073,340	1,029,462	920,051

The Group did not note any impairment indicators for the years ended April 30, 2024, 2023 and 2022. Accordingly, no impairment losses were recognized during those periods.

Determination of Incremental Borrowing Rate (IBR). The Group cannot readily determine the interest rate implicit in the lease at lease commencement date, therefore, it uses its IBR to measure lease liabilities. IBR is the rate of interest that a lessee would have to pay to borrow over a similar term, similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs such as interest rates from partner banks based on the term of its loan borrowings and make certain-specific estimates based on the Group credit worthiness.

The Group’s lease liabilities amounted to ₱3,101,240, ₱2,435,212 and ₱2,871,074, as at April 30, 2024, 2023 and 2022, respectively (see Note 39).

Present value of defined benefit obligation. The present value of the defined benefit retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions such as discount rates and future salary increases, among others. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each financial reporting date.

The Group determines the appropriate discount rate at the end of each reporting period. It is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the retirement obligation. In determining the appropriate discount rate, the Group considers the interest rates on government bonds that are denominated in the currency in which the benefits will be paid. The terms to maturity of these bonds should approximate the terms of the related retirement obligation.

Other key assumptions for the defined benefit retirement obligation are based in part on current market conditions.

Further details about the assumptions used are provided in Note 34.

The present value of the defined benefit obligation amounted to ₱1,412,409, ₱1,433,009 and ₱1,500,939 as at April 30, 2024, 2023 and 2022, respectively (see Note 34).



Impairment of indefinite life trademark. The Group determines whether trademark with indefinite useful life is impaired at least on an annual basis or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. This requires an estimation of the royalty savings on the asset to which the trademark is used. Estimating the royalty savings requires the Group to make an estimate of the cumulative average annual revenue growth rates and royalty rate and also consider market data in determining discount rate in order to calculate the present value of those cash flows.

Management has determined that trademark are not impaired. The carrying amount of trademark amounted to ₱2,987,400 as at April 30, 2024, 2023, and 2022 (see Note 11).

Provisions and contingencies. The Group is involved in legal proceedings and tax assessments. The determination of whether any provision should be recognized and the estimation of the potential liability resulting from these assessments require significant judgment and estimate by management. The inherent uncertainty over the outcome of these matters is brought about by the differences in the interpretation and implementation of the laws and regulations. Management believes that the ultimate disposition of the above matters will not have any material adverse effect on the Group's operations or its financial condition. It is possible, however, that future financial performance could be materially affected by the changes in judgment and estimate or in the effectiveness of strategies relating to these tax assessments and claims. No further details were provided as allowed under PAS 37, Provisions, Contingent Liabilities and Contingent Assets, because these may prejudice the Group's position in relation to these ongoing claims and assessments.

4. Material Accounting Policy Information

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except that the Group has adopted the following new accounting pronouncements effective May 1, 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

The adoption of these amendments did not have an impact on the consolidated financial statements of the Group.

▪ Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

The amendments provide 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.



▪ Amendments to PAS 8, *Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

▪ Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 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).

▪ Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

The amendments introduce a mandatory exception in PAS 12 from recognizing and disclosing deferred tax assets and liabilities related to Pillar Two income taxes.

The amendments also clarify that PAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as ‘Pillar Two legislation’ and ‘Pillar Two income taxes’, respectively.

The temporary exception from recognition and disclosure of information about deferred taxes and the requirement to disclose the application of the exception, apply immediately and retrospectively upon adoption of the amendments in June 2023.

Meanwhile, the disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023 (May 1, 2023 for the Group).

Effective beginning on or after January 1, 2024 (May 1, 2024 for the Group)

• Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability’s classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 (which the Group will adopt on or after May 1, 2024) and must be applied retrospectively.



- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*

The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 (which the Group will adopt on or after May 1, 2024) and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

Effective beginning on or after January 1, 2025 (May 1, 2025 for the Group)

- Amendments to PAS 21, *Lack of exchangeability*

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 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 PFRS 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 January 13, 2016, the Financial and Sustainability Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the IASB completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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.

Financial Assets. Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through OCI (FVOCI) and fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PFRS 15, *Revenue from Contracts with Customers*.



In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial Assets at Amortized Cost (Debt Instruments)

The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's cash and cash equivalents, receivables, short-term deposits (as part of prepaid expenses and other current assets), security deposits and refundable deposits (as part of other non-current assets) are classified under this category.

Financial Assets Designated at FVOCI (Equity Instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation*, and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.



The Group elected to classify irrevocably under this category its market quoted shares and golf club shares as at April 30, 2024, 2023 and 2022.

Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General Approach

The Group uses the general approach in computing ECL for cash in banks, cash equivalents, short-term deposits, security and refundable deposits, and due from related parties. Under the general approach, ECLs are recognized in two (2) 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).

Financial assets migrate through the following 3 stages based on the change in credit quality since initial recognition:

Stage 1: 12-month ECL – not credit impaired. For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the reporting date are recognized.

Stage 2: Lifetime ECL – not credit-impaired. For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Lifetime ECL – credit-impaired. Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

Simplified Approach

The Group uses the simplified approach in computing ECL for receivables. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual cash flows in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.



Financial liabilities. Financial liabilities are measured at amortized cost, except for the following:

- Financial liabilities measured at fair value through profit or loss;
- Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Group retains continuing involvement;
- Financial guarantee contracts;
- Commitments to provide a loan at a below-market interest rate; and
- Contingent consideration recognized by an acquirer in accordance with PFRS 3.

Subsequent Measurement

A financial liability may be designated at FVTPL if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch):

- If a host contract contains 1 or more embedded derivatives; or
- If a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at FVTPL, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in OCI.

The Group's financial liabilities measured at amortized cost includes trade payables included under accounts payable and accrued expenses, short-term notes payable, long-term debt, bonds payable and lease liabilities are classified under this category (see Notes 17, 18, 19, 20, 35 and 39).

The Group has no financial liabilities designated at fair value through profit for loss as at April 30, 2024, 2023 and 2022.

Derecognition of Financial Assets and Financial Liabilities

Financial Assets. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement; and either: (a) has transferred substantially all the risks and rewards of the asset; or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes the associated liability. The transferred asset and the associated liability are measured on the basis that reflects the rights and obligations that the Group has retained.

Financial Liabilities. A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. 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 in the respective carrying amounts is recognized in profit or loss.



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.

“Day 1” Difference

Where the transaction price in a non-active market is different from the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognizes the difference between the transaction price and fair value (a “Day 1” difference) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determines the appropriate method of recognizing the “Day 1” difference.

Derivative financial instruments, including hedge accounting

The Group uses derivative financial instruments for the purpose of managing risks associated with interest rates, currencies, transportation and certain commodities. The Group does not trade or use instruments with the objective of earning financial gains on fluctuations in the derivative instrument alone, nor does it use instruments where there are no underlying exposures. All derivative instruments are recorded in the statement of financial position at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether the instrument has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. For those derivative instruments that are not designated as hedging instruments, changes in fair value subsequent to initial recognition are recognized in the income statement. For those derivative instruments that are designated and qualify as hedging instruments, the Group designates the hedging instrument as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation based upon the exposure being hedged.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are generally expected to offset each other. To qualify for hedge accounting, the hedging relationship has to meet the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship;



- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item; and
- the hedged item and the hedging instrument are not intentionally weighted to create hedge ineffectiveness, whether recognized or not, to achieve an accounting outcome that would be inconsistent with the purpose of hedge accounting.

Derivatives are recognized initially at fair value; any directly attributable transaction costs are recognized in the income statement as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value. Changes therein are recognized in OCI, generally for derivatives designated as effective hedges, or the consolidated income statement, for other derivatives.

For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

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.

Determination of Fair Value

Fair value is the 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 measurement is based on the presumption that the transaction to sell or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

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

The fair value of an asset or a 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 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 consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statement on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. Securities defined in these account as 'listed' are traded in an active market. When the Group has financial assets and financial liabilities with offsetting positions in market risks or counterparty credit risk, it has elected to use the measurement exception to measure the fair value of its net risk exposure by applying the bid or ask price to the net open position as appropriate. For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and with reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible). For the purpose of the 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 the fair value hierarchy as explained above.

Inventories

Inventories are valued at the lower of cost and net realizable value (NRV). Cost of inventories comprise of purchase cost, cost of conversion and other costs incurred in bringing the inventories to its present location and condition. Cost is determined using the weighted-average method for cased goods and other merchandise and the moving average method for production materials and storeroom supplies. Cost of cased goods include fair value of agricultural produce harvested from the Group's biological assets and used in production.

NRV of cased goods and other merchandise is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. NRV of production materials and storeroom supplies is the current replacement cost.

The amount of any write-down of inventories to NRV and all losses of inventories are recognized as expense in the period the write-down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in NRV is recognized as a reduction in the amount of inventories recognized as expense in the period in which the reversal occurs.



Biological Assets and Agricultural Produce

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 includes: (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:

Growing Herd, Breeding and Dairy Herd, and Cattle for Slaughter

Growing herd, breeding and dairy herd, and cattle for slaughter are measured at cost. The cost method was used since the fair value cannot be measured reliably. Growing herd have no defined active market since it has not yet been identified if this will be for breeding or for slaughter. Growing herd, breeding and dairy herd, and cattle for slaughter is classified as noncurrent assets in the consolidated statement of financial position.

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

Agricultural Produce

The Group's growing produce are measured at their fair value from the time of maturity of the bearer plant until harvest. The Group's unharvested produce are measured at fair value based on the future selling prices and gross margin of finished goods less future growing cost as the basis of fair value and adjusted for margin related to production. The fair value is multiplied to the estimated tonnage of 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 values of biological assets in revenue for the period in which they arise.

Prepaid Expenses and Other Current Assets

Prepaid expenses comprise of advance payments relating to purchases, rental fees, subscription fees, advertising expenses, employee benefits, local and real property taxes paid to various Local Government Units (LGU), and other expenses. Prepaid expenses and other current assets are recognized at the amounts initial paid expected to be incurred and amortized by the Group within the next fiscal period.

Investment Properties

Investment properties comprise land and buildings and improvements that are held to earn rentals or capital appreciation or both and that are not occupied by the Group. Investment properties also include right-of-use assets involving real property that is leased to other entity on a short-term basis.

The Group uses the cost model in measuring investment properties since this represents the historical value of the properties subsequent to initial recognition. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.



For the right-of-use asset that qualify as investment property, i.e., office building that is leased by the Group, this is classified under investment properties in accordance with paragraph 48 of PFRS 16. Consistent with the Group's policy regarding the measurement of investment properties, this asset is subsequently measured at cost less amortization and impairment in value.

Depreciation and amortization of buildings and improvements, which commences when the assets are available for their intended use, are computed using the straight line method over the estimated useful life of 5 to 20 years. In addition, right-of-use asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term which is 4 years.

The useful lives, residual values and depreciation and amortization method are reviewed and adjusted, if appropriate, at each financial reporting date.

Investment property is derecognized either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement and disposal of investment property are recognized in profit or loss in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sell. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under "Property, plant and equipment" up to the date of change in use.

Investment in Joint Venture

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

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

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transactions 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.



Property, Plant and Equipment

The Group's property, plant and equipment consists of land, machinery and equipment, buildings and improvements, leasehold improvements, construction in progress, bearer plants at cost and right-of-use assets that do not qualify as investment properties.

Land is stated at revalued amounts. The initial cost of land comprises of purchase price, taxes, and any direct attributable cost in bringing the asset to its working condition for its intended use. Subsequent to initial recognition, land is measured at fair value at the date of revaluation. The fair value of land is determined from market-based evidence by appraisal report that is normally undertaken by professional qualified valuers.

The increase in land as a result of the revaluation is credited to OCI and presented as "Land revaluation surplus" under "Other comprehensive income reserves" account in the consolidated statement of changes in equity. Any decrease as a result of the revaluation is recognized up to the extent of any credit balance existing in the "Land revaluation surplus" and any excess shall be recognized in profit or loss.

The revaluation surplus included in equity in respect of land may be transferred directly to retained earnings when the asset is derecognized. This may involve transferring the whole of the surplus when the asset is retired or disposed of. Transfers from revaluation surplus to retained earnings are not made through profit or loss.

Right-of-use assets are initially measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The initial cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

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 their estimated useful life and lease term. Right-of-use assets are subject to impairment.

Property, plant and equipment, except for land, are stated at cost less accumulated depreciation, amortization and any accumulated in value. Such cost includes the cost of replacing part of the property, plant and equipment at the time that cost is incurred, if the recognition criteria are met, and excludes the costs of day-to-day servicing.

The initial cost of property, plant and equipment comprises its construction cost or purchase price, including import duties, taxes and any directly attributable cost in bringing the asset to its working condition and location for its intended use. Cost also includes any related asset retirement obligation and interest incurred during the construction period on funds borrowed to finance the construction of projects. Expenditures incurred after the asset has been put into operation, such as repairs, maintenance and overhaul costs, are normally recognized as expense in the period the costs are incurred. Major repairs are capitalized as part of property, plant and equipment only when it is probable that future economic benefits associated with the items will flow to the Group and the cost of the items can be measured reliably.



Construction-in-progress (CIP) represents structures under construction and is stated at cost. This includes the cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of property, plant and equipment are capitalized during the construction period. CIP is not depreciated until such time that the relevant assets are ready for use.

Deferred land development costs represent cost incurred in developing agricultural lands and are amortized based on the average term of land lease contracts, which is normally within 10 years. Land development activities include land clearing, road construction and repairs, gravel spreading, desilting for permanent waterways, silting basin, culvert and flood breaker installation and construction of boundary ditches.

The Group's deferred land development costs are presented as "Leasehold improvements" in "Property, plant and equipment" in the consolidated statement of financial position.

Bearer Plants

Bearer plants are measured at cost less accumulated amortization based on actual volume of harvest over total estimated volume of harvest. Costs related to bearer plants are capitalized up to the point of maturity of the bearer plants, including costs during the ratoon crop cycle. Costs to grow include purchase cost of various chemicals and fertilizers, land preparation expenses and direct expenses during the cultivation of the primary ratoon and, if needed, re-ratoon crops.

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

Depreciation and amortization (except bearer plants), which commences when the asset is available for its intended use, are computed using the straight-line method over the following estimated useful lives as follows:

	Number of Years
Machinery and equipment	3 – 30
Buildings and improvements and leasehold improvements	3 – 50 or lease term, whichever is shorter
Right-of-use assets – land	2 – 20
Right-of-use asset – building and improvements	2 – 20

The remaining useful lives, residual values and depreciation and amortization methods are reviewed and adjusted periodically, if appropriate, to ensure that such periods and method of depreciation and amortization are consistent with the expected pattern of economic benefits from the items of property, plant and equipment.

The carrying amount of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization are recognized in profit or loss.

An item of property, plant and equipment is derecognized when either it has been disposed of or when it is permanently withdrawn from use and no future economic benefits are expected from its use or disposal. Any gain or loss arising on the retirement and disposal of an item of property, plant and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period of retirement or disposal.



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

Intangible Assets

Intangible assets acquired separately are measured at cost on initial recognition. The cost of intangible assets acquired from business combinations is initially recognized at fair value on the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. The useful lives of intangible assets are assessed at the individual asset level as either finite or indefinite.

Intangible assets with finite lives are amortized over the economic useful life using the straight-line method and assessed for impairment whenever there is an indication that the intangible assets may be impaired. At the minimum, the amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in profit or loss.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually either individually or at the cash-generating unit (CGU) level every April 30, unless there are impairment indicators noted during the year that will warrant earlier impairment testing. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Internally generated intangibles are not capitalized, and the related expenditures are charged against operations in the period in which the expenditures are incurred.

Impairment of Non-financial Assets

The carrying amounts of investment properties, property, plant and equipment recognized at cost, investment in joint venture, deferred land development costs and deposits, are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, and if the carrying amount exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amounts. The recoverable amount of an asset is the greater of fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less cost of disposal. In assessing value in use, 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. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in profit or loss in those expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.



An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in the prior years. Such reversal is recognized in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase. After such a reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Capital Stock

Common Shares. Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

Convertible Common Shares. This represents common shares convertible to voting, participating RCPS. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

RCPS. This represents redeemable, convertible preference shares, classified as equity. Incremental costs directly attributable to the issue of RCPS are recognized as a deduction from equity, net of any tax effects.

Retained Earnings. Retained earnings includes profit attributable to the equity holders of the Parent Company and reduced by dividends on capital stock. Dividends on capital stock are recognized as a liability and deducted from equity when they are approved by the Parent Company's stockholders. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Unappropriated retained earnings represent the portion which can be declared as dividends to stockholders subject to adjustments based on the regulatory requirements of the Philippine SEC.

Appropriated retained earnings represent that portion which has been restricted and therefore is not available for any dividend declaration.

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 Group has concluded that it is acting as principal in all of its revenue arrangements.

A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.



Revenue from sale 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.

The Group has official written agreements with its customer documented in a supply agreement and approved purchase orders. The supply agreements contain each party's respective obligations.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. The Group concluded that it has only a single performance obligation for each revenue stream.

Certain customers are entitled to, and in most cases avail of, cash discounts when payments are made within a defined time frame. For certain contracts, the Group may be charged a penalty for late deliveries. Variable amounts related to these discounts and penalties are estimated using the most likely amount and included in the transaction price to the extent that it is highly probable that a significant revenue reversal will not subsequently occur.

The Group provides allowances under trade promotions to customers which are reimbursable by the Group to customers when redeemed. Allowances are generally considered as a reduction 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.

Variable amounts related to these allowances 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 when appropriate to reflect the Group's estimates.

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 recognised 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.

Considerations payable to customers

The Group accounts for consideration payable to a customer as a reduction of the transaction price and therefore, of revenue, unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Group.



A good or service that is promised to a customer is distinct if both of the following criteria are met:

- a. Customer can benefit from good/service on its own or with other resources readily available to the customer, and
- b. The Group's promise to transfer good/service to the customer is separately identifiable from other promises in the contract.

The Group's rebates and certain marketing incentives to customers which are not in exchange for a distinct good or service are accounted for as contra-revenue.

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 PFRS 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 destroy all goods to be returned.

Contract balances arising from revenue with customer contracts

Contract Assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract Liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods to the customer, a contract liability is recognized when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The Group does not have contract assets and contract liabilities as at April 30, 2024, 2023 and 2022.

Short-term Employee Benefits

Short-term employee benefits include items such as salaries and wages, social security contributions and nonmonetary benefits, that are expected to be settled wholly within twelve months after the end of the reporting period in which the employees rendered the related services. Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid 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.



Retirement and Other Post-Employment Benefits

The Group has both defined contribution plan and defined benefit plan, administered by a trustee, covering their respective permanent employees. The Group maintains a defined contribution plan that covers all regular full-time employees. Under its defined contribution plan, the Group pays fixed contributions based on the employees' monthly salaries. The Group, however, is covered under Republic Act (RA) No. 7641, The Philippine Retirement Law, which provides for its qualified employees a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA 7641.

Accordingly, the Group accounts for its retirement obligation under the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan.

Defined Contribution Plan

Obligations for contributions to the Group's provident plan, which is classified as defined contribution pension plan, are recognized as an expense in profit or loss when they are due.

Defined Benefit Plan

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets, if any, adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit obligation or asset
- Remeasurements of net defined benefit obligation or asset

Service costs which include current service costs, past service costs and gains or losses on nonroutine settlements are recognized as part of costs and expenses in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated annually by a qualified actuary using the projected unit credit method.

The Group determines the net interest expense or income on the net defined retirement obligation or asset for the period by applying the discount rate used to measure the defined benefit retirement obligation at the beginning of the annual period to the then-net defined retirement obligation or asset, taking into account any changes in the net defined benefit retirement obligation or asset during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

Remeasurements of the net defined benefit retirement obligation or asset, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (excluding interest), if any, are recognized immediately in OCI. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).



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.

Group as a lessee

The Group applies single recognition and measurement approach for non-land leases and portfolio approach for land leases, except for short-term leases and leases of low-value assets. For single approach, the Group recognizes lease liability to make lease payments and right-of-use asset representing the right to use the underlying asset. For portfolio approach, the Group identify a portfolio of leases with similar characteristics and recognizes lease liability to make lease payments and right-of-use asset representing the right to use the underlying assets.

Right-of-use Asset

The Group recognizes right-of-use asset at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use asset includes the amount of lease liability recognized, 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 asset is depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

The right-of-use asset is presented as part of investment properties and property, plant and equipment, and is also subject to impairment.

Lease Liabilities

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

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

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.

Lease liabilities - current and noncurrent - are presented separately in the consolidated statements of financial position.



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., below ₱250). 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.

Group as a lessor

Leases where the Group retain substantially all the risks and benefits of ownership of the asset are classified as operating leases. Any initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Rental income is recognized in profit or loss on a straight-line basis over the lease term. All other leases are classified as finance leases. At the inception of the finance lease, the underlying is de-recognized and lease receivable is recognized. Interest income is accrued over the lease term using the EIR and lease amortization is accounted for as reduction to lease receivable.

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 PFRS 16. The Group first applies the requirements for determining when a performance obligation is satisfied in PFRS 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 PFRS 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 PFRS 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 PFRS 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.

Borrowing Costs

Borrowing costs include interest charges and other costs incurred in connection with the borrowing of funds.



Borrowing costs are capitalized if they are directly attributable to the acquisition or construction of a qualifying asset. To the extent that funds are borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization on that asset shall be determined as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings. To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalization shall be determined by applying a capitalization rate to the expenditures on that asset. The capitalization rate shall be the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized during a period shall not exceed the amount of borrowing costs incurred during that period.

Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when all the activities necessary to prepare the asset for its intended use or sale are substantially complete. If the resulting carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized.

Research and Development Costs

Research costs are expensed as incurred. Developmental costs incurred on an individual project are carried forward when their future recoverability can be reasonably regarded as assured. Any expenditure carried forward is amortized in line with the expected future sales from the related project.

The carrying amount of developmental costs is reviewed for impairment annually when the related asset is not yet in use. Otherwise, this is reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable.

Foreign Currency Transactions and Translations

Transactions denominated in foreign currencies are translated to the functional currency of the Group at exchange rates at the dates of the transactions. Outstanding 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. The foreign currency gain or loss on monetary items is the difference between the amortized cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the reporting date.

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 retranslation are recognized in profit or loss.

Income Taxes

Income tax expense consists of current tax and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or OCI.

Current Tax. Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted by the end of the reporting date, and any adjustment to tax payable in respect of previous years.



Deferred Tax. 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 assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary can be utilized. Deferred tax liabilities are recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) initial recognition of goodwill; (b) the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit (loss).

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

The measurement of deferred tax 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 or liabilities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date.

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. This assessment relies on estimates and assumptions and may involve a series of judgment about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such determination is made.

Deferred tax assets and liabilities are offset if a legally enforceable right exists to offset current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Value-added Tax (VAT). Revenues, expenses and assets are recognized, net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services exceeds VAT passed on from purchases of goods and services, the excess is recognized as payable in the consolidated statement of financial position. When VAT passed on from the purchase of goods or services exceeds VAT from sales of goods and/or services, the excess is recognized as an asset in the consolidated statement of financial position to the extent of the recoverable amount.

Input VAT. Input VAT represents VAT passed on to the Group by its suppliers and contractors for the acquisition of goods and services required under Philippine taxation laws and regulations.

The portion of input VAT which represents VAT passed on the Group for the acquisition of depreciable assets with an estimated useful life of at least one year is required to be amortized over the life of the related asset or a maximum period of 60 months. This is classified as “Deferred input VAT” under “Other noncurrent assets” account in the consolidated statement of financial position.



Earnings per Common Share (EPS) Attributable to the Equity Holders of the Parent Company

Basic EPS is computed by dividing net income attributable to the common equity holders of the Parent Company by the weighted average number of outstanding common shares during the year after giving retroactive effect to any stock dividend declared during the year.

The Group also has potential common share or other instruments that may entitle the holder to common shares. Computation of diluted EPS take into account these potential common shares.

Segment Reporting

The Group is organized into its major geographical and product segments. Financial information about the Group's business segments is presented in Note 44 to the consolidated financial statements.

Provisions

Provisions are recognized when: (a) the Group has a present obligation (legal or constructive) as a result of a past event; (b) it is probable (i.e., more likely than not) that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized when, and only when, it is virtually certain that the reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognized for the reimbursement shall not exceed the amount of the provision. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Related Party Transactions and Relationships

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual; and, (d) the Group's funded retirement plan.

5. 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. The Group'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.



6. Cash and Cash Equivalents

	2024	2023	2022
Cash on hand	₱5,008	₱4,400	₱3,300
Cash in banks	266,192	560,503	853,353
Cash equivalents	-	20,000	-
	₱271,200	₱584,903	₱856,653

Cash in banks earn interest at the respective bank deposit rates. Cash equivalents are short-term placements, which are made for varying periods of up to 3 months depending on the immediate cash requirements of the Parent Company and earn interest at the respective short-term placement rates ranging from 0.063% to 0.50% as of April 30, 2024.

Interest earned amounted to ₱5,645, ₱2,527 and ₱1,551 for the fiscal years ended April 30, 2024, 2023 and 2022, respectively.

7. Receivables

	2024	2023	2022
Trade receivables from third parties	₱2,887,079	₱3,060,941	₱3,137,659
Due from related parties (see Notes 32 and 35)	14,204,705	10,387,221	4,233,001
Non-trade receivables from third parties	124,374	142,667	151,981
Advances to officers and employees	46,506	43,226	45,132
Others	992,849	771,047	378,162
	18,255,513	14,405,102	7,945,935
Less allowance for ECL	80,018	79,993	91,893
	18,175,495	14,325,109	7,854,042
Less noncurrent portion:			
Lease receivable (Note 39)	3,296	3,308	10,168
Receivable from third parties	124,374	142,667	147,459
Noncurrent portion	127,670	145,975	157,627
Current portion	₱18,047,825	₱14,179,134	₱7,696,415

Trade receivables from third parties are noninterest-bearing and are generally on a 7 to 60-day credit term.

Due from related parties are noninterest-bearing and are generally due after 60 days. As at April 30, 2024, 2023 and 2022, intercompany receivable and payable eliminated upon consolidation amounted to ₱2,646,897, ₱2,922,630 and ₱3,078,045, respectively (see Note 35). Settlement of certain dividends payments to CARI were made through offsetting against receivable from DMPL (see Note 32).

Advances to officers and employees are noninterest-bearing and are normally collected within the following year.

Other receivables mainly consist of claims from third party service providers and due from growers.



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

	2024	2023	2022
Trade receivables:			
Balance at beginning of year	₱73,225	₱85,510	₱37,782
Additional provision	—	—	47,728
Reversals	(355)	(12,285)	—
Balance at end of year	72,870	73,225	85,510
Nontrade receivables:			
Balance at beginning of year	6,768	6,383	10,242
Additional provision	380	385	—
Reversals	—	—	(3,859)
Balance at end of year	7,148	6,768	6,383
Total	₱80,018	₱79,993	₱91,893

8. Inventories

	2024	2023	2022
Cased goods and other merchandise:			
At NRV – net	₱1,335,643	₱1,900,384	₱1,269,502
At cost	636,534	1,247,558	956,754
Production materials and supplies - at NRV	2,355,451	3,284,700	2,260,832
Storeroom supplies - at NRV	723,139	913,091	683,811
	₱5,050,767	₱7,345,733	₱5,170,899

The balances of cased goods and other merchandise at NRV are as follows:

	2024	2023	2022
Cost	₱1,453,041	₱2,096,560	₱1,470,229
Less allowance for cased goods and other merchandise:			
Balance at beginning of the year	196,176	200,727	332,776
Provision for obsolescence (Note 21)	331,395	169,696	61,766
Write-off	(410,173)	(174,247)	(193,815)
Balance at end of year	117,398	196,176	200,727
NRV	₱1,335,643	₱1,900,384	₱1,269,502



The balances of production materials and supplies are as follows:

	2024	2023	2022
Cost	₱2,439,104	₱3,329,849	₱2,306,361
Less allowance for production materials and supplies:			
Balance at beginning of the year	45,149	45,529	47,542
Provision for obsolescence (Note 21)	77,317	44,667	32,388
Write-off	(38,813)	(45,047)	(34,401)
Balance at end of year	83,653	45,149	45,529
NRV	₱2,355,451	₱3,284,700	₱2,260,832

The balances of storeroom supplies are as follows:

	2024	2023	2022
Cost	₱723,491	₱913,143	₱688,461
Less allowance for storeroom supplies:			
Balance at beginning of year	52	4,650	10,620
Provision of obsolescence (Note 21)	300	—	—
Reversal of obsolescence	—	(4,598)	(5,970)
Balance at end of year	352	52	4,650
NRV	₱723,139	₱913,091	₱683,811

Inventories recognized as cost of sales amounted to ₱15,117,782, ₱16,867,521 and ₱13,231,445 for the fiscal years ended April 30, 2024, 2023 and 2022, respectively (see Note 21).

9. Biological Assets

	2024	2023	2022
Current -			
Unharvested agricultural produce - at fair value	₱2,797,184	₱2,489,173	₱2,476,150
Noncurrent -			
Growing herd - at cost	198,262	168,588	144,876
	₱2,995,446	₱2,657,761	₱2,621,026



Carrying amounts of the unharvested agricultural produce are as follows:

	2024	2023	2022
Balance at beginning of year	₱2,489,173	₱2,476,150	₱2,158,274
Additions	839,072	1,033,590	894,050
Harvest	(3,129,179)	(4,292,431)	(3,872,298)
Fair value attributable to price changes, actual harvest and estimated future harvest (Note 24)	2,598,118	3,271,864	3,296,124
Balance at end of year	₱2,797,184	₱2,489,173	₱2,476,150

Estimated hectares planted with growing crops are 16,397, 16,562 and 16,130 for pineapple, and 136, 185 and 123 for papaya as at April 30, 2024, 2023 and 2022, respectively.

Pineapple crops have a life cycle of 36 months while papaya crops have life cycle of 24 months.

Actual fruits harvested, in metric tons, from the growing crops are 700,711, 858,908 and 785,876 for pineapple, 1,420, 1,497 and 1,266 for papaya for the years ended April 30, 2024, 2023 and 2022, respectively.

The fair value of harvested agricultural produce amounted to ₱3,129,302, ₱4,292,431 and ₱3,872,298 as at April 30, 2024, 2023 and 2022, respectively. These are recognized under:

	2024	2023	2022
Cost of sales	₱3,023,765	₱4,043,956	₱3,701,535
Inventories	105,414	248,475	170,763
	₱3,129,179	₱4,292,431	₱3,872,298

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

	2024	2023	2022
Balance at beginning of year	₱168,588	₱144,876	₱129,530
Purchases	68,536	67,737	46,517
Sales and transfers	(38,862)	(44,025)	(31,171)
Balance at end of year	₱198,262	₱168,588	₱144,876

The Group maintains cattle for growing herd, breeding and dairy herd as part of its Environmental Management System wherein excess pineapple pulps are converted into cattle feeds.

As at April 30, 2024, 2023 and 2022, the number of heads of cattle for growing herd totaled to 2,211, 2,298 and 2,325, respectively.

10. Investment in Joint Venture

In 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 in 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 Group on the joint venture is 50% as at April 30, 2024 and 2023.



The summarized financial information of the joint venture not adjusted for the percentage ownership held by the Group as at and for the year ended April 30, 2024 and 2023, is as follows:

	2024	2023
Revenue	₱158,384	₱155,540
Loss from continuing operations/ Total comprehensive loss^a	(63,820)	(₱179,203)
^a Includes:		
- depreciation	₱771	₱771
Asset	117,707	47,136
Liabilities	(151,979)	(130,248)
Net assets	(34,272)	(83,112)
Controlling interest	50%	50%
	(17,136)	(41,556)
Share in net loss in excess of capital injection	(17,136)	(41,556)
Carrying amount of investment	₱—	₱—
	2024	2023
Carrying amount of interest in DMVDPI at beginning of the year	₱—	₱—
Capital injection during the year	56,330	56,325
Group's share of loss from continuing operations/ total comprehensive loss	(56,330)	(56,325)
Carrying amount of interest at end of the year	₱—	₱—

As of April 30, 2024 and 2023, share in net loss in excess of capital injection amounting to ₱17,136 and ₱41,556, respectively, is presented under "Accounts payable and accrued expenses - others" (see Note 20).

11. 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 Group has exclusive access to the use of these trademarks. The trademark is expected to be used indefinitely by the Group 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 April 30, 2024, 2023 and 2022.

In 2024, 2023 and 2022, in determining the recoverable amount of the trademarks, the Group used relief-from-royalty approach where free cash flow projections was based on 1% royalty savings from the Parent Company's sales derived from financial budgets approved by management covering a five-year period and discounted at a rate of 7.8 %, 7.9% and 8.7%, respectively. The trademarks' cash flows beyond the five-year period were extrapolated using a steady 4.7% in 2024, 5.4% in 2023 and 6.1% in 2022 cumulative average annual revenue growth rate. Management believes that 4.7% in 2024, 5.4% in 2023 and 6.1% in 2022 revenue growth rate was reasonable and that any reasonably



possible change in the key assumptions on which the trademarks' recoverable amount is based would not cause the trademark's carrying amount to exceed its recoverable amount. In 2022, the Group has changed its valuation technique from value in use calculation (VIU) to relief-from-royalty approach.

As of April 30, 2024, 2023 and 2022, the carrying value of the intangible asset does not exceed the present value of asset and hence, no impairment has been recorded.

12. Financial Assets at FVOCI

This account consists of the following:

	2024	2023	2022
Cost -			
Balance at beginning and end of the year	₱444	₱444	₱444
Unrealized gain - gross of tax:			
Balance at beginning of the year	33,610	14,940	12,113
Unrealized gain (loss) during the year	(994)	18,670	2,827
Balance at end of the year	32,616	33,610	14,940
	₱33,060	₱34,054	₱15,384

For the years ended April 30, 2024, 2023 and 2022, unrealized gain (loss), net of tax, recorded as fair value reserves in other comprehensive income reserves are as follows:

	2024	2023	2022
Balance at beginning of the year	₱28,562	₱12,697	₱10,291
Other comprehensive income (loss)	(844)	15,865	2,406
Balance at end of the year	₱27,718	₱28,562	₱12,697

Financial assets at FVOCI consist mainly of golf club and market-quoted shares. The golf club shares are classified as proprietary shares which entitles the holder to use and enjoy the club's facilities and services; to vote and be voted in meetings of the shareholders; and to receive a share in the net assets upon liquidation and dissolution. These shares are carried in the books at market values based on published stock quotes by brokers and dealers as at reporting date.



13. Prepaid Expenses and Other Current Assets

	2024	2023	2022
Advances to suppliers (Note 35)	₱5,099,490	₱401,658	₱664,830
Input VAT - net	584,919	199,883	162,790
Prepaid expenses	180,486	173,634	88,242
Prepaid taxes	176,222	141,743	96,844
Deferred transportation cost	62,773	92,322	93,166
Forward contract	13,441	58,866	—
Prepaid rent	10,300	21,864	13,992
Short-term deposit	1,000	1,000	21,172
Others	6,100	2,371	966
	₱6,134,731	₱1,093,341	₱1,142,002

Advances to suppliers are down payments incurred by the Group 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 an initial public offering (IPO), employee benefits, and insurance on stocks and bonds. In 2022, prepaid expenses related to the Parent Company's IPO amounting to ₱99,548 have been charged to CARI and reclassified to due from related party. The Parent Company and CARI regularly enters into offsetting agreements between the dividends payable of Parent Company and receivables from CARI.

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.

Short-term deposit pertains to time deposits and earn interest rate of nil in 2024, nil in 2023 and 0.75% in 2022. Interest income earned amounted to nil, nil, and ₱66 for the years ended April 30, 2024, 2023 and 2022, respectively.

Other current assets consist of advances to employees and insurance on executives.

As at April 30, 2024, 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:

	2024	2023
Foreign currency forward contract (Note 20)	(₱117,110)	₱58,866
Commodity swaps	13,441	(27,856)
Balance at end of the year	(₱103,669)	₱31,010

Included in:

Prepaid expenses and other current assets	₱13,441	₱58,866
Trade and other current liabilities	(117,110)	(27,856)
	(₱103,669)	₱31,010



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 1 month. The Group accounts for these commodity derivatives as cash flow hedges. The effective portion of derivative gains and losses is deferred in equity and recognized as part of cost of products sold in the appropriate period and the ineffective portion is recognized as cost of products sold.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the commodity forward contracts match the terms of the expected highly probable forecast transactions (i.e. notional amount and expected payment date). The Group established a hedge ratio of 1:1 for the hedging relationships as the underlying risk of the commodity forward contracts are identical to the hedged risk components. The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference index prices, purchase dates, maturities and the notional or par amounts.

To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the change in the fair value of the hedging instruments against the changes in the fair value of the hedged items attributable to the hedged risks.

As of April 30, 2024 and 2023, the notional amount of the Group’s commodity contracts are 95,605 and 46,545 barrels of gas and oil, respectively.

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 1 month. The Group accounted for these contracts as cash flow hedges.

As of April 30, 2024 and 2023, the notional amount of the Group’s foreign currency forward contracts is 197,000 US dollars and 154,000 US dollars, respectively.

The amounts relating to items designated as hedged items are as follows:

	2024		
	Change in value used for calculating hedge effectiveness	Cash flow hedge reserve	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied
Foreign exchange risk			
Inventory purchases	₱117,110	₱130,550	₱—
Commodity price risk			
Inventory purchases	13,441	29,541	—



	Change in value used for calculating hedge effectiveness	Cash flow hedge reserve	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied
Foreign exchange risk			
Inventory purchases	₱58,866	(₱44,149)	₱—
Commodity price risk			
Inventory purchases	27,856	20,892	—



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

30 April 2024				During 2024			
	Notional Amount	Carrying amount Assets	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
Commodity price risk							
Commodity contracts				Prepayment and other current assets			
Gas oil (barrels)	₱9,392	₱13,440	₱–		(₱29,541)	(₱1,728)	Cost of sales
Foreign exchange risk				Derivative liabilities – Current			Sales and Cost of Sales
Foreign currency forwards	197,000	–	(117,110)		130,550	(138,653)	
30 April 2023				During 2023			
	Notional Amount	Carrying amount Assets	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
Commodity price risk							
Commodity contracts				Derivative liabilities – Current			Cost of sales
Gas oil (barrels)	₱46,545	₱–	(₱27,856)		(₱27,856)	₱–	
Foreign exchange risk				Prepayment and other current assets			Net finance expense
Foreign currency forwards	154,000	58,866	–		58,866	–	



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 as at April 30, 2024 and 2023:

	2024	2023
Changes in fair value:		
Commodity risk	₱13,441	(₱27,856)
Foreign exchange risk	(117,110)	58,866
	(₱103,669)	₱31,010

14. Investment Properties

	April 30, 2024		
	Land	Buildings and improvements	Total
Cost – Beginning and ending balances	₱155,326	₱184,568	₱339,894
Accumulated Depreciation, Amortization and Impairment Losses			
Beginning balances	–	174,370	174,370
Depreciation for the year	–	6,180	6,180
Ending balances	–	180,550	180,550
Net book value	₱155,326	₱4,018	₱159,344

	April 30, 2023		
	Land	Buildings and improvements	Total
Cost – Beginning balances	₱155,326	₱184,568	₱339,894
Accumulated Depreciation, Amortization and Impairment Losses			
Beginning balances	–	168,191	168,191
Depreciation for the year	–	6,179	6,179
Ending balances	–	174,370	174,370
Net book value	₱155,326	₱10,198	₱165,524

	April 30, 2022		
	Land	Buildings and improvements	Total
Cost - Beginning balances	₱155,326	₱184,568	₱339,894
Accumulated Depreciation, Amortization and Impairment Losses			
Beginning balances	–	162,012	162,012
Depreciation for the year	–	6,179	6,179
Ending balances	–	168,191	168,191
Net book value	₱155,326	₱16,377	₱171,703

The fair market value of the investment properties based on the valuation conducted by a third-party appraiser on May 18, 2023 amounted to ₱862,061.

The fair value was determined by Cuervo Appraiser, Inc., an external and independent property valuer, having appropriate recognized professional qualification and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Parent Company's investment property every three (3) years.



The fair value measurement for investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used. The valuation considers commercial utility as the highest and best use of the property.

Valuation Techniques and Significant Unobservable Inputs

The valuation method used to determine fair value is Sales Comparison Approach and Cost Approach for land and buildings, respectively, in 2023 and Sales Comparison Approach and Income Approach for land and buildings, respectively, in 2020. Sales Comparison Approach involves the analysis of comparable sales of similar and substitute properties and related market data to reflect the differences in location, planning area, ownership, land area, floor area, sale or asking price, unit value, gross yield, occupancy status, as well as date of transaction among other factors affecting value. Under Cost Approach, the value of the buildings and improvements consider as a substitute for the purchase of a given property, the possibility of constructing another property that is an equivalent to the original or one that could furnish equal utility with no undue cost resulting from delay. Under Income Approach, the annual net rental is capitalized at an appropriate interest rate after deducting for property tax and other operating expenses to arrive at the capital value of the property. The unobservable inputs used to determine market value are the prevailing rental rates and return on investment as at valuation date. Key inputs to fair valuation are as follows:

	Valuation Techniques	Significant Unobservable Inputs	Range/ Amount
2023			
Land	Sales Comparison	Price per square foot	₱156,884 - ₱160,310
Buildings and improvements	Cost Approach	Depreciated replacement cost	₱43,133,000

	Valuation Techniques	Significant Unobservable Inputs	Range/ Amount
2020			
Land	Sales Comparison	Price per square foot	₱104 - ₱106
Buildings and improvements	Income Approach	Lease rate per square foot per month	₱140 - ₱300

Rental income, included as part of other income, generated from the investment properties for the fiscal years ended April 30, 2024, 2023 and 2022 amounted to ₱47,353, ₱44,633 and ₱44,249, respectively (see Note 25). Direct costs arising from the investment properties that generated rent income for the years ended April 30, 2024, 2023 and 2022 amounted to ₱32,799, ₱34,232 and ₱35,136 respectively (see Note 26).



15. Property, Plant and Equipment

2024									
	Land (At Revalued Amount)	Machinery and Equipment	Buildings and Improvements	Leasehold Improvements	Construction in Progress	Bearer Plants at Cost	Right-of-use Assets - Land	Right-of-use Assets - Building and Improvements	Total
Gross Carrying Amount									
Beginning balances, May 1, 2023	₱1,037,395	₱13,033,407	₱1,780,227	₱2,235,525	₱1,836,667	₱19,027,837	₱3,108,145	₱2,037,074	₱44,096,277
Additions	—	234,235	17,121	150,066	700,005	7,291,170	785,825	552,000	9,730,422
Transfers /adjustments	—	1,288,147	95,543	19,737	(1,403,427)	—	—	—	—
Disposals	—	(80,040)	—	—	—	(5,701,012)	(557,381)	(256,301)	(6,594,734)
Ending balances, April 30, 2024	1,037,395	14,475,749	1,892,891	2,405,328	1,133,245	20,617,995	3,336,589	2,332,773	47,231,965
Accumulated Depreciation and Amortization									
Beginning balances, May 1, 2023	—	10,166,823	958,515	752,309	—	7,941,792	1,496,368	705,325	22,021,132
Depreciation and amortization	—	740,982	68,419	194,907	—	6,626,181	500,596	344,160	8,475,245
Transfers /adjustments	—	(401)	(194)	—	—	—	—	—	(595)
Disposals	—	(75,195)	—	—	—	(5,701,012)	(557,381)	(256,301)	(6,589,889)
Ending balances, April 30, 2024	—	10,832,209	1,026,740	947,216	—	8,866,961	1,439,583	793,184	23,905,893
Carrying Value	₱1,037,395	₱3,643,540	₱866,151	₱1,458,112	₱1,133,245	₱11,751,034	₱1,897,006	₱1,539,589	₱23,326,072

2023									
	Land (At Revalued Amount)	Machinery and Equipment	Buildings and Improvements	Leasehold Improvements	Construction in Progress	Bearer Plants at Cost	Right-of-use Assets - Land	Right-of-use Assets - Building and Improvements	Total
Gross Carrying Amount									
Beginning balances, May 1, 2022	₱610,232	₱12,413,528	₱1,740,351	₱1,616,302	₱1,263,267	₱18,463,026	₱2,987,089	₱1,909,004	₱41,002,799
Additions	—	245,810	5,907	538,385	1,175,257	8,071,969	169,395	128,070	10,334,793
Revaluation	427,163	—	—	—	—	—	—	—	427,163
Transfers /adjustments	—	486,713	34,306	80,838	(601,857)	—	—	—	—
Disposals	—	(112,644)	(337)	—	—	(7,507,158)	(48,339)	—	(7,668,478)
Ending balances, April 30, 2023	1,037,395	13,033,407	1,780,227	2,235,525	1,836,667	19,027,837	3,108,145	2,037,074	44,096,277

(Forward)



2023									
	Land (At Revalued Amount)	Machinery and Equipment	Buildings and Improvements	Leasehold Improvements	Construction in Progress	Bearer Plants at Cost	Right-of-use Assets - Land	Right-of-use Assets - Building and Improvements	Total
Accumulated Depreciation and Amortization									
Beginning balances, May 1, 2021	P—	P9,570,147	P874,149	P606,819	P—	P9,194,783	P1,063,017	P432,262	P21,741,177
Depreciation and amortization	—	704,511	84,859	145,490	—	6,254,167	481,691	273,063	7,943,781
Transfers /adjustments	—	(2,185)	(194)	—	—	—	—	—	(2,379)
Disposals	—	(105,650)	(299)	—	—	(7,507,158)	(48,340)	—	(7,661,447)
Ending balances, April 30, 2022	—	10,166,823	958,515	752,309	—	7,941,792	1,496,368	705,325	22,021,132
Carrying Value	P1,037,395	P2,866,584	P821,712	P1,483,216	P1,836,667	P11,086,045	P1,611,777	P1,331,749	P22,075,145
2022									
	Land (At Revalued Amount)	Machinery and Equipment	Buildings and Improvements	Leasehold Improvements	Construction in Progress	Bearer Plants at Cost	Right-of-use Assets - Land	Right-of-use Assets - Building and Improvements	Total
Gross Carrying Amount									
Beginning balances, May 1, 2021	P610,232	P11,593,571	P1,698,703	P1,360,574	P763,944	P18,003,802	P2,415,797	P1,736,461	P38,183,084
Additions	—	718,573	23,662	321,562	647,793	6,784,988	637,126	393,524	9,527,228
Transfers /adjustments	—	129,135	17,986	1,349	(148,470)	—	—	—	—
Disposals	—	(27,751)	—	(67,183)	—	(6,325,764)	(65,834)	(220,981)	(6,707,513)
Ending balances, April 30, 2022	610,232	12,413,528	1,740,351	1,616,302	1,263,267	18,463,026	2,987,089	1,909,004	41,002,799
Accumulated Depreciation and Amortization									
Beginning balances, May 1, 2021	—	8,960,615	787,685	556,285	—	10,300,809	699,285	379,556	21,684,235
Depreciation and amortization	—	636,190	86,658	117,717	—	5,219,738	429,566	273,687	6,763,556
Transfers /adjustments	—	(2,625)	(194)	—	—	—	—	—	(2,819)
Disposals	—	(24,033)	—	(67,183)	—	(6,325,764)	(65,834)	(220,981)	(6,703,795)
Ending balances, April 30, 2022	—	9,570,147	874,149	606,819	—	9,194,783	1,063,017	432,262	21,741,177
Carrying Value	P610,232	P2,843,381	P866,202	P1,009,483	P1,263,267	P9,268,243	P1,924,072	P1,476,742	P19,261,622



Major items in CIP as of April 30, 2024 include construction of Additional Line 4 in JMC Packing House, Additional 307 Cookroom Line, Acquisition of 307 Line 6 Autocaser, Construction of Fruit Truck Ingress and Egress in JMC PH and Construction of 21 Duplex Houses, which are part of the significant top projects implemented in fiscal year 2024. These projects are expected to be completed by fiscal year 2025.

Capitalized Borrowing Cost

Capitalized borrowing costs for the year ended April 30, 2024 amounting to ₱1,834 is related to carry-over projects Complete 307 Cookroom Line and 307 Line 6 Autocaser. For the year ended April 30, 2023 amounting to ₱13,987 is related to additional Complete 307 Cookroom Line, Purchase of Pineapple Juice in 202x314 Can Size and the carry-over of both of FDM 202 Line and 307 Line 6 Autocaser. For the year ended April 30, 2022, capitalized borrowing costs amounting to ₱672 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.

The Group also capitalized interest expense arising from general borrowings and lease liabilities to bearer plants amounting to ₱219,131, ₱179,472 and ₱119,982 for the years ended April 30, 2024, 2023 and 2022, respectively (Note 27). Average capitalization rate used is 6.12%, 5.32%, and 2.25% for the fiscal years ended April 30, 2024, 2023 and 2022, respectively.

Land at Revalued Amount

The last revaluation was April 30, 2023 with land fair value of ₱1,037,395. The original cost of the land is ₱101.

For the years ended April 30, 2024, 2023 and 2022, adjustment of land revaluation surplus net of deferred tax effect are as follows:

	2024	2023	2022
Beginning balance - net of tax	₱777,970	₱457,598	₱457,598
Revaluation during the year - net of tax	—	320,372	—
Ending balance - net of tax	₱777,970	₱777,970	₱457,598

Valuation Techniques and Significant Unobservable Inputs

The fair value of land was determined by Cuervo Appraisers, external and independent property valuers, having appropriate recognized professional qualification and recent experience in the location and category of the property being valued.

The fair value measurement for land has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

The value of the land was estimated using the Sales Comparison Approach. This is a 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 key inputs to the fair valuation are as follows:

	Range
Price per square meter	₱3,859 to ₱10,200
Lot size (square meters)	5,000 to 1,497,512
Location	Cagayan de Oro City

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.

No property and equipment are pledged nor treated as security to the outstanding liabilities as at April 30, 2024, 2023 and 2022.

16. Other Noncurrent Assets

	2024	2023	2022
Advance rent	₱1,051,774	₱815,817	₱632,887
Refundable deposits	105,115	101,740	111,561
Security deposits	49,917	53,943	57,969
Advances to suppliers	9,762	160,834	220,416
Deferred input VAT	8,004	25,988	25,988
Others	3,800	26,823	40,760
	₱1,228,372	₱1,185,145	₱1,089,581

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

Refundable deposits are deposits made under lease contracts entered by the Group. The security deposits are related to the land leases of the Group from to DMPI Employees Agrarian Reform Beneficiaries Cooperative (DEARBC).

Advances to suppliers represent advance payments made to cover capital expenditures of the Group.

Deferred input VAT on capital goods represents input VAT on property and equipment incurred prior to January 1, 2022 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.

17. Short-term Notes Payable

	2024	2023	2022
Peso-denominated loans	₱5,930,008	₱7,975,000	₱5,880,000
Dollar-denominated loans	17,421,703	12,497,924	2,897,789
	₱23,351,711	₱20,472,924	₱8,777,789

The unsecured peso-denominated loans bear interest at 6.40% to 8.45%, 4.50% to 6.75% and 2.125% to 2.250% as at April 30, 2024, 2023 and 2022, respectively, and usually mature after 30 to 90 days.



As at April 30, 2024, 2023 and 2022, the balance of dollar-denominated unsecured notes payable in original currency amounted to US\$302,549 or ₱17,421,703, US\$225,200 or ₱12,497,924 and US\$55,370 or ₱2,897,789, respectively. The loans bear an interest at 5.70% to 6.50%, 4.43% to 6.50% and 1.85% to 2.00% as at April 30, 2024, 2023 and 2022, respectively, and usually mature after 28 to 90 days.

Total interest expense on short-term loans amounted to ₱1,190,836, ₱632,404 and ₱210,762 for fiscal years ended April 2024, 2023 and 2022, respectively (see Note 27).

For the year ended April 30, 2024, the Parent Company availed of peso-denominated loans amounting to ₱12,513,919 which bear interest at 6.40% to 8.45 % and has maturity of 1 to 60 days. The Parent Company also availed dollar-denominated loans amounting to US\$490,604 or ₱28,250,478 which bears interest at 6.00% to 8.41% and has maturity of 7 to 90 days. Principal payments made during the same period amounted to ₱38,112,196. Total short-term loans rolled over upon maturity amounted to ₱116,265,448.

The Parent Company has unsecured lines of credit with local banks amounting to ₱24,196,377, ₱25,000,000 and ₱26,043,000 of which ₱23,344,148, ₱20,473,000 and ₱11,778,000 have been availed as at April 30, 2024, 2023 and 2022, respectively.

18. Long-term Debt

	2024	2023	2022
Bank and Financial Institution:			
BDO	₱5,800,000	₱1,500,000	₱1,500,000
DBP	4,312,500	1,500,000	1,500,000
	10,112,500	3,000,000	3,000,000
Less debt issuance cost	64,053	8,645	14,368
	10,048,447	2,991,355	2,985,632
Less current portion	750,000	687,500	—
	₱9,298,447	₱2,303,855	₱2,985,632

On October 31, 2023, the Parent Company availed of an unsecured peso-denominated loans totaling ₱8,730,790 with a variable interest rate, maturing in year 2028, to finance payment of bonds payable and other existing debts, and partially finance general corporate requirements. The debt issuance costs related to the loans amounted to ₱69,210. The loans are payable on quarterly basis over a period of five (5) years, inclusive of two (2)-year grace period on the principal.

For the year ended April 30, 2024, the Parent Company made principal payments amounting to ₱1,687,500.

On October 23, 2020, the Parent Company obtained a loan amounting to ₱1,500,000 payable over 9 equal quarterly installments with the first repayment date on August 3, 2023 and last repayment date on August 3, 2025 at an interest rate of 4.125% p.a. This loan is guaranteed by DMPL as its surety.

On November 6, 2020, the Parent Company availed of an unsecured long-term credit facility amounting to ₱1,500,000 at an interest rate of 3.00% p. a., maturing in 2025, to partially finance its general corporate requirements and/or refinance existing debts. The Parent 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.



The loan agreements require a debt service coverage ratio of at least 1.2x and debt-to-equity ratio of not exceeding 2.5x based on consolidated financial statements. The debt-to-equity ratio was revised to 3.0x pursuant to the amendment agreements dated October 26 and 27, 2023. The Parent Company is compliant with its loan covenants as at April 30, 2024, 2023 and 2022.

Furthermore, certain of the Parent Company's long-term loan facilities include customary events of default, including a cross-default provision. A cross-default provision typically makes a default under certain financial indebtedness of a borrower group member an automatic default on other financial indebtedness of that borrower group member. However, under the terms of a facility agreement among the Parent Company as borrower, DMPL as surety and BDO Unibank, Inc. ("BDO") dated October 23, 2020 (the "BDO Term Loan"), a default under certain financial indebtedness of the borrower group under the BDO Term Loan (the "Borrower Group"), which includes (i) the Parent Company and its subsidiaries from time to time (the "DMPL Borrower Group") and (ii) DMPL and its subsidiaries from time to time excluding DMFHL and its subsidiaries, including but not limited to DMFI (the "DMPL Borrower Group"), constitutes an event of default under the BDO Term Loan if the aggregate amount of such financial indebtedness is U.S.\$2.0 million or more. As at April 30, 2024, the Parent Company already settled the ₱1,500,000 BDO Term Loan.

Details of long-term loans from various local banks, payable as follows:

Availment date	Maturity date	Payment schedule	Principal	Interest rate
October 31, 2021	October 31, 2028	13 quarterly payments	₱5,800,000	7.48%
October 31, 2021	October 31, 2028	12 quarterly payments	3,000,000	7.25%
November 6, 2020	November 6, 2025	8 quarterly payments	1,500,000	3.00%
October 23, 2020	August 3, 2025	9 quarterly payments	1,500,000	4.125%

Interest expense on long-term loans amounted to ₱491,333, ₱132,220 and ₱98,571 for the years ended April 30, 2024, 2023 and 2022, respectively (see Note 27).

The movements in unamortized debt issuance costs follow:

	2024	2023	2022
Balance at beginning of year	₱8,645	₱14,368	₱19,876
Additions	69,210	—	—
Amortization	(13,802)	(5,723)	(5,508)
Balance at end of year	₱64,053	₱8,645	₱14,368

The maturity analysis of the principal payments is shown below.

Financial year ending	DBP	BDO
2025	₱750,000	—
2026	1,125,000	1,784,616
2027	1,000,000	1,784,616



19. Bonds Payable

	2024	2023	2022
Face value of bonds	₱645,900	₱6,478,460	₱6,478,460
Debt issuance costs	(3,358)	(22,027)	(56,062)
Carrying value	642,542	6,456,433	6,422,398
Less: current portion	—	5,816,019	—
Noncurrent portion	₱642,542	₱640,414	₱6,422,398

For the year ended April 30, 2024, the Parent Company paid the three-year fixed rate bond amounting to ₱5,832,560.

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.

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 the Parent Company to repay its existing short-term and unsecured loans. As of April 30, 2024, 2023 and 2022, ₱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:

	2024	2023	2022
Balance at beginning of year	₱22,027	₱56,062	₱88,668
Amortization	(18,669)	(34,035)	(32,606)
Balance at end of year	₱3,358	₱22,027	₱56,062

Interest expense on bonds payable amounted to ₱144,535, ₱261,503 and ₱258,875 for the years ended April 30, 2024, 2023 and 2022, respectively (see Note 27).

The agreements require a debt service coverage ratio of at least 1.2x and debt-to-equity ratio of not exceeding 2.5x based on consolidated financial statements. The Parent Company is compliant with its debt covenants as at April 30, 2024, 2023 and 2022.

20. Accounts Payable and Accrued Expenses

	2024	2023	2022
Accounts payable:			
Trade	₱5,427,736	₱5,367,137	₱5,115,778
Nontrade	714,682	122,392	—
Royalties payable (Note 40)	—	—	98,919
Due to related parties (Note 35)	371,195	20,265	107,857

(Forward)



	2024	2023	2022
Accrued expenses:			
Advertising, promotions and discounts	₱344,397	₱193,467	₱309,705
Tinplate and consigned stocks	342,661	204,086	225,434
Salaries, bonuses and other employee benefits (Note 34)	246,720	158,894	171,352
Payable to government agencies	230,576	391,980	184,060
Freight and warehousing	178,030	219,734	173,375
Interest	123,377	188,208	32,563
Derivative liability (Note 13)	117,110	27,856	—
Professional and outside services	93,691	169,656	105,770
Utilities	62,878	79,634	65,316
Land Preparation and Rental	45,691	102,098	105,051
Others	313,237	187,783	96,973
	₱8,611,981	₱7,433,190	₱6,792,153

Trade payables are noninterest-bearing and are normally settled on 30 to 60-day terms.

Nontrade payables consist of insurance premiums, employee loans and other deductions that are normally remitted within the following year.

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 (see Note 35).

Accrued expenses are payable within the next fiscal year.

21. Cost of Sales

	2024	2023	2022
Inventories (see Note 8)	₱15,117,782	₱16,867,521	₱13,231,445
Depreciation and amortization (Notes 14, 15 and 29)	7,506,894	7,040,659	6,102,533
Personnel (Note 28)	3,055,863	2,512,873	2,850,137
Fuel, light and power	947,008	1,264,099	1,001,539
Repairs and maintenance	579,682	562,463	488,220
Provision for obsolescence (Note 8)	409,012	214,363	94,154
Freight and logistics	386,944	413,814	368,685
Materials and supplies	189,459	276,267	159,593
Rent (Note 39)	154,762	283,816	332,416

(Forward)



	2024	2023	2022
Taxes and licenses	₱66,985	₱34,693	₱64,641
Royalty expense (Note 40)	34,009	26,907	21,380
Travel and transportation	21,824	19,132	7,202
Insurance	16,813	11,499	13,534
Others	1,100,338	1,123,645	1,006,722
	₱29,587,375	₱ 30,651,751	₱25,742,201

22. Distribution and Selling Expenses

	2024	2023	2022
Freight and storage	₱1,496,865	₱2,268,202	₱1,799,164
Personnel (Note 28)	1,133,444	970,959	931,779
Advertising and promotion	526,820	537,541	592,062
Research and development	111,870	122,176	124,166
Entertainment, amusement and recreation	49,569	54,607	20,825
Depreciation and amortization (Notes 14, 15 and 29)	40,368	43,499	45,245
Taxes and licenses	36,162	38,828	35,429
Rent (Note 39)	12,351	12,117	12,781
Others	104,649	99,861	69,889
	₱3,512,098	₱4,147,790	₱3,631,340

23. General and Administrative Expenses

	2024	2023	2022
Personnel (Note 28)	₱497,026	₱464,833	₱443,106
Depreciation and amortization (Notes 14, 15 and 29)	123,028	117,152	116,492
Technology cost	102,366	70,931	55,099
Professional fees	95,388	96,996	81,243
Training and employee activities	58,343	59,947	50,196
Travel and transportation	40,606	38,324	20,755
Taxes and insurance	30,256	25,215	19,359
Utilities	23,128	21,666	16,035
Rent (Note 39)	21,691	17,086	16,145
Outside services	16,429	14,446	13,488
Supplies	8,796	9,727	9,795
Others	30,539	21,257	22,451
	₱1,047,596	₱957,580	₱864,164



24. Revenues

	2024	2023	2022
Revenue from customer contracts:			
Convenience cooking and dessert	₱13,044,571	₱12,656,811	₱12,057,162
Premium fresh fruit	8,993,886	8,237,549	6,586,671
Healthy beverage and snacks	7,147,343	7,531,083	6,889,267
Packaged fruit and beverages	6,821,498	9,234,739	7,639,408
Others	143,689	135,572	87,825
Changes in fair values of biological assets (Note 9)	2,598,118	3,271,864	3,296,124
	₱38,749,105	₱41,067,618	₱36,556,457

The changes in fair values are recognized under:

	2024	2023	2022
Cost of sales	₱2,233,461	₱3,173,187	₱3,021,154
Inventories	105,414	248,475	170,763
Unharvested agricultural produce	259,243	(149,798)	104,207
	₱2,598,118	₱3,271,864	₱3,296,124

The fair value adjustments of pineapple and papaya fruits harvested that were subsequently sold as fresh pineapples and those used in production as pineapple-based canned products for the years ended April 30, 2024, 2023 and 2022 amounted to ₱2,233,461, ₱3,178,187 and ₱3,021,154 , respectively.

25. Other Income

	2024	2023	2022
Reversal of long-outstanding payable	₱69,710	₱106,427	₱73,919
Scrap sales	57,270	21,084	27,621
Rental income (Notes 14 and 39)	47,353	44,633	44,249
Forfeited personal retirement account	36,701	27,567	30,727
Management income (Note 35)	9,273	18,591	8,033
Reversal of employee incentives	—	32,947	—
Others	2,720	37,395	4,089
	₱223,027	₱288,644	₱188,638

Certain payables were reversed upon determining the final settlement or status of the accounts.

Scrap sales include sales of copper wires and other scrap materials.

Rental income pertains to income generated from rental of investment properties.

Forfeited personal retirement account pertains to the contributions of the Parent Company to the employees' personal retirement account which are forfeited once the employee resigns before the vesting period.



Reversal of employee incentives are reversal of over accrued employee incentives paid within the financial year.

26. Other Expense

	2024	2023	2022
Management fee (Note 35)	₱257,007	₱214,512	₱182,008
Property operating expenses	25,003	45,631	42,339
Depreciation and amortization (Notes 14, 15 and 29)	12,997	6,179	6,179
Others	16,053	13,967	10,452
	₱311,060	₱280,289	₱240,978

Other expenses include various write-off due to overdue or stale accounts.

27. Finance Cost

	2024	2023	2022
Interest expense:			
Short-term and long-term payables (Notes 17 and 18)	₱1,682,169	₱764,624	₱309,333
Lease liabilities (Note 39)	191,411	163,173	156,820
Bonds payable (Note 19)	144,535	261,503	258,875
Capitalized borrowing costs (Note 15)	(219,131)	(179,472)	(119,982)
	1,798,984	1,009,828	605,046
Bank charges	184,788	140,178	93,312
	₱1,983,772	₱1,150,006	₱698,358

28. Personnel

	2024	2023	2022
Outsourced labor	₱4,072,013	₱4,345,340	₱3,338,369
Wages and salaries	2,614,675	2,644,952	2,568,829
Retirement costs and provident fund contributions (Note 34)	112,148	110,358	143,902
Social security costs	282,295	259,264	240,967
	7,081,131	7,359,914	6,292,067
Personnel expenses included in inventories and expenditures on agricultural produce	(2,394,798)	(3,411,249)	(2,067,045)
	₱4,686,333	₱3,948,665	₱4,225,022



Personnel expenses are included in:

	2024	2023	2022
Cost of sales (Note 21)	₱3,055,863	₱2,512,873	₱2,850,137
Distribution and selling expenses (Note 22)	1,133,444	970,959	931,779
General and administrative expenses (Note 23)	497,026	464,833	443,106
	₱4,686,333	₱3,948,665	₱4,225,022

29. Depreciation and Amortization

Depreciation and amortization of investment property and property, plant and equipment are included in:

	2024	2023	2022
Cost of sales (Note 21)	₱7,506,894	₱7,040,659	₱6,102,533
Inventories and biological assets	798,138	742,471	499,286
General and administrative expenses (Note 23)	123,028	117,152	116,492
Distribution and selling expenses (Note 22)	40,368	43,499	45,245
Other expense (Note 26)	12,997	6,179	6,179
	₱8,481,425	₱7,949,960	₱6,769,735

30. Income Taxes

The details of the Group's deferred tax assets (liabilities) are as follows:

DMPI

	2024	2023	2022
Items recognized in profit or loss			
<i>Allowance for:</i>			
Accrued leases / PFRS 16 adjustment	₱178,577	₱131,264	₱93,276
Accrued expenses	21,335	37,678	69,704
Excess of cost over NRV of inventories	15,489	26,900	₱24,465
Retirement plan	13,538	(7,949)	(28,880)
Impairment losses on receivables and property, plant and equipment	3,901	3,806	4,928
Changes in fair value of biological assets	(95,747)	(89,927)	(94,579)

(Forward)



	2024	2023	2022
Unrealized foreign exchange losses (gains)	(P32,228)	P32,570	(P1,797)
Taxes on sweetened beverages	(20,121)	(16,133)	(9,006)
Capitalized customs duties and taxes on property, plant and equipment	(2,596)	(2,006)	(2,060)
	82,148	116,203	56,051
Items recognized in other comprehensive income			
Revaluation increment	(259,323)	(259,323)	(152,532)
Remeasurement effects - retirement plan	(145,983)	(125,060)	(92,165)
Derivatives	25,917	(7,752)	—
Unrealized gain on FVOCI	(4,898)	(5,048)	(2,243)
	(384,287)	(397,183)	(246,940)
	(P302,139)	(P280,980)	(P190,889)

PPMSC

	2024	2023	2022
Items recognized in profit or loss			
PFRS 16 adjustment	(P919)	(P888)	(P813)
Allowance for impairment losses on receivables	139	217	713
	(P780)	(P671)	(P100)

DMTDI

The Tax Reform Act of 1997 (the “Act”) introduced net operating loss carry-over (NOLCO) benefit which can be applied to an entity’s taxable income for three (3) succeeding years from the year the loss was incurred. On the other hand, any excess of MCIT over RCIT is carried forward annually and applied against RCIT for the next 3 succeeding taxable years. Pursuant to the “Bayanihan to Recover as One Act” and Revenue Regulation No. 25-2020 issued by the Bureau of Internal Revenue (BIR) on September 30, 2020, NOLCO incurred by DMTDI in taxable year 2021 can be carried over and claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years.

As at April 30, 2024 the Group’s NOLCO coming from DMTDI, which could be applied against future taxable income are as follows:

Year Incurred	Amount Incurred	Amount Applied/Expired	Balance	Expiry Date
2024	P64	P—	P64	2027
2023	92	—	92	2026
2022	111	—	111	2025
2021	63	—	63	2026
2020	114	—	114	2025
2019	89	89	—	2022
	P533	P89	P444	



The reconciliation of the income tax expense computed at statutory rate to the income tax expense shown in profit or loss is as follows:

	2024	2023	2022
Income before income tax	₱3,046,297	₱4,356,446	₱5,686,077
Income tax at 25%	761,574	1,089,112	1,421,519
Add (deduct) tax effects of the following:			
Income from PEZA-registered activities subject to lowered tax rate	(334,388)	(519,409)	(686,719)
Nondeductible expenses	50,249	101,330	75,440
Movement in unrecognized deferred tax assets	(20,032)	(20,434)	–
Nontaxable income	(10,338)	–	(17,016)
Interest income subjected to final tax	(5,635)	(2,516)	(923)
	₱441,430	₱648,083	₱792,301

31. Capital Stock

	2024	2023	2022
Common stock - ₱1 par value:			
Authorized - 3,000,000,000 shares			
Issued – 2,433,668,395 shares in 2024; 2,797,320,004 shares in 2023 and 2022	₱2,433,668	₱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 335,678,400 convertible common shares to RCPS and the removal of the conversion feature of the remaining convertible common shares.

The RCPS shall have the following rights:

- a. Dividends – The holders of the RCPS shall be entitled to receive dividends and distributions payable on the same basis as the common shares, to the extent permitted under applicable law, as and when declared by the Board. No dividends or distributions, in whatever form, shall be declared or paid to the holders of the common shares. without a declaration of payment of dividends on the same basis to the holders of the RCPS.



- b. Liquidation Preference – In the event of the liquidation, dissolution or winding up of the Parent Company (whether voluntary or involuntary), the RCPS shall have preference over the common shares in respect of the assets of the Parent Company available for distribution after payment of the liabilities of the Parent Company.
- c. Voting Rights – The holders of the RCPS then outstanding are entitled to receive notice of, and to attend and speak at, general meetings of the Parent Company, and to receive a copy of any written resolution circulated to eligible stockholders on the circulation date in accordance with law. The holders of the RCPS have voting rights.
- d. Conversion to Common Shares – At any time and from time to time, any holder of the RCPS then outstanding shall have the right, at its option, to require the Parent Company to convert all or any part of such RCPS held into common shares, provided, however, that in the event of an initial public offering by the Parent Company, all the preferred shares then outstanding shall be automatically converted into common shares.
- e. Redemption – The preferred shares shall be redeemable in accordance with the relevant provisions in the Articles of Incorporation and the Enabling Resolutions, subject to compliance with applicable laws.

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.

As discussed in Note 1, the SHA requires the Group to continuously maintain the following financial covenants for as long as SEA Diner is a significant minority:

- i. The ratio of the Group's total indebtedness to the Group's consolidated earnings before interest and taxes shall not exceed 3.75x at any time during each quarter
- ii. The ratio of the Group's total indebtedness to the Group's shareholder's equity shall not exceed 2.00x at any time during each quarter

As of and for the year ended April 30, 2023, the Group did not meet the above financial ratios. However, as discussed in Note 1, in case of other redemption events, the redemption of the RCPS is subject to mutual consent of the Parent Company and the holder of the RCPS. As of July 5, 2023, the Parent Company and SEA Diner have been in discussion to resolve the matter and have no intention to mutually agree to a redemption of the RCPS.

On December 11, 2023, in a joint special meeting of the Board and stockholders of the Parent Company, approved the conversion of the authorized common shares amounting to ₱3,000,000,000 consisting of 2,636,348,400 common shares and 363,651,600 voting, non-cumulative, convertible, redeemable and participating preferred shares was approved. The common shares shall be convertible to preferred shares. The preferred shares shall be convertible to common shares.

The preferred shares shall have the following rights:

- a. Dividends – The holders of the RCPS shall be entitled to receive dividends and distributions payable on the same basis as the common shares, to the extent permitted under applicable law, as and when declared by the Board. No dividends or distributions, in whatever form, shall be declared or paid to the holders of the common shares. without a declaration of payment of dividends on the same basis to the holders of the RCPS.



- b. Liquidation Preference – In the event of the liquidation, dissolution or winding up of the Parent Company (whether voluntary or involuntary), the RCPS shall have preference over the common shares in respect of the assets of the Parent Company available for distribution after payment of the liabilities of the Parent Company.
- c. Voting Rights – The holders of the RCPS then outstanding are entitled to receive notice of, and to attend and speak at, general meetings of the Parent Company, and to receive a copy of any written resolution circulated to eligible stockholders on the circulation date in accordance with law. The holders of the RCPS have voting rights.
- d. Conversion to Common Shares – At any time and from time to time, any holder of the RCPS then outstanding shall have the right, at its option, to require the Parent Company to convert all or any part of such RCPS held into common shares, provided, however, that in the event of an initial public offering by the Parent Company, all the preferred shares then outstanding shall be automatically converted into common shares.
- e. Redemption – The preferred shares shall be redeemable in accordance with the relevant provisions in the Articles of Incorporation and the Enabling Resolutions, subject to compliance with applicable laws.

On April 16, 2024, the Board approved the designation of 363,651,600 preferred shares to “Redeemable Convertible Preferred Shares” amounting to ₱363.65 million.

Issuance of Guaranteed Senior Perpetual Capital Securities of the newly incorporated subsidiary, Jubilant Year Investments Limited

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

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

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

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

The Related Party Transaction Covenant provides that DMPI shall procure that the aggregate amount of all outstanding balances due from related parties (such amount to be determined with reference to the semi-annual or annual consolidated financial statements of DMPI and its Subsidiaries prepared in accordance with the Philippine Financial Reporting Standard for such Test Period) as of the last day of each Test Period does not exceed U.S.\$175.2 million. “Test Period” means each period of six months ending on the last day of each of the second financial quarter and the fourth financial quarter



of the fiscal year of DMPI. The amount of US\$75.0 million (or such amount that remains) for the purchase of inventory by DMPI from DMFI and such amounts as are incurred in connection with the transactions related to the DSSSRSA are to be excluded in determining the aggregate amount of all outstanding balances due from related parties specified above for the relevant Test Period.ⁿ DMPI has further covenanted that so long as any of the Securities remain outstanding, it will not, and will procure that none of its Subsidiaries will, enter into any agreement, undertaking, instrument or arrangement pursuant to which DMPI or any of its Subsidiaries incurs or is permitted to incur indebtedness, the terms of which include a cross-default, cross-acceleration or other similar provision whereby any default, potential default or event of default (howsoever defined in such other Indebtedness) is triggered by or is otherwise based on the default, potential default or event of default (howsoever defined in such Indebtedness) of any person other than DMPI and its Subsidiaries.

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

Consolidated Agreements

The Parent Company, DMPL, CARI and SEA Diner entered into a consolidated agreement dated February 19, 2024 (the “Derivative Settlement, Share Redemption and Share Sale Agreement” or “DSSSRSA”) to document a series of transactions to be undertaken between the parties (collectively, the “Derivative Settlement, Share Redemption and Share Sale”), as described and subject to the order of priority as follows:

- (i) firstly, the Parent Company, DMPL or CARI will pay a settlement amount to terminate certain derivative rights (namely in relation to a call option agreement and right to earn accretion shares) that SEA Diner has in relation to the share capital of the Parent Company (the “Derivative Settlement”). The total agreed amount for the Derivative Settlement is U.S.\$29.9 million;
- (ii) secondly, the Parent Company will pay for the redemption of 7.0% of the shares of the Parent Company that are owned by SEA Diner (after having obtained SEA Diner’s consent for such mutually agreed redemption) (the “Mutual Redemption”). The total agreed amount for the Mutual Redemption is U.S.\$104.3 million; and
- (iii) thirdly, CARI will acquire up to 6.0% of the share capital of the Parent Company from SEA Diner (the “Proposed Acquisition”) (where completion is subject to approval at a general meeting of the shareholders of DMPL). The total consideration payable by CARI to SEA Diner for the Proposed Acquisition is up to U.S.\$90 million.

DMPL and SEA Diner have agreed to establish an escrow account with The Hongkong and Shanghai Banking Corporation (the “Escrow Account”) before the Issue Date. The net proceeds from this offering of Securities (after deducting combined management, underwriting and selling fee and other estimated transaction expenses) up to a total amount of U.S.\$224.2 million, which is equivalent to the total amount due to complete the three transactions in the DSSSRSA, will be deposited into the Escrow Account immediately after the issuance of the Securities and no later than 15 business days after the Issue Date. Funds deposited into the Escrow Account will be released to settle the three transactions outlined in the DSSSRSA in accordance with the closing conditions for each transaction as outlined in the DSSSRSA.

Further, the remaining shares of SEA Diner in the Parent Company will be converted into redeemable, convertible preferred shares (the “New RCPS”), which the parties have agreed in principle to subject to an albeit lighter set of restrictions in a new agreement to reflect the significantly reduced shareholding in the Parent Company.



The key terms of the New RCPS include, among others: (1) 8.0% dividend yield per year paid quarterly, subject to the Parent Company's option to elect to defer; (2) in the event of deferral, the applicable dividend yield per year shall step up to 12.0% and be cumulative (and compound on a quarterly basis) until such time that all the deferred dividends are paid in full; (3) no advances (or similar transactions) or ordinary equity dividends are allowed by the Parent Company if there are any deferred preferred dividends that have not been paid in cash (together the "Preferred Dividend Deferral Condition"); (4) the Parent Company's gross debt shall not exceed U.S.\$550 million (the "Debt Cap") without the written approval of the New RCPS holder (applicability of this Debt Cap shall be only after 31 January 2025); (5) the holder of the New RCPS will have the right to seek a redemption (a) any time after 18 months from the issuance of the New RCPS, and (b) from 31 January 2025 onwards, if gross indebtedness to the last twelve months EBIT of the Parent Company exceeds 6.0x. Such redemption of the New RCPS shall be subject to mutual agreement by the Parent Company and the holder of the New RCPS and will be at the original investment amount plus any deferred but unpaid and accrued preferred dividends; (6) in the event the holder of the New RCPS has requested redemption but such redemption has not been satisfied in full, the applicable dividend yield shall, at each 12-month anniversary of such request, increase by 1.0% relative to the original investment amount (i.e. the 8.0% yield above shall increase to 9.0% and the 12.0% yield above shall increase to 13% if redemption is not satisfied in full within 12 months from the request), up to an increase of the applicable dividend yield by 4.0% of the original investment amount; (7) in the event of a breach of the terms of the New RCPS, including (a) the incurrence of debt above the Debt Cap without consent of the RCPS holder, and/or (b) the Preferred Dividend Deferral Condition, or a change in control, the holder of the New RCPS may, at its sole election, require the Parent Company to redeem the New RCPS at such amount that would result in a 12% internal rate of return for the holder of the New RCPS; (8) the holder of the New RCPS has the option to elect to convert its RCPS into ordinary shares of the Parent Company at a ratio of one New RCPS into one ordinary share of the Parent Company; (9) a list of reserved matters, including any amendment to the Parent Company's charter or articles, any amendment to rights or terms of any shares of the Parent Company or its subsidiaries, dissolution, liquidation or winding up of the Parent Company, the issuance of any shares of the Parent Company or its subsidiaries in certain circumstances, any incurrence of indebtedness where such incurrence results in breach of financial covenants by the Parent Company or any of its subsidiaries, any material changes in the business or the Parent Company, and certain related party transactions; and (10) customary anti-dilution protections and information rights.

Redemption of RCPS

The Parent Company and SEA Diner Holdings (S) Pte. Ltd. (SEA Diner), a company incorporated in Singapore, entered into a Share Purchase Agreement whereby SEA Diner will sell 19.5% of its ownership interest equivalent to 71,060,624 for a consideration of US\$37.9 million or ₱2,129,821. On April 4, 2024, the Parent Company redeemed such shares and presented as treasury shares in the 2024 consolidated statement of financial position. As at April 30, 2024, the unpaid consideration for the redemption of shares amounting to ₱84,390 was settled on June 3, 2024.

32. Dividends

On April 30, 2024, the Parent Company declared cash dividend of ₱0.63347 per share to the holders of common shares of the Parent Company as of close of April 30, 2024 amounting to ₱1,310,408, net of final taxes.

On December 11, 2023, the Parent Company declared cash dividend of ₱0.14355 to the holders of common shares of the Parent Company as of close of December 26, 2023 amounting to ₱401,555.



Dividends amounting to ₱44,372, net of final taxes, were remitted to SEA Diner. The remaining balance due to CARI amounting to ₱296,950 was offset against the receivables from DMPL.

On September 5, 2023, the Parent Company declared cash dividend of ₱0.15886 per share to the holders of common shares of the Parent Company as of close of September 20, 2023 amounting to ₱444,385. Dividends amounting to ₱49,104, net of final taxes, were remitted to SEA Diner. The remaining balance due to CARI amounting to ₱328,621 was offset against the receivables from DMPL.

On June 15, 2023, the Parent Company declared cash dividend of ₱0.04989 per share to the holders of common shares of the Parent Company as of close of June 29, 2023 amounting to ₱139,558. Dividends amounting to ₱15,421, net of final taxes, were remitted to SEA Diner. The remaining balance due to CARI amounting to ₱103,203 was offset against the receivables from DMPL.

On March 2, 2023, the Parent Company declared cash dividend of ₱0.30188 per share to the holders of common shares of the Parent Company as of close of March 16, 2023 amounting to ₱844,455. Dividends amounting to ₱93,312, net of final taxes, were remitted to SEA Diner. The remaining balance due to CARI amounting to ₱624,474 was offset against the receivables from DMPL.

On December 1, 2022, the Parent Company declared cash dividend of ₱0.41476 amounting to ₱1,160,216 to holders of record as of December 21, 2022. Dividends amounting to ₱128,204, net of final tax, were remitted to SEA Diner. The remaining balance was subsequently entered by the Parent Company and CARI into an offsetting agreement wherein the dividend payable to CARI amounting to ₱857,980, net of final tax, was offset against the receivables from DMPL.

On September 1, 2022, the Parent Company declared cash dividend of ₱0.17906 amounting to ₱500,888 to holders of record as of September 19, 2023. Dividends amounting to ₱55,348 and ₱370,407, net of final tax, were remitted to SEA Diner and CARI, respectively. The remaining balance was subsequently entered by the Parent Company and CARI into an offsetting agreement wherein the dividend payable to CARI amounting to ₱289,428, net of final tax, was offset against the receivables from S&W Fine Foods International Ltd.

On June 17, 2022, the Parent Company declared cash dividend of ₱0.80143 amounting to ₱2,241,856 to holders of record as of July 4, 2023. Dividends amounting to ₱247,725 and ₱1,657,853, net of final tax, were remitted to SEA Diner and CARI, respectively.

On March 3, 2022, the Parent Company declared cash dividend of ₱0.16975 per share amounting to ₱474,845, to holders as of close of business of March 17, 2022. Dividends amounting to ₱52,470 and ₱351,148, both net of final taxes, were remitted to SEA Diner and CARI, respectively.

On December 7, 2021, the Parent Company declared cash dividend of ₱0.15 per share to the holders of common shares of the Parent Company as of close of December 21, 2021 amounting to ₱419,597. Dividends amounting to ₱46,366, net of final tax, were remitted to SEA Diner. The remaining balance was subsequently entered by the Parent Company and CARI into an offsetting agreement wherein the dividend payable to CARI amounting to ₱310,293, net of final tax, was offset against the receivables from DMPL of ₱380,321 and payables to S&W Fine Foods International Ltd. of ₱66,328.

On August 18, 2021, the Parent Company declared cash dividend of ₱0.147559 per share to the holders of common shares of the Parent Company as of close of September 6, 2021 amounting to ₱412,770. Dividends amounting to ₱45,611 and ₱289,208, both net of final taxes, were remitted to SEA Diner and CARI, respectively. The remaining balance due to CARI amounting to ₱16,035 was offset against the receivables from DMPL.



On May 27, 2021, the Parent Company declared cash dividend of ₱0.336356 per share to the holders of common shares of the Parent Company of record as of June 11, 2021 amounting to ₱940,895.

Dividends amounting to ₱103,969, net of final tax, were remitted to Sea Diner Holdings Pte. Ltd. The remaining balance was subsequently entered by the Parent Company and CARI into an offsetting agreement wherein the dividend payable to CARI amounting to ₱695,792, net of final tax, was offset against the receivables from DMPL of ₱263,990 and receivables from S&W Fine Foods International Ltd., of ₱431,802.

Dividends payable amounted to ₱1,541,656 as at April 30, 2024 and nil as at April 30, 2023 and 2022.

33. Retained Earnings

The Group's retained earnings is restricted to the extent of ₱526,135, ₱309,437 and ₱227,032 as at April 30, 2024, 2023 and 2022, respectively, for the undistributed earnings of subsidiaries.

On March 20, 2020, the Board approved the appropriation of retained earnings amounting to ₱2,796,541 intended to fund the Parent Company's various long-range capital expenditure projects expected to be implemented in the next 3 years.

34. Employee Benefits

The Group 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. The Parent Company's latest actuarial valuation date is April 30, 2024. Valuations are obtained on a periodic basis.

Starting on the date of membership of an employee in the Plan, the Group shall contribute to the retirement fund 7.00% of the member's salary as defined every month. In addition, the Group shall contribute periodically to the fund the amounts which shall be required, if any, 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 immediately. The retirement plan meets the minimum retirement benefit specified under Republic Act No. 7641, *The Philippine Retirement Pay Law*. The fund is administered by a trustee bank under the supervision of the Board of Trustees of the Plan.

The Board of Trustees is responsible for investment strategy of the Plan.



The net retirement benefits expense is recognized in the following line items in profit or loss:

	2024	2023	2022
Included in inventories and biological assets	₱5,508	₱4,901	₱5,838
Cost of sales	50,506	45,799	69,442
General and administrative expenses	15,946	16,076	21,605
Distribution and selling expenses	15,450	17,167	21,591
	₱87,410	₱83,943	₱118,476

Remeasurement gain in retirement benefit liability, recorded in other comprehensive income reserves amounted to ₱83,691, ₱131,582 and ₱222,734 for the years ended April 30, 2024, 2023 and 2022.

Balance of the reserves, net of tax effect, amounted to ₱273,580, ₱210,811 and ₱112,125 as at April 30, 2024, 2023 and 2022, respectively.

Actual return on plan assets amounted to ₱127,489, ₱139,605 and ₱154,010 the years ended April 30, 2024, 2023 and 2022, respectively.

Fair value of plan assets consists of the following:

	2024	2023	2022
Real estate	₱979,347	₱773,017	₱778,923
Government securities	528,266	640,279	540,434
Equities	88,432	196,745	328,631
Debt instruments	281,586	267,624	217,476
Unit investment trust funds and other funds	207,117	217,794	246,473
Bank deposits	3,879	9,451	5,253
Others	(149,326)	42,957	(15,969)
	₱1,939,301	₱2,147,867	₱2,101,221

All government securities are issued by the Philippine government which are rated by Standard and Poor's Financial Services. Real estate is an investment property occupied by the Parent Company's Manila office. Government securities, equities (including 14,388,368, 14,478,368 and 14,478,368 DMPL ordinary shares amounting to ₱67,673, ₱144,312 and ₱225,000 as at April 30, 2024, 2023 and 2022 respectively, and 220,000 DMPL preferred shares amounting to nil, nil and ₱106,455 as at April 30, 2024, 2023 and 2022, respectively), debt instruments and unit investment trust funds and other funds have quoted prices in active markets.

The retirement plan exposes the Parent Company to certain risk such as interest risk and market (investment) risk.



The following table shows a reconciliation of the net defined benefit retirement obligation and its components as of April 30, 2024, 2023 and 2022:

	Present Value of Defined Benefit Retirement Obligation			Fair Value of Plan Assets			Net Defined Benefit Retirement Obligation		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
Balance at beginning of the year	₱1,433,009	₱1,500,939	₱1,670,911	₱2,147,867	₱2,101,221	₱2,080,003	(₱714,858)	(₱600,282)	(₱409,092)
Recognized in profit or loss									
Current service cost	114,392	111,681	133,136	—	—	—	114,392	111,681	133,136
Interest expense	94,292	81,201	65,332	—	—	—	94,292	81,201	65,332
Interest income	—	—	—	129,709	113,677	81,085	(129,709)	(113,677)	(81,085)
Interest on the effect of asset ceiling	—	—	—	—	—	—	8,435	4,738	1,093
	208,684	192,882	198,468	129,709	113,677	81,085	87,410	83,943	118,476
Recognized in other comprehensive income (loss)									
Remeasurements:									
Actuarial losses (gains) arising from:									
Changes in demographic assumptions	(76,042)	—	(1,872)	—	—	—	(76,042)	—	(1,872)
Experience adjustments	20,771	(18,175)	(11,876)	—	—	—	20,771	(18,175)	(11,876)
Changes in financial assumptions	26,771	(132,724)	(193,366)	—	—	—	26,771	(132,724)	(193,366)
Changes in the effect of the asset ceiling	—	—	—	—	—	—	(57,411)	45,246	57,305
Return on plan assets (excluding interest)	—	—	—	(2,220)	25,929	72,925	2,220	(25,929)	(72,925)
	(28,500)	(150,899)	(207,114)	(2,220)	25,929	72,925	(83,691)	(131,582)	(222,734)
Others									
Benefits paid	(200,784)	(109,913)	(161,326)	(200,784)	(109,913)	(161,326)	—	—	—
Contributions	—	—	—	34,729	16,953	28,534	(34,729)	(16,953)	(28,534)
Transfer to (from) the plan	—	—	—	(170,000)	—	—	170,000	—	—
	(200,784)	(109,913)	(161,326)	(336,055)	(92,960)	(132,792)	135,271	(16,953)	(28,534)
Effect of asset ceiling	—	—	—	—	—	—	126,727	78,204	29,034
Balance at end of the year	₱1,412,409	₱1,433,009	₱1,500,939	₱1,939,301	₱2,147,867	₱2,101,221	(₱449,141)	(₱586,670)	(₱512,850)



The Board of Trustees 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. The Parent Company's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Parent Company monitors how the duration and expected yield of the investments are matching the expected cash outflows arising from the retirement benefit obligation.

The Board of Trustees 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 Trustees 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.

The principal actuarial assumptions used in determining retirement obligations for the Parent Company's retirement plan as at April 30, 2024, 2023 and 2022 are as follows (expressed in annual rates):

	2024	2023	2022
Discount rate	6.3%	6.6%	5.4%
Salary increase rate:			
Bugo hourlies	5.0%	5.0%	5.0%
Plantation hourlies	5.0%	5.0%	5.0%
Supervisors and non-supervisory monthlies	5.0%	5.0%	5.0%

As at April 30, 2024, 2023 and 2022, the reasonably possible changes to one of the relevant actuarial assumptions holding other assumptions constant, would have affected the defined benefit obligation by the amounts below.

	2024	
	1% Increase	1% Decrease
Discount rate	₱99,984	(₱88,527)
Salary increase rate	100,275	(90,360)
	2023	
	1% Increase	1% Decrease
Discount rate	₱112,099	(₱98,201)
Salary increase rate	112,755	(100,481)
	2022	
	1% Increase	1% Decrease
Discount rate	₱124,205	(₱108,063)
Salary increase rate	123,463	(109,430)

Assumptions for mortality and disability rate are based on published statistics and mortality and disability tables.



The maturity analysis of the undiscounted benefit payments is shown below.

Financial year ending	2024	2023	2022
One year	₱197,905	₱189,869	₱153,797
More than one year to two years	177,335	158,387	205,458
More than 2 years to 3 years	144,789	159,130	158,794
More than 3 years to 4 years	177,466	135,251	150,639
More than 4 years to 5 years	186,764	169,700	126,286
More than 5 years	950,898	1,022,298	926,428

As at April 30, 2024, 2023 and 2022, the weighted average duration of defined benefit retirement obligation is 6.7 years, 7.3 years and 7.7 years.

The Parent Company provides its regular employees, through the Supplementary Provident Plan, a supplemental savings in the form of lump sum payment at the time of retirement or separation from the Parent Company. The employee who chooses to participate in the plan may, at his option, elect to contribute a fixed amount or a percentage equal to one percent (1%) to thirty percent (30%) of his salary beginning on the date he joined the plan.

The Parent Company contributes monthly to the Provident Fund an amount equal to forty percent (40%) of the members' monthly contribution which in no case shall exceed two percent (2%) of the member's salary.

Contributions to the Provident Fund amounted to ₱24,739, ₱26,443 and ₱25,426 for the years ended April 2024, 2023 and 2022, respectively.

Unremitted contribution (employee and employer share) recognized as part of "Accounts payable and accrued expenses" amounted to ₱593, ₱55,382 and ₱14,780 as at April 30, 2024, 2023 and 2022, respectively.

35. Related Party Transactions

The Parent 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.

Summary of transactions and account balances with related parties follows:

Category/ Transaction	Note	Amount of the Transactions for the year ended April 30, 2024	Outstanding Balance Due from (Due to) Related Parties as at April 30, 2024	Terms	Conditions
Ultimate Parent					
Sales	2024 34a	₱4,556	₱1,785	Noninterest-bearing	Unsecured; no impairment
	2023	833	—		
	2022	611	2,012		
Purchases and advanced payment of toll pack fee	2024 34b	—	(655)	Noninterest-bearing	Unsecured
	2023	(4,308)	(934)		
	2022	(9,363)	(2,743)		
Advances and security deposit	2024 34c	(4)	(224,868)	Noninterest-bearing	Unsecured; no impairment
	2023	—	—		
	2022	(376)	—		

(Forward)



Category/ Transaction		Note	Amount of the Transactions for the year ended April 30, 2024	Outstanding Balance	Terms	Conditions
				Due from (Due to) Related Parties as at April 30, 2024		
Services and other reimbursement	2024	34a	₱8,309	(₱6,470)	Noninterest-bearing	Unsecured; no impairment
	2023		₱3,058	₱3,947		
	2022					
Under Common Control			10,452	2,298		
Sales	2024	34d	5,130,432	8,829,916	Noninterest-bearing	Unsecured; no impairment
	2023		7,838,344	6,457,055		
	2022		6,056,154	3,564,801		
Purchases and royalties	2024	34d	(10,785)	(16,486)	Noninterest-bearing	Unsecured
	2023		(37,613)	(35,662)		
	2022		(17,553)	(14,155)		
Advances	2024	34e	7,589,339	3,650,876	Interest bearing	Unsecured; no impairment
	2023		10,993,826	3,158,207		
	2022		3,257,294	—		
Services and other reimbursement	2024	34e	1,328,467	1,583,029	Noninterest-bearing	Unsecured
	2023		557,253	590,701		
	2022		6,790	46,599		
Prepayments	2024	34c	5,116,075	4,894,555	Noninterest-bearing	Unsecured; no impairment
	2023		—	—		
	2022		—	—		
Other Related Party						
Sales	2024	34f	169,894	174,180	Noninterest-bearing	Unsecured; no impairment
	2023		305,395	132,687		
	2022		299,775	380,896		
Purchases	2024	34f	—	(43,970)	Noninterest-bearing	Unsecured
	2023		(361,249)	(16,465)		
	2022		(71,007)	(49,383)		
Rendering of services	2024	34g	(26,389)	(62,708)	Noninterest-bearing	Unsecured; no impairment
	2023		(241,717)	87,143		
	2022		199,489	214,675		
Lease receivable	2024	34h	(130)	3,296	Noninterest-bearing	Unsecured; no impairment
	2023		(41)	3,426		
	2022		159	3,385		
Rental of office space and common use service area	2024	34g	34,287	(54,415)	Noninterest-bearing	Unsecured
	2023		(137,842)	(13,149)		
	2022		(124,922)	(23,241)		
	2024			₱18,728,065		
	2023			₱10,366,956		
	2022			₱4,125,144		

All outstanding balances with these related parties are due to be settled within twelve months as at reporting date. None of the balance is secured. Intercompany receivable and payable eliminated upon consolidation amounted to ₱2,646,897, ₱2,922,630 and ₱3,078,045 as at April 30, 2024, 2023 and 2022, respectively.

- The Parent Company sells apple juice concentrate and charges NutriAsia, Inc. for the share in Information Technology services, including share in the repair of the data center.
- The Parent Company purchases production materials and incurs toll packing fees due to NutriAsia, Inc. for seasoning, ketchup and other sauces. The Parent Company also receives debit note for beyond allowable utilization of raw and packaging materials.
- In January 2024, the Parent Company entered into a purchase agreement with DMFI, an affiliate of the Parent Company, pursuant to which the Parent Company purchased DMFI's inventory, comprising finished goods and brite (unlabeled aluminum cans), in January and February 2024 for an aggregate amount of \$75.0 million or ₱5,116,075. The purchase price of the inventory was below market value on normal trade terms and the Parent Company expects to earn solid margins from the resale of these products, which will be done to direct end customers. The amount is recorded as part of "Advances to suppliers" under Prepaid expenses and other current assets (Note 13).



- d. The Parent Company sells and buys products to and from S&W Fine Foods International Ltd. and Del Monte Foods, Inc. Beginning May 2019, the Parent Company reorganized the export business that previously routed sales through GTL Limited for Del Monte and unbranded products, and S&W Fine Foods International Ltd for S&W branded fresh products. The Parent Company shifted to directly billing the end customers for fresh and processed products, excluding S&W branded processed products and buyer's own label products. Due to the reorganization, the Parent Company incurs additional royalties due to S&W Fine Foods International Ltd. for the direct sale of S&W fresh products. In 2021, purchases and royalties decreased due to the purchase by PPMSC of 'Del Monte' and 'Todays' trademarks.
- e. The Parent Company charges and incurs services fee, management fees and other recharges. The Parent Company also extended interest-bearing notes to DMPL with interest rates ranging from 2% to 3.5% p.a. In 2021, the Parent Company extended funds to DMPL for payment of quarterly dividends and working capital purposes, which was settled in the same year.
- f. The Parent Company sells and bills Nice Fruit Hong Kong Ltd. for Nice Frozen Dry products for plant operating costs. Also, the Parent Company incurs processing and packaging costs due to Nice Fruit S&W Philippines, Inc.
- g. The Parent Company charges management fee for the services rendered to DMPI Retirement Fund. The Parent Company also rents building owned by the DMPI Retirement Fund/Provident Fund.
- h. As a zone developer, the Parent Company leases land to the BAREZ of which Nice Fruit S&W Philippines, Inc. is a locator.

Related Party Transaction Covenant

Pursuant to Trust Deed dated March 18, 2024, the Parent Company shall procure that the aggregate amount of all outstanding balances due from related parties (such amount to be determined with reference to the semi-annual or annual consolidated financial statements of the Parent Company and its subsidiaries prepared in accordance with PFRS for such Test Period) as of the last day of each Test Period does not exceed U.S.\$175.2 million (or the Dollar Equivalent thereof).

For so long as the "Inventory Purchase" in the aggregate amount of U.S.\$75.0 million for the purchase of inventory by the Parent Company from an Affiliate is outstanding, such amount that remains outstanding shall be excluded in determining the aggregate amount of all outstanding balances due from related parties specified above for the relevant test period.

Furthermore, such amounts as are incurred in connection with the transactions related to the derivative settlement, share redemption and share sale agreement entered into among the Parent Guarantor, Del Monte Pacific Limited, Central American Resources, Inc. and SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner") dated 19 February 2024 (as may be amended, supplemented, modified, restated or replaced from time to time, the "Derivative Settlement, Share Redemption and Share Sale Agreement"), shall be excluded in determining the aggregate amount of all outstanding balances due from related parties specified above for the relevant test period.

As at April 30, 2024, the Parent Company is in compliance with the related party transaction covenant.



Compensation of Key Management Personnel of the Group

	2024	2023	2022
Salaries	₱202,955	₱176,717	₱130,805
Short-term benefits	36,408	30,179	45,493
Post-employment benefits	11,280	8,261	6,829
Other long-term benefits	—	1,077	1,256
Total	₱250,643	₱216,234	₱184,383

36. Financial Risk and Capital Management Objectives and Policies

The Parent Company Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Group's exposure to each of the foregoing risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

The Board has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board constituted DMPI's Audit and Risk Committee to assist the Board in fulfilling its oversight responsibility of the Group's corporate governance process relating to the: a) quality and integrity of the consolidated financial statements and financial reporting process and the systems of internal accounting and financial controls; b) performance of the internal auditors; c) annual independent audit of the consolidated financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; d) compliance with legal and regulatory requirements, including disclosure control and procedures; e) evaluation of management's process to assess and manage the enterprise risk issues; and f) fulfillment of the other responsibilities set out by the Board.

DMPI's Audit and Risk Committee 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. DMPI's Audit and Risk Committee 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 Audit and Risk Committee.



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 arise principally from the Group's receivable from customers and refundable deposits. In monitoring credit risk, customers are grouped according to their credit characteristics, geographic location, industry, aging profile, maturity and existence of previous financial difficulties. The Group manages its credit risk mainly through the application of transaction limits and close risk monitoring. It is the Group's policy to enter into transactions with a wide diversity of creditworthy counterparties to mitigate any significant concentration of credit risk.

The Group sells its products through major distributors and key accounts in various geographical regions. Management has a credit risk policy which includes, among others, the requirements for standby letter of credit to secure prompt observance and performance of the obligations of its distributors and other buyers from time to time. The Group ensures that sales of products are made to customers with appropriate credit history and has internal mechanism to monitor the granting of credit and management of credit exposures.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables from customers. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risks are as follows:

	2024	2023	2022
Cash and cash equivalents*	₱266,192	₱580,503	₱853,353
Receivables**	18,175,495	14,325,109	7,854,042
Refundable deposits	105,115	101,740	111,561
Short-term deposit	1,000	1,000	21,172
Financial assets at FVOCI	33,060	34,054	15,384
Security deposits	49,917	53,943	57,969
Total credit risk exposure	₱18,630,779	₱15,096,349	₱8,913,481

*Excluding cash on hand ₱5,008, ₱4,400, and ₱3,300 as at April 2024, 2023 and 2022, respectively.

**Includes noncurrent portion of lease receivable amounting to ₱3,296, ₱3,308 and ₱10,168 as at April 2024, 2023 and 2022, respectively, and receivable from third parties amounting to ₱137,590, ₱142,667 and ₱147,459 as at April 2024, 2023 and 2022, respectively.

The table below shows the maximum exposure to credit risk for the Group's financial instruments as at April 30, 2024, 2023 and 2022 based on credit rating grades:

	2024				
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
High grade	₱300,252	₱—	₱—	₱6,993,536	₱7,293,788
Standard grade	3,523,091	—	—	7,893,918	11,417,009
Gross carrying amount	3,823,342	—	—	14,887,454	18,710,797
Less allowance	—	—	—	80,018	80,018
Carrying amount	₱3,823,342	₱—	₱—	14,807,436	₱18,630,779



2023					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
High grade	₱615,557	₱—	₱—	₱876,916	₱1,492,473
Standard grade	11,499,844	—	—	2,184,025	13,683,869
Gross carrying amount	12,115,401	—	—	3,060,941	15,176,342
Less allowance	—	—	—	(79,993)	(79,993)
Carrying amount	₱12,115,401	₱—	₱—	2,980,948	₱15,096,349

2022					
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	Total
High grade	₱889,909	₱—	₱—	₱846,326	₱1,736,235
Standard grade	4,977,806	—	—	2,291,333	7,269,139
Gross carrying amount	5,867,715	—	—	3,137,659	9,005,374
Less allowance	—	—	—	(91,893)	(91,893)
Carrying amount	₱5,867,715	₱—	₱—	₱3,045,766	₱8,913,481

The Group uses the following criteria to rate credit quality:

Class	Description
High Grade	Financial assets that have a recognized foreign or local third-party rating or instruments which carry guaranty or collateral.
Standard Grade	Financial assets of companies that have the apparent ability to satisfy its obligations in full.

The credit qualities of the financial assets were determined as follows:

Cash in banks and cash equivalents, and short-term deposits are classified as high grade since these are deposited or transacted with reputable banks which have low probability of insolvency.

Financial assets at FVOCI are classified as high grade since these are publicly traded instruments and quoted market price in an active market.

Receivables, refundable and security deposits are classified as standard grade since these are unsecured from third parties with good paying habits.

The table below shows information about the credit risk exposure for the Group's trade receivables using a provision matrix as at April 30, 2024, 2023 and 2022:

2024							
	Days past due					Credit-impaired	Total
	Current	<30 days	30-60 days	61-120 days	Over 120 days		
Trade receivables	₱2,455,874	₱297,344	₱16,186	₱11,237	₱87,890	₱18,548	₱2,887,079
ECL rate	0.76%	8.03%	9.87%	14.73%	17.85%	100.00%	
ECL	₱18,665	₱23,864	₱1,598	₱1,655	₱15,688	₱18,548	₱80,018



2023							
	Days past due					Credit-impaired	Total
	Current	<30 days	30-60 days	61-120 days	Over 120 days		
Trade receivables	₱2,058,794	₱640,856	₱46,830	₱33,547	₱262,391	₱18,523	₱3,060,941
ECL rate	0.81%	2.48%	7.26%	17.13%	7.54%	100.00%	
ECL	₱16,682	₱15,861	₱3,400	₱5,745	₱19,782	₱18,523	₱79,993

2022							
	Days past due					Credit-impaired	Total
	Current	<30 days	30-60 days	61-120 days	Over 120 days		
Trade receivables	₱172,337	₱1,709,383	₱520,132	₱352,582	₱352,730	₱30,495	₱3,137,659
ECL rate	0.32%	0.03%	0.08%	0.07%	16.93%	100.00%	
ECL	₱550	₱472	₱394	₱260	₱59,722	₱30,495	₱91,893

The table below shows the maximum exposure to credit risk for the Group's financial instruments as at April 30, 2024, 2023 and 2022 based on corresponding credit enhancements:

	2024			2023			2022		
	Gross Maximum Exposure	Credit Enhancement	Net Maximum Exposure	Gross Maximum Exposure	Credit Enhancement	Net Maximum Exposure	Gross Maximum Exposure	Credit Enhancement	Net Maximum Exposure
Cash and cash equivalents*	₱266,192	₱9,500	₱256,692	₱580,503	₱9,500	₱571,003	₱853,353	₱9,160	₱844,193
Receivables**	18,175,507	792,501	17,383,006	14,325,109	4,527	14,320,582	7,854,042	468,522	7,385,520
Refundable deposits	105,115	—	105,115	101,740	—	101,740	111,561	—	111,561
Short-term deposit	1,000	—	1,000	1,000	—	1,000	21,172	—	21,172
Financial asset at FVOCI	33,060	—	33,060	34,054	—	34,054	15,384	—	15,384
Security deposits	49,917	—	49,917	53,943	—	53,943	57,969	—	57,969
	₱18,630,791	₱802,001	₱17,828,790	₱15,096,349	₱14,027	₱15,082,322	₱8,913,481	₱477,682	₱8,435,799

* Credit enhancement is the portion insured by Philippine Deposit Insurance Corporation.

**Credit enhancement is the portion covered by letter of credit from various banks.

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 manage 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 risk damage to the Group's reputation.

The Group's objectives to manage its liquidity risk are as follows: a) to ensure that adequate funding is available at all times; b) to meet commitments as they arise without incurring unnecessary costs; c) to be able to access funding when needed at the least possible cost; and d) to maintain an adequate time spread of refinancing maturities. The Group maintains a balance between continuity of funding and flexibility through the use of credit lines available from local and international banks. The Group addresses short-term liquidity needs by using its available short-term credit facilities with the banks.

The table below summarizes the maturity profile of the Group's financial assets based on contractual undiscounted payments:

	2024				Total
	Less than 1 year	1 to 3 Years	3 to 5 years	More than 5 years	
Cash and cash equivalents	₱266,192	₱—	₱—	₱—	₱266,192
Receivables	18,127,843	—	—	127,670	18,255,513
Refundable deposits	—	105,115	—	—	105,115
Short-term deposit	1,000	—	—	—	1,000
Financial assets at FVOCI	33,060	—	—	—	33,060
Security deposit	—	49,917	—	—	49,917
	₱18,428,095	₱155,032	₱—	₱127,670	₱18,710,797



2023					
	Less than 1 year	1 to 3 Years	3 to 5 years	More than 5 years	Total
Cash and cash equivalents	P580,503	P-	P-	P-	P580,503
Receivables	14,259,127	-	-	145,975	14,405,102
Refundable deposits	-	101,740	-	-	101,740
Short-term deposit	1,000	-	-	-	1,000
Financial assets at FVOCI	34,054	-	-	-	34,054
Security deposit	-	53,943	-	-	53,943
	P14,874,684	P155,683	P-	P145,975	P15,176,342

2022					
	Less than 1 year	1 to 3 Years	3 to 5 years	More than 5 years	Total
Cash and cash equivalents	P853,353	P-	P-	P-	P853,353
Receivables	7,788,308	-	-	157,627	7,945,935
Refundable deposits	-	111,561	-	-	111,561
Short-term deposit	21,172	-	-	-	21,172
Financial assets at FVOCI	15,384	-	-	-	15,384
Security deposit	-	57,969	-	-	57,969
	P8,678,217	P169,530	P-	P157,627	P9,005,374

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities based on contractual undiscounted payments:

2024					
	Less than 1 year	1 to 3 Years	3 to 5 years	More than 5 years	Total
Accounts payable and accrued expenses*	P8,381,404	P-	P-	P-	P8,381,404
Short-term notes payable**	23,351,711	-	-	-	23,351,711
Long-term debt**	1,280,798	8,979,310	1,903,177	-	12,163,285
Bonds payable**	24,599	658,233	-	-	682,832
Lease liabilities	755,844	1,330,533	2,706,884	756,069	5,549,330
	P33,794,356	P10,968,076	P4,610,061	P756,069	P50,128,562

*Net of amount owed to agencies of the government.

**Includes future interest payables.

2023					
	Less than 1 year	1 to 3 Years	3 to 5 years	More than 5 years	Total
Accounts payable and accrued expenses*	P7,041,210	P-	P-	P-	P7,041,210
Short-term notes payable**	20,472,924	-	-	-	20,472,924
Long-term debt **	790,589	2,388,943	-	-	3,179,532
Bonds payable**	5,954,390	688,965	-	-	6,643,355
Lease liabilities	806,671	1,183,580	946,809	2,835,008	5,772,068
	P35,065,784	P4,261,488	P946,809	P2,835,008	P43,109,089

*Net of amount owed to agencies of the government.

**Includes future interest payables.

2022					
	Less than 1 year	1 to 3 Years	3 to 5 years	More than 5 years	Total
Accounts payable and accrued expenses*	P6,608,093	P-	P-	P-	P6,608,093
Short-term notes payable**	8,777,789	-	-	-	8,777,789
Long-term debt **	108,359	2,270,057	909,474	-	3,287,890
Bonds payable**	173,761	6,700,222	-	-	6,873,983
Lease liabilities	816,992	1,187,637	881,902	2,433,026	5,319,557
	P16,484,994	P10,157,916	P1,791,376	P2,433,026	P30,867,312

*Net of amount owed to agencies of the government.

**Includes future interest payables.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.



The Group is subject to various market risks, including risks from changes in commodity prices, interest rates, currency exchange rates and risks related to agricultural activities.

Foreign Currency Risk

The Group's exposure to foreign currency risk results from significant movement in foreign exchange rates that adversely affect the foreign-currency denominated transactions of the Group. The Group's risk management objective with respect to foreign currency risk is to reduce or eliminate earnings volatility and any adverse impact on equity. The Group regularly monitors outstanding financial assets and liabilities in foreign currencies and maintains them at a level responsive to the current exchange rates so as to minimize the risks related to these foreign currency-denominated assets and liabilities.

The Group's foreign currency-denominated assets and liabilities Philippine Peso equivalent of each as at April 30, 2024, 2023 and 2022 is presented as follows:

April 30, 2024				
	US Dollar	SG Dollar	Euro	Total Peso Equivalent
Assets				
Cash	\$2,238	\$1	€—	₱128,914
Receivables	243,064	228	—	14,006,059
Other noncurrent assets	4,380	—	—	252,203
	249,682	229	—	14,387,176
Liabilities				
Short-term notes payable	302,549	—	—	17,421,704
Accounts payable and accrued expenses	14,903	—	—	858,139
	317,452	—	—	18,279,843
Net foreign currency-denominated assets (liabilities)	(\$67,770)	\$229	€—	(₱3,892,667)

The spot exchange rates used were ₱57.583:US\$1, ₱42.449:SG\$1 as at April 30, 2024.

April 30, 2023				
	US Dollar	SG Dollar	Euro	Total Peso Equivalent
Assets				
Cash	\$5,729	\$19	€—	₱318,710
Receivables	131,968	182	—	7,331,390
Other noncurrent assets	13,767	—	149	764,008
	151,464	201	149	8,414,108
Liabilities				
Short-term notes payable	225,200	—	—	12,497,924
Accounts payable and accrued expenses	14,137	—	—	784,589
	239,337	—	—	13,282,513
Net foreign currency-denominated assets (liabilities)	(\$87,873)	\$201	€149	(₱4,868,405)

The spot exchange rates used were ₱55.497:US\$1, ₱41.754:SG\$1 as at April 30, 2023.



April 30, 2022				
	US Dollar	SG Dollar	Euro	Total Peso Equivalent
Assets				
Cash	\$2,494	\$122	€–	₱135,112
Receivables	101,419	117	–	5,312,164
Other noncurrent assets	15,945	–	149	843,150
	119,858	239	149	6,290,426
Liabilities				
Short-term notes payable	\$55,370	\$–	€–	₱2,897,789
Accounts payable and accrued expenses	19,253	–	–	1,007,606
	74,623	–	–	3,905,395
Net foreign currency-denominated assets	\$45,235	\$239	€149	₱2,385,031

The spot exchange rates used were P52.335:US\$1, P37.613:SG\$1, P58.0046:EURO€1 as at April 30, 2022.

The translation of these foreign currency-denominated assets and liabilities of the Group resulted in net unrealized foreign exchange (gain)/losses amounting to (₱156,146), ₱217,434 and (₱80,970) for the fiscal years ended April 30, 2024, 2023, and 2022, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in foreign exchange rates, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) and equity as at April 30, 2023, 2022 and 2021.

	Increase/Decrease in Peso and U.S Dollar, and S.G. Dollar Exchange Rates	Foreign Exchange Rate	Effect on Income Before Income Tax
2024			
U.S. Dollar	+10%	57.583	(₱390,240)
S.G. Dollar	+10%	42.449	973
U.S. Dollar	-10%	57.583	390,240
S.G. Dollar	-10%	42.449	(973)
	Increase/Decrease in Peso and U.S Dollar, and S.G. Dollar Exchange Rates	Foreign Exchange Rate	Effect on Income Before Income Tax
2023			
U.S. Dollar	+10%	55.497	(₱487,677)
S.G. Dollar	+10%	41.754	(837)
U.S. Dollar	-10%	55.497	487,677
S.G. Dollar	-10%	41.754	837
	Increase/Decrease in Peso and U.S Dollar, and S.G. Dollar Exchange Rates	Foreign Exchange Rate	Effect on Income Before Income Tax
2022			
U.S. Dollar	+10%	52.335	₱824,808
S.G. Dollar	+10%	37.613	(17)
Euro	+10%	58.005	866
U.S. Dollar	-10%	52.335	(824,808)
S.G. Dollar	-10%	37.613	17
Euro	-10%	58.005	(866)



Commodity Price Risk

The Group is regularly engaged in the purchase of tinplates and fuel and is significantly exposed to commodity price risk. The Group ensures future supply of tinplates while minimizing the impact of price movements by purchasing tinplates and fuel in advance of the production requirements. These purchase contracts are entered into for the purpose of receipt or delivery of tinplates and fuel in accordance with the expected usage requirements of the Group.

Also, the Group purchases large volumes of papaya fruits for production and is significantly exposed to commodity price risk related to papaya. The Group ensures long-term supply of papaya at stable prices by executing papaya supply agreements with farmers. The Group is also subsidizing some of the farmers' costs related to papaya to ensure long-term relationships with them.

Risk Related to Agricultural Activities

The Group is exposed to risks arising from changes in cost and volume of fruits harvested from the growing crops which is influenced by natural phenomenon such as weather patterns, volume of rainfall and field performance. The cost of growing crops is also exposed to the change in cost and supply of agricultural supplies and labor which are determined by constantly changing market forces of supply and demand.

The Group is subject to risk relating to its ability to maintain the physical condition of its fruit crops. Plant diseases could adversely impact production and consumer confidence, which impact sales.

The Group secures favorable harvest of pineapples and other agricultural produce from biological assets by continuously assessing factors that could affect harvest and responding to them on a timely manner. The Group is equipped with necessary technical manpower, farm inputs, such as fertilizer, chemicals and equipment to respond to any changes brought about by the factors as mentioned above.

The Group is subject to laws and regulations in the Philippines where it operates its agricultural activities. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Chief Financial Officer has overall responsibility for monitoring of capital in proportion to risk. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Group's business operation and industry.

The Group defines capital as total equity, which is equivalent to the paid-in capital stock, retained earnings (both appropriated and unappropriated) and recognized income and expenses.

Management uses debt-to-equity ratio to monitor, on a regular basis, the Group's capital, defined as total equity in the consolidated statements of financial position.

The debt-to-equity ratios are as follows:

	2024	2023	2022
Total Debt	₱37,143,940	₱26,539,905	₱21,056,893
Total equity	14,745,624	12,941,065	13,521,936
Debt-to-equity ratio	2.52	2.05	1.56



There were no changes in the Group's approach to capital management for the years ended April 30, 2024, 2023 and 2022.

37. Fair Value

The table below presents a comparison by category of carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that are reasonable approximate of fair values as at April 30, 2024, 2023 and 2022.

	2024		2023		2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities						
<i>Measured at amortized cost:</i>						
Long-term debt	₱10,048,447	₱10,840,419	₱2,991,355	₱2,906,707	₱2,985,632	₱2,984,270
Bonds payable	642,542	619,518	6,456,432	6,347,364	6,422,398	6,414,308
	₱10,690,989	₱11,459,937	₱9,447,787	₱9,254,071	₱9,408,030	₱9,398,578

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 Group 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 Group 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 Debt

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. As at April 30, 2024, the fair value of the long-term loan amounted to ₱10,840,419 using average incremental borrowing rate of the Group as at the same 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.



Fair Value Hierarchy

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

As at April 30, 2024	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at FVOCI	₱33,060	₱—	₱—	₱33,060
Non-financial Assets				
Fair value of agricultural produce:				
Harvested*	—	—	3,061,722	3,061,722
Unharvested	—	—	2,797,184	2,797,184
Land	—	—	1,037,395	1,037,395
Investment property	—	—	159,345	159,345

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

As at April 30, 2023	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at FVOCI	₱34,054	₱—	₱—	₱34,054
Non-financial Assets				
Fair value of agricultural produce:				
Harvested*	—	—	3,387,621	3,387,621
Unharvested	—	—	4,108,988	4,108,988
Land	—	—	1,037,395	1,037,395
Investment property	—	—	165,524	165,524

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

As at April 30, 2022	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at FVOCI	₱15,384	₱—	₱—	₱15,384
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

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

During the year, 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 selling 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	The unobservable input is the estimated selling price of pineapple and gross margin per ton specific for processed products.



Assets	Valuation technique	Significant unobservable inputs
	price of the processed product (concentrates, pineapple beverages, sliced pineapples, etc.) adjusted for margin and associated costs related to production (Level 3).	
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 estimated gross margin at point of harvest less future growing costs to be incurred until harvest as the basis of fair value.	The unobservable inputs are estimated selling price of pineapple and gross margin per ton for fresh 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 Cost Approach for land and buildings, respectively.	The unobservable inputs used to determine market value are the prevailing rental rates and the depreciated replacement cost

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.

38. Comprehensive Agrarian Reform Law

In compliance with the Comprehensive Agrarian Reform Law under Executive Order No. 229 and Republic Act No. 6657, a substantial portion of the land previously leased by the Group from the National Development Company (“NDC”) was submitted for land distribution to the Department of Agrarian Reform (“DAR”) and subsequently awarded to beneficiaries who formed a cooperative.

On February 21, 1989, the Group and the beneficiaries’ cooperative entered into a lease agreement on the said land at a certain fee for a period of 25 years starting March 1, 1989. The Group used the land and paid rentals based on the lease agreement on January 11, 1991. The DAR ratified the amendment in the existing lease agreement, which reduced the lease period to 10 years and increased the annual fee effective December 12, 1988. On January 11, 1997, the Group and the beneficiaries’ cooperative entered into a new lease agreement extending the lease period for another 25 years starting January 11, 1999. On January 9, 2019, the lease term was extended for another 25 years starting January 11, 2024. Starting May 1, 2024, the annual rental rate will increase from ₱16,500 per hectare



to ₱19,000 per hectare and the annual rental rate will increase from ₱19,000 per hectare to ₱20,000 per hectare starting January 1, 2027.

The remaining land leased from NDC devoted to non-agricultural activities was not submitted for land distribution and continues to be rented based on the Group's agreement with NDC.

Privately owned lands are covered by existing lease agreements which are continually being renewed. For certain private lands that exceeded the allowable retention limits, the law requires compulsory acquisition until June 30, 2014 and distribution to qualified beneficiaries. The continuation of these lease agreements is dependent on the terms and conditions to be agreed upon by the parties involved.

39. Leases

Group as a lessee

The Group has various lease agreements for land, building and warehouses lease agreements. Its lease agreements generally have lease terms between 5 to 20 years (Note 3). There are certain contracts that include extension and termination options.

Right-of-use assets from land leases include pineapple and papaya fields leased by the Group from DEARBC, National Development Corporation (NDC), and various crop producers and growers which are amortized over the remaining lease term. Meanwhile, right-of-use asset for office space include the Parent Company's JYCC Office while right-of-use assets for warehouses include the warehouse and pallet racking system in Cebu leased from Adsia Logistics, Inc., warehouse in Bulacan leased from Sprint Industrial & Development Corporation and warehouse leased from LSL Realty Corporation.

The following are the amounts recognized in profit or loss:

	2024	2023	2022
Depreciation expense of right-of-use assets included in property and equipment and investment properties (Notes 14 and 15)	₱844,756	₱756,554	₱703,253
Interest expense on lease liabilities (Note 27)	191,411	159,761	156,820
Expense relating to short-term leases:			
Cost of sales (Note 21)	154,762	283,816	332,416
Inventories and biological assets (Notes 8 and 9)	131,894	195,982	95,306
Distribution and selling expenses (Note 22)	12,351	12,117	12,781
General and administrative expenses (Note 23)	21,691	17,086	16,145
	₱1,356,865	₱1,425,316	₱1,316,721



Lease liabilities represents payments to be made over the remaining lease term. Movement of the lease liabilities during the period are as follows:

	2024	2023	2022
Balance at beginning of the year	₱2,435,212	₱2,871,074	₱2,404,981
Additions during the year	1,194,161	370,429	841,456
Payments	(719,544)	(969,408)	(531,072)
Interest expense (Note 27)	191,411	163,173	156,820
Adjustments	–	(56)	(1,111)
Balance at end of the year	3,101,240	2,435,212	2,871,074
Current lease liabilities	(279,176)	(429,222)	(472,454)
Noncurrent lease liabilities	₱2,822,064	₱2,005,990	₱2,398,620

The approximate annual future minimum rent payable of the Group under its existing non-cancellable lease agreements as a lessor as at April 30, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
1 year	₱755,844	₱806,671	₱816,992
more than 1 year to 2 years	703,350	612,112	692,790
more than 2 years to 3 years	627,183	571,468	494,847
more than 3 years to 4 years	592,306	494,779	455,196
more than 4 years to 5 years	2,114,578	452,030	426,706
more than 5 years	756,069	2,835,008	2,433,026
	₱5,549,330	₱5,772,068	₱5,319,557

The Parent Company has lease contracts 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 (see Note 4).

Group as a lessor

The Group has sublease agreements which provide for lease rentals based on an agreed fixed monthly rate. Rental income related to these sublease agreements amounted to ₱7,255, ₱26,994 and ₱25,475 for the years ended April 30, 2024, 2023 and 2022, respectively.

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

	2024	2023	2022
Balance at beginning of the year	₱10,316	₱36,203	₱59,767
Additions	–	–	–
Adjustments	(12)	148	89
Contractual receipts	(7,255)	(26,994)	(25,475)
Interest income	247	959	1,822
Balance at end of the year	3,296	10,316	36,203
Current lease receivable	–	(7,008)	(26,035)
Noncurrent lease receivable	₱3,296	₱3,308	₱10,168



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 (see Note 4).

The Group has various short-term lease agreements relating to rental of overflow warehouses, equipment and inventory pallets. The rates provided in these agreements shall be fixed during its term. For the years ended April 30, 2024, 2023 and 2022, rent expense related to short-term leases amounted to ₱270,493, ₱399,142 and ₱457,253, respectively.

The approximate annual future minimum rent receivable of the Group under its existing non-cancellable lease agreements as a lessor as at April 30, 2024, 2023 and 2022 are as follows:

	2024	2023	2022
1 year	₱—	₱7,255	₱27,319
more than 1 year to 2 years	325	325	7,575
more than 2 years to 3 years	325	325	645
more than 3 years to 4 years	325	325	645
more than 4 years to 5 years	325	325	645
more than 5 years	3,896	3,897	15,643
	₱5,196	₱12,452	₱52,472

40. Contracts, 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 for 10 years. Royalty expense recognized under "Cost of Sales" account amounted to ₱34,009, ₱26,907, and ₱21,380 in 2024, April 2023 and 2022 (see Note 21).

- b. Future capital expenditures based on approved budgets and executable contracts are as follows:

	2024	2023	2022
Amounts approved by the Board	₱180,542	₱92,238	₱94,118
Commitments in respect of contracts made	68,488	332,287	359,993
	₱249,030	₱424,525	₱454,111

- 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 Parent Company has a pending case with the Court of Tax Appeals En Banc (CTA EB) pertaining to deficiency withholding tax on wages assessment covering taxable year 2013 amounting to ₱6,796. The Bureau of Internal Revenue filed a motion for reconsideration on July 31, 2019 which was denied by CTA 2nd Division in a resolution dated October 1, 2019. The BIR has filed a petition for review with the CTA EB. As of August 7, 2024, the said petition is pending resolution.



41. PEZA Registration

On November 22, 2007, the President of the Philippines issued Proclamation No. 1420, s.2007 “Creating and designating certain parcels of land of the private domain situated at Barangay Bugo, Cagayan de Oro City, province of Misamis Oriental, Island of Mindanao, as a Special Economic Zone pursuant to Republic Act No. 7916 as amended by Republic Act No. 8748”. On the same date, the cannery operations of the Parent Company was registered in the Philippine Economic Zone Authority as an Export Zone Enterprise, with registration certificate No. 07-68.

The same registration certificate was amended last October 12, 2015 to include the Fresh Fruit Processing Project of the Parent Company at the BAREZ, and amended again on August 18, 2017 to include production of peeled, cut fresh frozen pineapples at the BAREZ.

PEZA Board Resolution 18-386 approved the Parent Company’s new activity, Not From Concentrate (NFC) Juicing Plant at the BAREZ. The said project shall be entitled to incentives granted to Non-Pioneer projects under RA 7916, as amended, subject to the Parent Company’s signing of a supplemental agreement under standard registration terms and conditions.

The Parent Company registered the following activities under the original and amended PEZA Agreement:

- Production of processed foods and beverages for export at the PPAEPZ;
- Importation of raw materials, machinery, equipment, tools, goods, wares, articles, or merchandise directly used in the registered operations at the PPAEPZ; and
- Fresh Fruit Processing Project at the BAREZ
- Production of peeled, cut fresh frozen pineapples at the BAREZ

Fiscal and non-fiscal incentives available for the Parent Company as provided in its registration agreement with PEZA for the cannery operations at PPAEPZ, are as follows:

- 5% gross income tax (5% GIT), in lieu of all national and local taxes, and to duty and tax-free importation privilege under Article 77, Book VI of E. O. 226.
- Non-fiscal incentives shall include simplified import and export procedures, employment of foreign nationals and permanent resident status within the ecozone for foreign investors with initial investment of at least US\$150.
- Qualified for purposes of VAT zero-rating of its transactions with local suppliers of goods, properties and services in accordance with Section 4.106-6 and 4.108-6 of Revenue Regulation 16-2005, *The Consolidated Value Added Tax Regulation of 2005*.

For the Fresh Fruit Processing Project at BAREZ under the Supplemental Agreement amended last June 28, 2016, the Parent Company is subject to the following fiscal and non-fiscal incentives:

- 5% GIT, in lieu of all national and local taxes, and to duty and tax-free importation privilege under Article 77, Book VI of E. O. 226.
- Non-fiscal incentives shall include simplified import and export procedures, employment of foreign nationals and permanent resident status within the ecozone for foreign investors with initial investment of at least US\$150.
- Qualified for purposes of VAT zero-rating of its transactions with local suppliers of capital equipment and parts, and on direct production requirements.



For the production of peeled, cut fresh frozen pineapples at BAREZ under the Supplemental Agreement amended last August 18, 2017, the Parent Company is subject to the following fiscal and non-fiscal incentives:

- Income tax holiday (ITH) incentive to incremental sales arising from the new lines transferred from Nice Fruit S&W Philippines, Inc., subject to the issuance by PEZA of a Notice of Confirmation/Validation of the project's entitlement to ITH
- Qualified for purposes of VAT zero-rating of its transactions with local suppliers of capital equipment and parts, and on direct production requirements.

On May 7, 2021, PEZA issued LOA No. 21-EOD-LS/F/EE-1006 that provides for extension of the Parent Company's Ecozone Export Enterprise (EEE) status until the Implementing Rules and Regulation (IRR) of CREATE is issued. The status of the Parent Company as a PEZA registered export enterprise is expected to be retained being part of the Investment Priority Plan (IPP) and for meeting the conditions set forth by PEZA to allow a company to continue availing of the incentives despite exceeding local sales.

On August 17, 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 January 24, 2022, LOA No. 22-EOD-LS/FP/EE-0166 was issued to cover the period January 1, 2022 to July 31, 2022.

On June 8, 2022, PEZA issued LOA No. 22-EOD-LS/FP/EE-2251 to renew DMPI's authority to sell to the domestic market a portion of its production of its registered products produced at the PPAEPZ / BAREZ for the period August 1, 2022 to July 31, 2023.

On June 29, 2022, PEZA issued LOA No. 22-ERD/AA/EEEE-2485, the application to include the additional facility at the Quezon Agro-Industrial Zone (QAIZ) to engage in the "production of packed fresh pineapples in carton boxes with or without crown" was approved.

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

On January 02, 2024, PEZA issued renewal of LOA No. 23-EOD-LS/FP/EE-1768, authorizing DMPI to sell to the domestic market its registered products manufactured at its PPAEPZ, BAREZ and QAIZ facilities, provided that the annual total volume (statistical cases) of its local sales for FY ending April 30, 2024 shall not exceed the equivalent of thirty percent (30%) of the annual total sales volume (statistical cases) for the said period, which shall include the volume intended for donation to Del Monte Foundation Inc.

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



On May 28, 2024, PEZA issued renewal of LOA Nos. 23-EOD-LS/FP/EE-1768 by LOA No. 24-EOD-LS/FP/EE-0871. Authorizing DMPI to sell to the domestic market its registered products manufactured at its PPAEPZ, BAREZ and QAIZ facilities, provided that the annual total volume (statistical cases) of its local sales for FY ending April 30, 2024 shall not exceed the equivalent of thirty percent (30%) of the annual total sales volume (statistical cases) for the said period, which shall include the volume intended for donation to Del Monte Foundation Inc. The said LOA extension is valid until July 31, 2025.

42. Supplemental Disclosure of Cash Flow Information

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

	May 1, 2023	Cash flows		Others*	April 30, 2024
		Proceeds	Payments		
Short-term notes payable	₱20,472,924	₱40,764,397	(₱38,122,196)	₱226,586	₱23,351,711
Interest payable	188,208	—	(1,568,440)	1,503,609	123,377
Dividends payable	—	—	(108,897)	1,650,553	1,541,656
Long-term debt	2,991,355	8,730,790	(1,687,500)	13,802	10,048,447
Bonds payable	6,456,433	—	(5,832,560)	18,669	642,542
Lease liabilities	2,435,212	—	(719,544)	1,385,572	3,101,240
Total liabilities from financing activities	₱32,544,132	₱49,495,187	(₱48,029,137)	₱4,798,791	₱38,808,973

*Others include accruals, foreign exchange movement, dividend declaration, amortization of debt issuance costs, recognition and interest accretion of lease liabilities, and effect in change in lease term assessment and lease contract modifications and offsetting of receivables.

	May 1, 2022	Cash flows		Others*	April 30, 2023
		Proceeds	Payments		
Short-term notes payable	₱8,777,789	₱45,003,143	(₱33,454,701)	₱146,693	₱20,472,924
Interest payable	32,563	—	(719,352)	874,997	188,208
Dividends payable	—	—	(2,263,421)	2,263,421	—
Long-term debt	2,985,632	—	—	5,723	2,991,355
Bonds payable	6,422,398	—	—	34,035	6,456,433
Lease liabilities	2,871,074	—	(969,408)	533,546	2,435,212
Total liabilities from financing activities	₱21,089,456	₱45,003,143	(₱37,406,882)	₱3,858,415	₱32,544,132

*Others include accruals, foreign exchange movement, dividend declaration, amortization of debt issuance costs, recognition and interest accretion of lease liabilities, and effect in change in lease term assessment and lease contract modifications and offsetting of receivables.

	May 1, 2021	Cash flows		Others*	April 30, 2022
		Proceeds	Payments		
Short-term notes payable	₱7,888,665	₱7,777,789	(₱6,923,099)	₱34,434	₱8,777,789
Interest payable	31,997	—	(471,727)	472,293	32,563
Dividends payable	—	—	(248,416)	248,416	—
Long-term debt	2,980,124	—	—	5,508	2,985,632
Bonds payable	6,389,792	—	—	32,606	6,422,398
Lease liabilities	2,404,981	—	(531,072)	997,165	2,871,074
Total liabilities from financing activities	₱19,695,559	₱7,777,789	(₱8,174,314)	₱1,790,422	₱21,089,456

*Others include accruals, foreign exchange movement, amortization of debt issuance costs, and recognition and interest accretion of lease liabilities.



Significant Non-Cash Transactions

The Group engaged in the following significant non-cash activities:

- a) Offsetting of dividends payable to related party balances amounting to ₱727,336, ₱1,771,882, and ₱1,311,328, net of final tax, for the years ended 2024, 2023 and 2022 (see Notes 7 and 32);
- b) Additions to right-of-use assets under property, plant and equipment amounted to ₱1,337,825, ₱297,465, ₱1,030,650 for 2024, 2023 and 2022 (see Note 15), respectively with corresponding increase in lease liabilities of ₱1,194, ₱370,429 and ₱841,456 (see Note 39);
- c) Roll-over of short-term loan amounting to ₱116,265,448, ₱140,068,256, and ₱67,522,916 for the years ended 2024, 2023, and 2022 (see Note 17);
- d) Unpaid dividends declared on April 30, 2024 amounting to ₱1,541,656; and
- e) Unpaid consideration for the redemption of shares amounting to ₱84,390.

43. Earnings per Share

EPS is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during the year. The basic EPS attributable to equity holders of the Parent are shown below:

	2024	2023	2022
Profit attributable to owners of the Parent Company (a)	₱2,604,899	₱3,708,413	₱4,893,831
Weighted average number of common shares issued (b)	2,767,016	2,797,320	2,797,320
Basic Earnings per Common Share attributable to equity holders of the Parent (a/b)	₱0.94	₱1.33	₱1.75

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 the conversion of common shares to RCPS, with the potential ordinary shares weighted for the period outstanding.

	2024	2023	2022
Weighted average number of common shares outstanding	₱2,767,016	₱2,797,320	₱2,797,320
Convertible preference shares	292,591	—	—
Weighted average number of common shares outstanding (Diluted)	₱3,059,607	₱2,797,320	₱2,797,320
Diluted Earnings per Common Share attributable to equity holders of the Parent	₱0.85	₱1.33	₱1.75



44. Segment Reporting

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 income before interest and income tax and is measured consistently with income before income tax 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.

Product segment

- Convenience Cooking and Dessert. The convenience cooking and dessert segment includes sales and profit of processed fruit products under 'Del Monte' brand packaged in can, plastic cup, pouch and aseptic bag, packaged tomato-based products such as ketchup, tomato sauce, pasta sauce, recipe sauce and pizza sauce, pasta, broth and condiments under 'Del Monte' brand which are sold locally. Key products under this segment are canned pineapples and tropical mixed fruits.
- Healthy Beverages and Snacks. Healthy beverages and snacks include sales and profit of 100% pineapple juice in can, juice drinks in various flavours in can, tetra and PET packaging and pineapple juice concentrate. This also includes the recently launched dairy products and biscuit snacks. Products are available in single and multi-serve cans, as well as in cartons.
- Packaged Fruits and Beverages – Export. This segment includes packaged fruit and beverages products sold internationally. The packaged fruit segment includes sales and profit of processed fruit products under the S&W brand, as well as buyer's labels, that are packaged in different formats such as can, plastic cup, pouch and aseptic bag. Beverage includes sales and profit of 100% pineapple juice in can, juice drinks in various flavours in can and tetra packaging and pineapple juice concentrate.
- Premium Fresh Fruit. Premium Fresh Fruit includes sales and profit of S&W branded fresh pineapples in Asia-Pacific and buyer's label or non-branded fresh pineapples in Asia.
- Others. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals. This also includes culinary products sold internationally.

Geographical segment

- Export. Included in the Export segment are sales and profit in America, Europe and Asia Pacific other than the Philippines. Majority of this segment's sales are principally sold under the S&W and Del Monte branded products.
Philippines. Included in Philippine segment are sales comprising primarily of Del Monte branded products, Today's, S&W products.



Financial information on the operating segments are summarized as follows:

	2024	2023	2022
Revenues			
Convenience cooking and dessert	₱13,044,571	₱12,656,811	₱12,057,162
Healthy beverage and snacks	7,147,343	7,531,083	6,889,267
Premium fresh fruit	8,993,886	8,237,549	6,586,671
Packaged fruit and beverages	6,821,498	9,234,739	7,639,408
Others	143,689	135,572	87,825
Changes in fair value – PAS 41	2,598,118	3,271,864	3,296,124
Total	₱38,749,105	₱41,067,618	₱36,556,457
Income before interest and taxes*			
Convenience cooking and dessert	₱2,016,506	₱2,565,877	₱2,831,606
Healthy beverage and snacks	156,397	446,317	713,494
Premium fresh fruit	2,643,771	1,925,649	1,931,491
Packaged fruit and beverages	(611,487)	215,686	679,470
Others	23,331	39,893	62,152
Changes in fair value – PAS 41	115,917	(70,258)	12,038
Total	₱4,344,435	₱5,123,164	₱6,230,251
Capital Expenditures			
Convenience cooking and dessert	₱3,048,934	₱3,379,180	₱3,102,613
Healthy beverage and snacks	1,670,563	2,010,687	1,772,783
Premium fresh fruit	2,096,543	2,191,517	1,693,267
Packaged fruit and beverages	1,594,402	2,465,538	1,965,813
Others	33,576	36,060	22,657
Total	₱8,444,018	₱10,082,982	₱8,557,133
Depreciation and Amortization			
Convenience cooking and dessert	₱3,062,440	₱2,664,325	₱2,454,545
Healthy beverage and snacks	1,677,963	1,585,333	1,402,487
Premium fresh fruit	2,105,831	1,727,909	1,339,581
Packaged fruit and beverages	1,601,465	1,943,961	1,555,198
Others	33,726	28,432	17,924
Total	₱8,481,425	₱7,949,960	₱6,769,735

*Interest does not include bank charges amounting to ₱184,789 in 2024, ₱140,178 in 2023 and ₱93,312 in 2022 (see Note 27).

	2024	2023	2022
Segment Assets*			
Convenience cooking and desert	₱18,949,527	₱15,122,902	₱12,671,981
Healthy beverage and snacks	13,126,092	11,078,934	9,205,656
Premium fresh fruit	13,893,387	13,312,800	9,776,281
Packaged fruit and beverages	14,708,794	13,436,019	9,985,998
Others	133,228	90,130	43,245
Total	₱60,811,028	₱53,040,785	₱41,683,161
Segment Liabilities**			
Convenience cooking and desert	₱16,523,741	₱13,330,579	₱ 10,141,344
Healthy beverage and snacks	9,053,640	7,973,546	5,794,600
Premium fresh fruit	11,362,247	8,645,351	5,534,691
Packaged fruit and beverages	8,640,887	9,726,338	6,425,547
Others	181,970	142,254	74,054
Total	₱45,762,485	₱39,818,068	₱27,970,236

*Segment assets excludes deferred tax assets amounting to nil in 2024, nil in 2023 and nil in 2022.

**Segment liabilities exclude deferred tax liabilities amounting to ₱302,919 in 2024, ₱281,651 in 2023 and ₱190,989 in 2022.

	2024			2023		
	Philippines	Export	Total	Philippines	Export	Total
Revenues	₱20,833,355	₱17,915,750	₱38,749,105	₱21,474,167	₱19,593,451	₱41,067,618
Income before interest and income tax	2,153,404	2,191,031	4,344,435	3,098,384	2,024,780	5,123,164
Capital expenditures	4,802,960	3,641,058	8,444,018	5,544,116	4,538,866	10,082,982
Depreciation and amortization	4,824,236	3,657,189	8,481,425	4,371,276	3,578,684	7,949,960
Segment assets	32,052,488	28,758,540	60,811,028	26,181,552	26,859,233	53,040,785
Segment liabilities	25,571,926	20,190,559	45,762,485	21,299,257	18,518,811	39,818,068

	2022		
	Philippines	Export	Total
Revenues	₱19,977,686	₱16,578,771	₱36,556,457
Income before interest and income tax	3,654,680	2,575,571	6,230,251
Capital expenditures	4,941,608	3,615,525	8,557,133
Depreciation and amortization	3,909,414	2,860,321	6,769,735
Segment assets	21,857,317	19,825,844	41,683,161
Segment liabilities	15,931,088	12,039,148	27,970,236

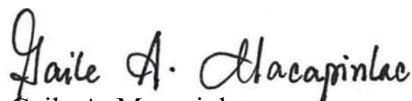


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Del Monte Philippines, Inc.
JY Campos Centre, 9th Avenue corner 30th Street
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Del Monte Philippines, Inc. and Subsidiaries (the Group), as at April 30, 2024, 2023 and 2022 and for each of the three years in the period ended April 30, 2024, and have issued our report thereon dated August 7, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Gaile A. Macapinlac

Partner

CPA Certificate No. 98838

Tax Identification No. 205-947-572

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-126-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10079961, January 6, 2024, Makati City

August 7, 2024

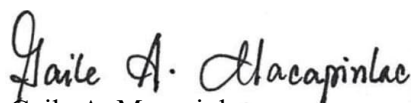


INDEPENDENT AUDITOR'S REPORT ON COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
Del Monte Philippines, Inc.
JY Campos Centre, 9th Avenue corner 30th Street
Bonifacio Global City, Taguig City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Del Monte Philippines, Inc. and Subsidiaries (the Group) as at April 30, 2024, 2023 and 2022 and for each of the three years in the period ended April 30, 2024, and have issued our report thereon dated August 7, 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at April 30, 2024, 2023 and 2022 and for the years then ended and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Gaile A. Macapinlac

Partner

CPA Certificate No. 98838

Tax Identification No. 205-947-572

BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026

BIR Accreditation No. 08-001998-126-2022, November 7, 2022, valid until November 6, 2025

PTR No. 10079961, January 6, 2024, Makati City

August 7, 2024



DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES

INDEX TO THE SUPPLEMENTARY SCHEDULES

AS OF APRIL 30, 2024

Schedule I: Reconciliation of retained earnings available for dividend declaration

Schedule II: Map of the relationships of the companies within the group

Schedule III. Supplementary Schedules Required by Annex 68-J

- Schedule A. Financial Assets
- Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
- Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
- Schedule D. Long-term Debt
- Schedule E. Indebtedness to Related Parties
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DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND
DECLARATION
APRIL 30, 2024

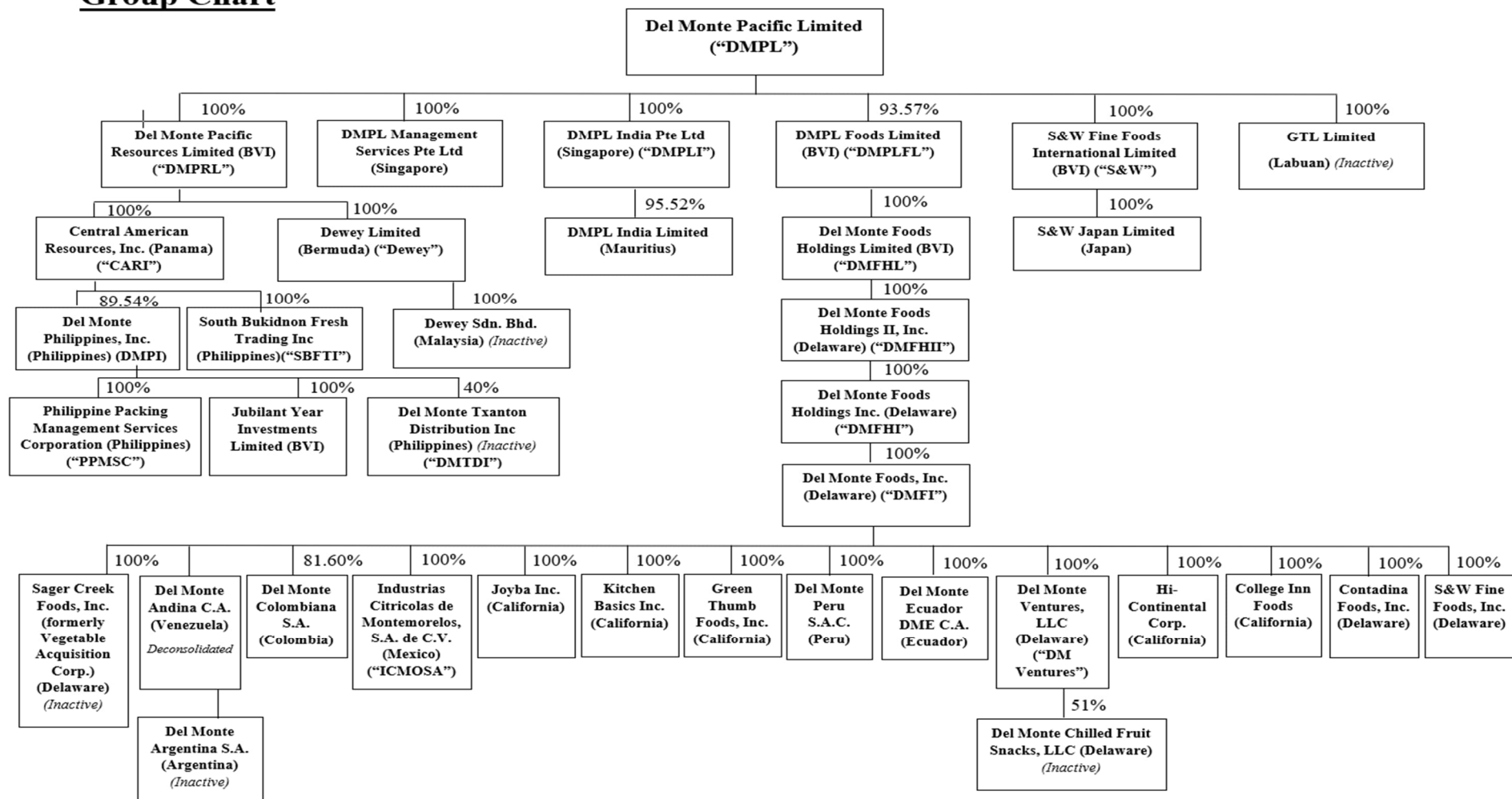
Unappropriated Retained Earnings, unadjusted as at April 30, 2023		₱5,812,515
Less: Deferred tax assets as at April 30, 2023	191,699	
Cumulative unrealized gain on fair value of biological assets - net of tax as at April 30, 2024	1,749,844	1,941,543
Unappropriated RE, as adjusted to available dividend declaration, beginning		3,870,972
Add/Less: Net Income/Loss for the period		2,387,600
Less:		
Unrealized forex gain, except those attributable to cash and cash equivalents - net of tax	122,177	
Unrealized gain on fair value of biological assets - net of tax	110,005	232,182
Adjusted Net Income/Loss		6,026,390
Add/Less:		
Other items that should be excluded from the determination of the amount of available for dividends distribution		
Net movement of treasury shares (except for reacquisition of redeemable shares)		(2,129,821)
Net movement of deferred tax asset for the period		(41,140)
Less: Dividends declaration during the reporting period		(2,527,145)
Total Retained Earnings available for dividend declaration as at April 30, 2024		₱1,328,284

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES

MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

AS OF APRIL 30, 2024

Group Chart



DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULE ON FINANCIAL SOUNDNESS INDICATORS

AS OF APRIL 30, 2024

Ratio	Formula	2024	2023	2022
Liquidity Analysis Ratios				
Current Ratio		0.98	0.74	1.07
		2024	2023	2022
	Total current assets	₱32,302	₱25,692	₱17,342
	Divide by: Total current liabilities	32,999	34,868	16,164
	Current ratio	0.98	0.74	1.07
Acid Test Ratio		0.56	0.42	0.53
		2024	2023	2022
	Total current assets less inventories, biological assets and prepaid expenses	₱18,319	₱14,764	₱8,553
	Divide by: Total current liabilities	32,999	34,868	16,164
	Acid Test ratio	0.56	0.42	0.53
Solvency Ratio		1.32	1.32	1.48
		2024	2023	2022
	Total assets	₱60,811	₱53,041	₱41,683
	Divide by: Total liabilities	46,065	40,100	28,161
	Solvency ratio	1.32	1.32	1.48
Financial Leverage Ratio				
Debt-to-Equity Ratio		2.52	2.05	1.56
		2024	2023	2022
	Total debt*	₱37,144	₱26,540	₱21,057
	Divide by: Total stockholder's equity	14,746	12,941	13,522
	Debt-to-Equity Ratio	2.52	2.05	1.56

Ratio	Formula	2024	2023	2022
Asset-to-Equity Ratio		4.12	4.10	3.08
		2024	2023	2022
	Total assets	₱60,811	₱53,041	₱41,683
	Divide by: Total stockholder's equity	14,746	12,941	13,522
	Asset-to-Equity Ratio	4.12	4.10	3.08
Interest Rate Coverage Ratio		3.35	6.68	11.45
		2024	2023	2022
	Earnings before interest and taxes (EBIT)	₱4,344	₱5,123	₱6,230
	Divide by: Finance cost (excluding bank charges)	1,298	767	544
	Interest Rate Coverage Ratio	3.35	6.68	11.45
Profitability Ratios				
Return on equity		17.67%	28.66%	36.34%
		2024	2023	2022
	Net income	₱2,605	₱3,708	₱4,894
	Divide by: Total stockholder's equity	14,746	12,941	13,522
	Return on equity	17.67%	28.66%	36.34%
Return on asset		4.28%	6.99%	11.74%
		2024	2023	2022
	Net Income	₱2,605	₱3,708	₱4,894
	Divide by: Total assets	60,811	53,041	41,683
	Return on asset	4.28%	6.99%	11.74%
Net income margin		6.72%	9.03%	13.39%
		2024	2023	2022
	Net income	₱2,605	₱3,708	₱4,894
	Divide by: Total revenue	38,749	41,068	36,556
	Net income margin	6.72%	9.03%	13.39%

Ratio	Formula			2024	2023	2022
Debt to EBITDA Ratio				2.90	2.03	1.62
		2024	2023	2022		
	Total debt*	₱37,144	₱26,540	₱21,057		
	Divide by: Earnings before interest, taxes, depreciation and amortization (EBITDA)	12,825	13,075	13,000		
	Debt to EBITDA Ratio	2.90	2.03	1.62		
Net Debt to Equity Ratio				2.50	2.01	1.89
		2024	2023	2022		
	Total debt* less cash	₱36,873	₱25,955	₱20,200		
	Divide by: Total stockholder's equity	14,746	12,941	13,522		
	Net Debt to Equity Ratio	2.50	2.01	1.89		

Note:

* Total debt refers to Short-term loans, Long-term loans, Bonds payable, and Lease Liabilities.

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES**SCHEDULE A. FINANCIAL ASSETS****AS OF APRIL 30, 2024***(In Thousands)*

Name of Issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Valued based on market quotation at April 30, 2024	Income received and accrued
Cash and Cash Equivalents	—	₱271,200	₱271,200	₱5,645
Short-term deposit	—	1,000	1,000	—
Receivables	—	18,047,825	18,047,825	495,198
Refundable Deposits	—	105,115	105,115	—
Security Deposits	—	49,917	49,917	—
Financial assets at FVOCI				
Alabang Country Club	2	33,000	33,000	1,000
PLDT	45	60	60	(6)
		₱18,508,117	₱18,508,117	₱501,837

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES

**SCHEDULE B. AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND
PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES)**

AS OF APRIL 30, 2024

(In Thousands)

	Receivable balance	Current	1-60 days	61-90days	91-120	Over 120 days
Advances to officers and employees	₱46,506	₱23,885	₱5,800	₱-	₱1,203	₱15,618

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES**SCHEDULE C. AMOUNTS RECEIVABLE FROM RELATED PARTIES WHICH ARE ELIMINATED DURING THE
CONSOLIDATION OF FINANCIAL STATEMENTS****AS OF APRIL 30, 2024***(In Thousands)*

Name and designation of debtor	Balance at beginning of the year	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of the year
Philippine Packing Management Service Corporation	₱2,813,302	₱138,119	(₱520,185)	₱—	₱2,431,236	—	2,431,236
Jubilant Year Investments Limited	—	9,271,264	(188,358)	—	9,082,906	—	9,082,906

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES**SCHEDULE D. LONG-TERM DEBT****AS OF APRIL 30, 2024***(In Thousands)*

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of Long-term debt" in related balance sheet	Amount shown under caption "Long- term debt – net of current portion" in related balance sheet
Unsecured Loan availment			
Long-term – Banco de Oro	₱5,800,000	—	₱5,800,000
Long-term – Development Bank of the Philippines	4,312,500	750,000	3,498,447

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES

SCHEDULE E. INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)

AS OF APRIL 30, 2024

(In Thousands)

Name of related party		Balance at end of the year
	NOT APPLICABLE	

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES

SCHEDULE F. GUARANTEES OF SECURITIES AND OTHER ISSUERS

AS OF APRIL 30, 2024

(In Thousands)

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of is s	Amount owned by person for which statement is filed	Nature of guarantee
NOT APPLICABLE			

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES**SCHEDULE G. CAPITAL STOCK****AS OF APRIL 30, 2024**

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet caption	Number of shares declared as stock dividends	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common	3,000,000,000	2,726,259,380	—	292,590,976	2,433,668,397	7	—