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Antonio E.S. Ungson

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

**INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE**

1. Check the appropriate box:

- ☐ Preliminary Information Statement
☒ Definitive Information Statement

2. Name of Registrant as specified in its charter: Del Monte Philippines, Inc.

3. Republic of the Philippines
Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: PW-112

5. BIR Tax Identification Code: 000-291-799-000

6. JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City 1634
Address of principal office Postal Code

7. Registrant's telephone number, including area code: +63 2 8856 2888

8. Date, time and place of the meeting of security holders:

Annual Meeting of the Stockholders	
Date:	11 December 2023
Time:	2:00 p.m.
Place:	Videoconference

9. Approximate date on which the Information Statement is first to be sent or given to security holders:
15 November 2023

10. In case of Proxy Solicitations: N/A
Name of Person Filing the Statement/Solicitor:
Address and Telephone No.:

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Amount (in PhP)	Rate
Series A Bonds due 2023 ¹	5,832,560,000.00	3.4840%
Series B Bonds due 2025	645,900,000.00	3.7563%

12. Are any or all of registrant's securities listed in a Stock Exchange?

Yes _____ No ☒

If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

N/A

¹ To be paid off on 31 October 2023.

DEL MONTE PHILIPPINES, INC.

INFORMATION STATEMENT

This Information Statement is dated as of 15 November 2023 and is being furnished to stockholders of record of DEL MONTE PHILIPPINES, INC. (“**DMPI**” or the “**Company**”) as of 4 December 2023 in connection with its Annual Stockholders’ Meeting (the “**Meeting**”).

A. GENERAL INFORMATION

1. Date, Time and Place of Meeting of Security Holders.

- a. The annual meeting of the stockholders of the Company will be held on 11 December 2023 at 2:00 p.m. and will be convened and held by videoconference via Zoom.

The mailing address of the Company is JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City, 1634 Philippines, for the attention of the Corporate Secretary.

- b. The approximate date on which copies of this Information Statement shall first be sent and given to the stockholders is 15 November 2023.

2. Dissenters' Right of Appraisal

Considering that the proposed amendment to the Seventh Article of the Articles of Incorporation of the Company (see pages 17, 20 to 22 for a more detailed discussion of the amendment) has the effect of authorizing preferences superior to those of outstanding common shares, any dissenting stockholder of the Company shall have the right to demand payment of the fair value of its shares (otherwise known as the appraisal right). A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right.

Under Section 81 of the Revised Corporation Code, a dissenting stockholder who votes against a proposed corporate action may exercise the right of appraisal by making a written demand on the corporation for the payment of the fair value of shares held within thirty (30) days from the date on which the vote was taken. The failure to make such demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented, the corporation shall pay the stockholder, upon surrender of the certificate or certificates of stock representing the stockholder’s shares, the fair value thereof as of the day before the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If, within sixty (60) days from the approval of the corporate action by the stockholders, the withdrawing stockholder and the corporation cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons. The findings of the majority of the appraisers shall be final, and their award shall be paid by the corporation within thirty (30) days after such award is made. However, no payment shall be made to any dissenting stockholder unless the corporation has unrestricted retained earnings in its books to cover such payment. Moreover, upon payment by the corporation of the agreed or awarded price, the stockholder shall transfer the shares to the corporation.

Moreover, under Section 82 of the Revised Corporation Code, from the time of demand for payment of the fair value of a stockholder’s shares until either the abandonment of the corporate action involved or the purchase of the said shares by the corporation, all rights accruing to such shares, including voting and dividend rights, shall be suspended, except the right of such stockholder to receive payment of the fair value thereof. However, if the dissenting stockholder is not paid the value of the said shares within thirty (30) days after the award, the voting and dividend rights shall immediately be restored.

3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

- a. None of the directors or officers of the Company, or any nominee to the Board, or any association of the foregoing persons have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the Meeting, other than:
 - i. election to office; and
 - ii. Mr. Joselito D. Campos, Jr., Director and Chief Executive Officer of the Company, is the beneficial owner of 55.1178% of the total issued and outstanding common shares of the Company, which common shares are the subject of the proposed amendment to the Seventh Article of the Articles of Incorporation of the Company.

- b. None of the directors has informed the Company in writing that he or she intends to oppose any matter to be acted upon at the Meeting.

B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Holders Thereof

- a. The Company has a total of 2,797,320,004 outstanding common shares as of the date of this Information Statement.

Holders of common shares are entitled to one vote for each share of stock held as of the established record date.

As of the date of this Information Statement, almost 100% of the total outstanding common shares or 2,797,319,998 common shares of the Company are owned directly by foreign stockholders.

Name	Nationality	No. of Shares Subscribed		% of Total Shares	Amount Subscribed (Php)	Amount Paid-up (Php)
Central American Resources, Inc.	Panamanian	Common	2,433,668,395	87%	2,433,668,395	2,433,668,395
SEA Diner Holdings (S) Pte Ltd	Singapore	Common	363,651,600	13%	363,651,600	363,651,600
Rolando C. Gapud	Filipino	Common	1	0%	1.00	1.00
Joselito D. Campos, Jr.	Filipino	Common	1	0%	1.00	1.00
Edgardo M. Cruz, Jr.	Filipino	Common	1	0%	1.00	1.00
Luis F. Alejandro	Filipino	Common	1	0%	1.00	1.00
Jeanette Beatrice Naughton	Filipino	Common	1	0%	1.00	1.00
Corazon S. De la Paz-Bernardo	Filipino	Common	1	0%	1.00	1.00
Emil Q. Javier	Filipino	Common	1	0%	1.00	1.00
Jose T. Pardo	Filipino	Common	1	0%	1.00	1.00
Godfrey E. Scotchbrook	British	Common	1	0%	1.00	1.00
		TOTAL	2,797,320,004	100%	2,797,320,004.00	2,797,320,004.00

Central American Resources, Inc. (“CARI”) is an investment holding company and was incorporated under Panamanian laws in 1971. CARI is an indirect wholly-owned subsidiary of Del Monte Pacific Limited (“DMPL”). The DMPL Group is one of the world’s largest and most well-known global branded food and beverage companies, with a more than 135-year heritage of innovation and leadership in premium quality healthy food and beverage products. The DMPL Group caters to today’s consumer needs for premium quality, healthy food and beverage products and produces, markets and distributes its products worldwide under a variety of brand names including Del Monte, S&W, Contadina, and College Inn.

SEA Diner Holdings (S) Pte Ltd (“SEA Diner”) is a Singapore-incorporated company focused on investing in leading companies in the consumer sector in China and the ASEAN region. SEA Diner and its affiliates have invested over US\$1 billion in ASEAN and Chinese consumer businesses to date, including consumer product companies and technology companies. The food category has been a key focus for the SEA Diner and its affiliates, with a particular emphasis on food products that have a large addressable market in China. SEA Diner has over 30 staff in the region and plays an active role in supporting the Company.

- b. Only stockholders of record at the close of business day on 4 December 2023 are entitled to notice of the Meeting and to attend and vote at the Meeting. The Notice of the Meeting, Information Statement, and

other documents in relation to the Annual Shareholdings Meeting shall be sent to all shareholders by electronic mail.

c. Security Ownership of Certain Record and Beneficial Owners and Management

i. Security Ownership of Certain Record and Beneficial Owners of More Than 5%

The table below sets forth the security ownership of certain record and beneficial owners of more than 5% of the Company’s voting securities as of the date of this Information Statement:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship of Record Owner	No. of Shares Held	% of Total Outstanding Shares
Common Shares	Central American Resources, Inc. c/o PH ARIFA, 9 th & 10 th Floors, West Boulevard, Santa Maria Business District, Panama, Republic of Panama Stockholder	Joselito D. Campos, Jr. to the extent of 55.1178% Indirect Stockholder; Director and Chief Executive Officer The balance is held by beneficial owners holding not more than 5%.	Panama	2,433,668,395 (R) 1,541,821,245 (B)	87%
Common Shares	SEA Diner Holdings (S) Pte. Ltd. 77 Robinson Road, #33-00 Robinson 77, Singapore 068896 Stockholder	There are no beneficial owners holding more than a 5% stake.	Singapore	363,651,600 (R)	13%

ii. Security Ownership of Management

The table below sets forth the security ownership of the Company’s directors and executive officers as of the date of this Information Statement:

Title of Class	Name of Registered/ Beneficial Owner	Amount and Nature of Ownership	Citizenship	Percentage of Ownership
Common Shares	Rolando C. Gapud	1 (R) 3,407,136 (B)	Filipino	0.1218%
Common Shares	Joselito D. Campos, Jr.	1 (R) 1,541,821,245 (B)	Filipino	55.1178%
Common Shares	Edgardo M. Cruz, Jr.	1 (R) 3,650,503 (B)	Filipino	0.1305%
Common Shares	Luis F. Alejandro	1 (R) 4,623,970 (B)	Filipino	0.1653%
Common Shares	Jeanette Beatrice Naughton	1 (R)	Filipino	Nil
Common Shares	Corazon De La Paz-Bernardo	1 (R)	Filipino	Nil

Common Shares	Emil Q. Javier	1 (R) 730,101 (B)	Filipino	0.0261%
Common Shares	Jose T. Pardo	1 (R)	Filipino	Nil
Common Shares	Godfrey E. Scotchbrook	1 (R) 243,367 (B)	British	0.0087%
Common Shares	Parag Sachdeva	0	Indian	Nil
Common Shares	Ignacio C.O. Sison	1,460,201 (B)	Filipino	0.0522%
Common Shares	Antonio E. S. Ungson	730,101 (B)	Filipino	0.0261%
Common Shares	Katherine Joy F. de Jesus-Lagazo	0	Filipino	Nil
Common Shares	Ruiz G. Salazar	0	Filipino	Nil
Common Shares	Philip G. Macahilig	0	Filipino	Nil
Common Shares	Chooi Khim Tan	0	Malaysian	Nil
Total		9 (R) 1,556,666,624 (B)		

d. Voting Trust Holders of 5% or More

There are no persons holding more than 5% of a class of shares of the Company under a voting trust or similar agreement as of the date of this Information Statement.

e. Changes in Control

There are no arrangements which may result in a change in control of the Company as of the date of this Information Statement.

5. Directors and Executive Officers

a. Directors, Independent Directors and Executive Officers

i. Directors and Board Committees

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. There are nine members of the Board, five of whom are Executive Directors and the remaining four are Non-Executive Directors who are also Independent Directors.

As of the date of this Information Statement, the composition of the Board is as follows:

Name	Age	Nationality	Position
Rolando C. Gapud	81	Filipino	Chairman of the Board
Joselito D. Campos, Jr.	72	Filipino	Director
Edgardo M. Cruz, Jr.	68	Filipino	Director
Luis F. Alejandro	69	Filipino	Director
Jeanette Beatrice Naughton	47	Filipino	Director
Corazon S. De La Paz-Bernardo	82	Filipino	Independent Director
Emil Q. Javier	83	Filipino	Independent Director
Jose T. Pardo	84	Filipino	Independent Director

Management, together with the Board Committees, including the Audit & Risk Committee (“**ARC**”), Nominating and Governance Committee (“**NGC**”), and Remuneration and Share Option Committee (“**RSOC**”) support the Board in discharging its responsibilities. The members of the Board Committees are as follows:

Audit and Risk Committee	
Corazon S. De La Paz-Bernardo (Independent Director)	ARC Chairperson
Emil Q. Javier (Independent Director)	Member
Jose T. Pardo (Independent Director)	Member
Godfrey E. Scotchbrook (Independent Director)	Member
Nominating and Governance Committee	
Jose T. Pardo (Independent Director)	NGC Chairperson
Corazon S. De La Paz-Bernardo (Independent Director)	Member
Emil Q. Javier (Independent Director)	Member
Godfrey E. Scotchbrook (Independent Director)	Member
Remuneration and Share Option Committee	
Emil Q. Javier (Independent Director)	RSOC Chairman
Jose T. Pardo (Independent Director)	Member
Corazon S. De La Paz-Bernardo (Independent Director)	Member
Godfrey E. Scotchbrook (Independent Director)	Member

ii. Senior Management

As of the date of this Information Statement, the following are the Company’s Senior Management:

Name	Age	Nationality	Position
Joselito D. Campos, Jr.	72	Filipino	Chief Executive Officer
Luis F. Alejandro	69	Filipino	President and Chief Operating Officer
Edgardo M. Cruz, Jr.	68	Filipino	Assistant Corporate Secretary
Parag Sachdeva	53	Indian	Chief Financial Officer and Treasurer
Ignacio Carmelo O. Sison	59	Filipino	Chief Sustainability Officer and Head of Investor Relations
Antonio Eugenio S. Ungson	52	Filipino	Corporate Secretary, Chief Legal Counsel, and Chief Compliance Officer
Katherine Joy F. de Jesus-Lagazo	45	Filipino	Assistant Corporate Secretary and Group Head for Legal and Compliance
Ruiz G. Salazar	59	Filipino	Chief Human Resource Officer
Philip G. Macahilig	54	Filipino	Group Head for Philippine Market Commercial Operations
Chooi Khim Tan	62	Malaysian	Group Head for International Commercial Operations

The following is a brief description of the business experience of the Company’s Board and Senior Management for the past five years.

Directors

Rolando C. Gapud – 81, Filipino
Chairman of the Board

Mr. Rolando C. Gapud has over 45 years of experience in banking, finance and general management, having worked as CEO of several Philippine companies, notably Security Bank and Trust Company, Oriental Petroleum and Minerals Corp. and Greenfield Development Corp. He is Chairman of DMPL, the ultimate parent company of DMPI, Del Monte Foods Holdings Limited (“**DMFHL**”) and of Del Monte Foods, Inc. (“**DMFI**”), DMPL’s US subsidiary. He is also a Director of Del Monte Foods Pvt Ltd in India (“**DM India**”), a joint venture of DMPL with the Bharti Group of India. He was also the COO of the joint venture operations of Bankers Trust and American Express in the Philippines. He has served in the Boards of various major Philippine companies, including the Development Bank of the Philippines, the development finance arm of the Philippine Government. He holds a Master of Science in Industrial Management degree from the Massachusetts Institute of Technology. He is a member of the Asian Executive Board of the Sloan School in 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.

Joselito D. Campos, Jr. – 72, Filipino
Director and Chief Executive Officer

Mr. Joselito D. Campos, Jr. is the Managing Director and CEO of DMPL, the ultimate parent company of DMPI, and the Vice Chairman of DMFI, DMPL’s US subsidiary. He is also a Director of DMFHL and DM India, 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. He is also Chairman of Fort Bonifacio Development Corporation and 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 the Philippines’ largest pharmaceutical company with substantial operations in the Asian region. Mr. Campos is the Consul General in the Philippines for the Republic of Seychelles. He is also Chairman of the Metropolitan Museum of Manila, Bonifacio Arts Foundation Inc., The Mind Museum, and the Del Monte Foundation, Inc. He is a Trustee and Global Council Member of the Asia Society in the Philippines; a Trustee of the Philippines-China Business Council and the Philippine Center for Entrepreneurship; a National Advisory Council Member of the World Wildlife Fund-Philippines; and a Director of the Philippine Eagle Conservation Program Foundation, Inc. Mr. Campos holds an MBA from Cornell University.

Edgardo M. Cruz, Jr. – 68, Filipino
Director and Assistant Corporate Secretary

Mr. Edgardo M. Cruz, Jr. is a Director of both DMPL, DMFHL and DMFI, the ultimate parent company and affiliate of DMPI, respectively. He is a member of the Board of the NutriAsia Group of Companies. He is also the Chairman and President of Capital Consortium, Inc. He is also the Chairman 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 after graduating from De La Salle University. He is a Certified Public Accountant.

Luis F. Alejandro – 69, Filipino
Director, President, and Chief Operating Officer

Mr. Luis F. Alejandro 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. Mr. Alejandro is the Chief Operating Officer of DMPL, and a Director of DMFI, an affiliate of the

Company. He is also a Director of DM India, a joint venture of DMPL with the Bharti Group of India. He holds a bachelor's degree in Economics from the Ateneo de Manila University and an MBA from the Asian Institute of Management.

Jeanette Beatrice Naughton - 47, Filipino
Director

Ms. Jeanette Beatrice Naughton is a director and Vice President, Strategic Planning of DMFI and DMFHL. 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.

Emil Q. Javier – 83, Filipino
Independent Director

Dr. Emil Q. Javier is a Filipino agronomist with a broad understanding of developing country agriculture. He was the first and only developing country scientist to Chair the Technical Advisory Committee of the prestigious Consultative Group for International Agricultural Research (CGIAR), a global consortium led by the World Bank and the Food and Agriculture Organization of the United Nations (FAO). He was Director General of the Asian Vegetable Research and Development Center (AVRDC) based in Taiwan and has served as Chairman of the Board of International Rice Research Institute (IRRI), and as Chairman and Acting Director of the Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA). In the Philippines at various periods, he had been President of the University of the Philippines, Minister for Science and Technology and President of the National Academy of Science and Technology, Philippines (NAST PHL). In August 2019, he was declared a National Scientist, the highest honor conferred by the President of the Philippines to a Filipino in the field of science and technology. Dr. Javier is an Independent Director of DMPL. He is also 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 Los Baños.

Corazon S. De La Paz-Bernardo – 82, Filipino
Independent Director

Corazon S. De la Paz-Bernardo is 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 the University of the East and UE Ramon Magsaysay Memorial Medical Center; Trustee of the Philippine Business for Education and FINEX Foundation; Vice Chairperson of Jaime V. Ongpin Foundation, Inc. and Chairperson of Jaime V. Ongpin Microfinance Foundation; Trustee/Treasurer of MFI Polytechnic Institute, Inc.; and Honorary Fellow of the Institute of Corporate Directors. 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 (TOWNS), and the Philippine Fulbright Scholars Association. She is an awardee of The Outstanding Filipino (TOFIL) 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.

Jose T. Pardo – 83, Filipino
Independent Director

Mr. Jose T. Pardo is the Chairman and Independent Director of The Philippine Stock Exchange, Inc. (“PSE”), 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, Araneta Hotels, Inc., and DMPI. 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 as Co-Chairman of De La Sale Philippines, Inc. and EDSA People Power Commission. He was also a Director for San Miguel Purefoods, Inc., Metropolitan Bank Trust Company (Metrobank), Mabuhay Philippine Satellite Corporation, and Coca-Cola Bottlers Philippines, Inc. He was also 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.

Godfrey E. Scotchbrook – 77, British
Independent Director

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

Senior Management

Parag Sachdeva – 53, Indian
Chief Financial Officer and Treasurer

Mr. Parag Sachdeva has 30 years of management and finance experience spanning planning and controllership, performance management, mergers and acquisitions, treasury, IT and human resources. Mr. Sachdeva is also the Chief Financial Officer of the Company’s ultimate parent company, DMPL. 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 HJ Heinz for 20 years and held leadership positions in Asia Pacific regions in finance, IT and human resources. Mr. Sachdeva graduated from the Aligarh Muslim University in India, Major in Accounting and Economics. He also has an MBA degree, Major in Finance from the same university.

Antonio E. S. Ungson – 52, Filipino
Corporate Secretary, Chief Legal Counsel, and Chief Compliance Officer

Mr. Antonio E. S. Ungson is also the Chief Legal Counsel, Chief Compliance Officer, and Company Secretary of DMPL, the Company’s ultimate parent company. 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.

Ruiz G. Salazar – 59, Filipino
Chief Human Resource Officer

Mr. Ruiz G. Salazar 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.

Philip G. Macahilig – 54, Filipino
Group Head for Philippine Market Commercial Operations

Mr. Philip G. Macahilig previously served as Group Head of DMPI's Customer Development Group, from 2006 to 2012. Afterwards, he established Ocean Skipjack Distribution, Inc. (distributor of Century Tuna) and served as the General Manager of the same from 2012 to 2015. In 2015, he joined San Miguel Corporation as its National Sales Manager, and eventually its National Sales and Distribution Manager, before rejoining DMPI as the Group Head for Philippine Market Commercial Operations. Prior to joining DMPI in 2006, he was the National Sales Manager of Mead Johnson Nutrition. Mr. Macahilig obtained his bachelor's degree in Business Management, Marketing and Related Support Services from Ateneo de Manila University.

Chooi Khim Tan - 62, Malaysian
Group Head for International Commercial Operations

Ms. Chooi Khim Tan has been the General Manager of S&W Fine Foods International Limited ("**S&W**") 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 has 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.

Ignacio Carmelo O. Sison - 59, Filipino
Chief Sustainability Officer and Head of Investor Relations

Mr. Ignacio Carmelo O. Sison is the Chief Corporate Officer of DMPI's parent company, DMPL, where he is responsible for sustainability, risk management, strategic planning and investor relations. He has been with the DMPL Group since 1999 and was the group's CFO for nine years. Mr. Sison has over 30 years of experience including leadership roles in finance and sustainability. Before joining DMPL, he was CFO of DMPL's previous parent company for three years. Among others, he also worked for Pepsi-Cola Products Philippines and SGV & Co., the Philippines' largest audit firm. Mr. Sison is the Vice Chairman of the Philippine Sustainability Reporting Committee and is a member of the Institute of Corporate Directors. He is also a member of the Advisory Board of the Ateneo Institute of Sustainability and Chair of the Finance and Budget Committee of the Ateneo de Manila University's Board. He served as Chairman of the National Committee of UWC Philippines. Mr. Sison holds an MSc degree in Agricultural Economics from Oxford University; an MA, Major in Economics, from the International University of Japan; a BA in Economics, magna cum laude, from the University of the Philippines; and an International Baccalaureate from the Lester B. Pearson United World College in Canada.

Katherine Joy F. de Jesus-Lagazo – 45, Filipino
Assistant Corporate Secretary and Group Head for Corporate Legal and Compliance

Ms. Katherine Joy F. de Jesus-Lagazo is the Group Head for Corporate Legal and Compliance of the Company. She is also the Assistant Corporate Secretary of Del Monte – Vinamilk Dairy Philippines, Inc. and 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.

b. Significant Employees

The Board 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 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.

c. Family Relationships

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. (father) and Ms. Jeanette Beatrice Naughton (daughter).

d. Involvement in Certain Legal Proceedings

As to Directors, Executive Officers and Nominees for Election:

Except as set out below, the Company is not aware that any of the incumbent directors and any nominee for election as director, executive officer or control person of the Company has been the subject of any: (a) bankruptcy petition; (b) conviction by final judgment in a criminal proceeding, domestic or foreign; (c) 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 (d) judgment of violation of a securities or commodities law or regulation by a domestic or foreign court of competent jurisdiction, in a civil action, the Philippine Securities and Exchange Commission ("**SEC**") or a comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, which has not been reversed, suspended or vacated, for the past five (5) years up to the latest date that is material to the evaluation of his ability or integrity to hold the relevant position in the Company:

Mr. Luis F. Alejandro, the President and Chief Operating Officer, is not involved in any criminal, bankruptcy or insolvency investigation or any other proceeding against him, except only the libel case pending between GMA Network, Inc. and ABS-CBN Broadcasting Corp. where he was impleaded several years ago as co-accused in his capacity as then President and Chief Operating Officer of ABS-CBN Broadcasting Corp. There are no updates on this case.

*As to the Company and its Subsidiaries (the "**Group**"):*

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 Company believes that none of these legal proceedings will have a material adverse effect on its financial position.

e. Certain Relationships and Related Transactions

- i. A summary of the transactions entered into by the Group with related parties for the years ended as of April 30, 2023 and 2022 are as follows:

Related Party	Relationship to DMPI	Related Party Transaction	Year ended April 30, 2023 (PHP in 000)	Year ended April 30, 2022 (PHP in 000)
DMPI Retirement Fund	Retirement fund of the Company	Rental to DMPI Retirement Fund	103,219.01	92,440.66
		Management fees from DMPI Retirement Fund	102.54	203.21
Nutri-Asia, Inc. (" NAI ")	Affiliate of the Company	Rental to NAI Retirement Fund	34,623.11	32,857.27

		Purchases from NAI	4,254.62	4,292.09
		Utilities	2,287.55	5,087.24
		Share in shared IT services and JYCC fit out	5,346.05	10,452.04
		Sale of tomato paste and other raw materials to NAI	833.11	610.78
		Surgical Masks and other reimbursements	53.77	16.36
S&W	Affiliate of the Company	Sale of products to S&W	3,498,740.11	2,786,905.47
		Royalty expense	26,906.89	17,955.73
		Management fee from S&W	145,695.44	111,272.36
		Purchase of various production materials	10,706.09	3,630.88
		Advances to S&W	-	1,444,680.00
		Services and other reimbursements	146,095.58	33,345.50
DMPL	Affiliate of the Company	Advances to DMPL	10,993,825.84	1,812,613.91
		Services and other reimbursements	482,727.18	29,028.70
DMPL Management Services Pte Ltd ("DMS")	Affiliate of the Company	Rent Income for Bukit Pasoh	11,746.55	10,826,320
		Management fee to DMS	24,324.23	20,774.15
		Services and other reimbursements	98.55	1,143.95
DM Pacific Limited – ROHQ ("ROHQ")	Affiliate of the Company	Management fee to ROHQ	44,491.85	49,961.23
		Services and other reimbursements	-	-
South Bukidnon Fresh Trading, Inc.	Affiliate of the Company	Services and other reimbursements	1.00	-
DMFI	Affiliate of the Company	Management fee from DMFI	6,796.11	4,659.20
		Sales of products to DMFI	3,625,674.94	2,834,008.16
		Purchases	-	4,033.85
		Services and other reimbursements	14,559.74	13,371.62
Nice Fruit S&W Philippines, Inc.	Other Related Party	Packaging material processing fee	35,201.18	71,006.71
		Lease Receivable	-	158.50
Nice Fruit Hong Kong Limited	Other Related Party	Sale of frozen fruit products	305,394.55	299,774.72
		Services and other reimbursements	373,052.54	762.58
Industrias Citricolas de Montemorelos SA de CV ("ICMOSA")	Other Related Party	Sale of products to ICMOSA	525,726.35	327,391.55
		Other reimbursements	8,101.46	1,355.01
DM India	Other Related Party	Sale of products to DM India	188,202.66	107,848.32

		Other reimbursements	24.44	1,414.86
CARI	Other Related Party	Other reimbursements	101,812.30	98,650.57
Del Monte – Vinamilk Dairy Philippines, Inc.	Other Related Party	Services and other reimbursements	440,598.87	198,523.55
TOTAL			21,161,224.22	21,246,550.74

Review

The Company is subject to the DMPL IPT and Related Party Transactions (RPT) policy and manual that set out the definitions, general guidelines, and review and monitoring procedures to be adopted across the Group for IPTs compliance with the Listing Manual of the SGX-ST and the SEC Memorandum Circular No. 10, Series of 2019 or the *Rules on Material Related Party Transactions for Publicly Listed Companies*. The manual presents a comprehensive view of IPT and RPT and the procedures that all affected Group personnel, including members of senior management, directors and employees in Purchasing, Treasury, Finance, Sales, Legal, Internal Audit, must follow. The policy and manual set out materiality thresholds for IPTs and RPTs that could trigger certain approval and disclosure requirements.

The Company established review procedures to ensure that IPTs and RPTs: (i) are 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 stockholders.

In general, the transactions with related parties are carried out based on terms agreed between the parties. Pricing for the sales of products are market driven, less certain allowances. For purchases, the Group's policy is to solicit competitive quotations. Bids from any related party are evaluated on arm's length commercial terms and subject to bidding against third party suppliers. Purchases are normally awarded based on the lowest price.

The ARC reviews the internal audit report on the IPTs and RPTs on a quarterly basis to ascertain that the established review procedures are complied with. If during these periodic reviews, the ARC is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, the Company will revert to its stockholders for a fresh mandate based on a new set of guidelines and review procedures that would ensure compliance with the established standards above.

The Company maintains a register of transactions carried out with Interested Persons, as defined in the IPT manual, and the Company's internal audit plan incorporates an annual review of all transactions entered into in the relevant financial year pursuant to the IPT mandate.

Approval or Ratification

The following are the categories of IPTs in the Company's manual:

1. Mandated IPT – refers to an IPT between the Group and any Interested Person pursuant to a stockholders' mandate approved on an annual basis by the Company's stockholders, which is subject to renewal each year at the annual general meeting. However, despite the existence of the stockholders' mandate, Mandated IPTs are still subject to auditors and ARC's review.
2. Non-Mandated IPT – refers to purchase or sale of fixed assets, undertakings or businesses, as well as transactions not included under the stockholders mandate, which may require announcements, management approval, Board approval and/or stockholders' approval, depending on the amounts involved.

Monitoring and Recording

To facilitate recording of IPTs, the Company's Controller has two holding accounts that are used in recording IPTs – one to record Mandated IPTs and the other to record Non-Mandated IPTs. Transactions recorded under these two holding accounts will then be cleared monthly to the proper accounts. The transactions that are recorded under the holding accounts will then be reported on a quarterly basis to the CFO for consolidation which will then be submitted to the ARC for evaluation and review.

- ii. Other than standard terms and conditions typical for these kinds of contracts and negotiated at arm's length and upon normal commercial terms with counterparties, there are no other commitments resulting from these arrangements.

Considering the arm's length negotiation of these IPTs and the Company's established IPT review, approval, monitoring and disclosure processes, we do not see any material risks arising from these transactions.

f. Resignation of Directors due to Disagreement

No director has resigned from, or declined to stand for re-election to, the Board since the date of the 2022 Meeting due to any disagreement with the Company on any matter relating to its operations, policies or practices.

- g. No provision of the Company's By-laws which relates to the selection, nomination and election of independent directors, has been recently amended. The Company's selection and election processes for independent directors are in accordance with the Company's By-laws and Manual on Corporate Governance.

h. The directors of the Company attended the following trainings from May 1, 2022 until April 30, 2023:

Date	Location	No of hours	Training/Seminar/Conference	Organizer	Attendees
May 11, 2022	Online	1.0	Creating competitive advantage through sustainability	Grant Thornton	Edgardo M. Cruz, Jr.
May 12, 2022	Online	1.5	Getting ahead of the changing consumer and disruption	Ernst & Young	Edgardo M. Cruz, Jr.
May 31, 2022	Online	2.0	Board and Audit Committee Priorities	KPMG	Edgardo M. Cruz, Jr.
July 14, 2022	Online	4.0	Environmental, Social and Governance Essentials	Singapore Institute of Directors	Edgardo M. Cruz, Jr.
July 20, 2022	Conrad Manila, Pasay City	4.0	2022 Annual Corporate Governance Seminar	BDO Unibank, Inc.	Corazon S. dela Paz-Bernardo
August 2, 2022	Online	4.0	Environmental, Social and Governance Essentials	Singapore Institute of Directors	Emil Q. Javier
September 14, 2022	Online	3.0	Corporate Governance Seminar	SGV	Corazon S. dela Paz-Bernardo
October 18, 2022	CBC, DA-PhilRice, Muñoz, Nueva Ecija	8.0	Seminar on Biotechnology Policies for Climate Change Mitigation and Adaptation (Resource Speaker: The Philippine Science Career System)	NAST	Emil Q. Javier
November 11, 2022	Online	3.0	Corporate Governance Seminar	Center for Global Best Practices and	Joselito D. Campos, Jr.

				San Miguel Corporation	
November 18, 2022	Online	3.0	Advanced Corporate Governance Training	Institute of Corporate Directors	Jose T. Pardo
November 25, 2022	Online	6.5	9th Annual SEC and PSE Corporate Governance Forum: Fortifying Corporate Governance and Sustainability in the Philippines	SEC	Jose T. Pardo
December 9, 2022	Online	2.0	Sustainability E-Training for Directors	Institute of Singapore Chartered Accountants and SAC Capital	Godfrey E. Scotchbrook
January 17, 2023	Luxent Hotel, Quezon City	8.0	TOFIL Summit: Today's Act, Tomorrow's Impact (Resource Speaker: Strategic Directions and Policy Reforms in Agriculture and Fisheries)	TOFIL	Emil Q. Javier
April 13, 2023	Marco Polo, Ortigas Center, Manila	2.0	Conference: Discover your Data: How to grow in challenging times	NielsenIQ	Luis F. Alejandro

6. Appraisal and Performance Reports for the Board and the Criteria and Procedure for Assessment

As part of the DMPL Group, the Board, through the NGC, will implement a formal annual evaluation process to assess the effectiveness of the Board as a whole, each of its Board Committees and individual directors. The evaluation process would be undertaken annually as an internal exercise and would involve the completion of a questionnaire covering mainly the following areas of assessment:

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

Each director is to conduct a self-assessment of his/her performance and contribution to the Board through completion of a questionnaire. The directors' self-evaluation would deal with the following criteria:

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

7. Compensation of Directors and Executive Officers

The aggregate compensation paid or incurred during the last three fiscal years to the 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:

Name and Position	Year ended April 30	Salary (in ₱)	Bonus (in ₱)
Chief Executive Officer and four (4) most highly compensated executive officers*	FY2023	74,762,595	8,260,840.98
	FY2022	70,264,425	14,681,441
	FY2021	66,976,695	9,628,691
All other officers and directors as a group unnamed	FY2023	209,114,971	33,455,462
	FY2022	129,585,423	38,239,969
	FY2021	131,515,639	25,874,556

Notes:

**The CEO and executive officers of the Company are as follows: Joselito D. Campos, Jr. –CEO; Luis F. Alejandro – President and Chief Operating Officer; Ruiz G. Salazar – Chief Human Resource Officer; Antonio Eugenio S. Ungson – Chief Legal Counsel and Chief Compliance Officer; and Philip G. Macahilig – Group Head, Philippine Market Commercial Operations.*

Standard Arrangement

Other than directors' fees or payment of reasonable per diem as may be determined by the Board 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 other arrangements pursuant to which any of the Company's directors and officers are compensated, or are to be compensated, directly or indirectly.

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.

Share Options

In December 2021, the stockholders and Board 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 Information Statement and, thus, there has no exercise of the any such stock option.

Share Awards

There have been no share awards granted by the Company as of the date of this Information Statement.

Per diems

There are no per diems or allowances paid to the directors.

Information on all Outstanding Warrants or Options held by Directors and Officers

See discussion under Share Options.

Directors' disclosures on self-dealing and related party transactions

Other than as disclosed in Item 5 (e) of this Information Statement, none of the directors of the Company entered into any other related party or self-dealing transactions with the Company.

Compensation of the Directors

The non-executive and independent directors of the Company each received the following compensation for the Company's fiscal year ended 30 April 2023:

Director	Total Remuneration in FY 2023 (In PhP)
Emil Q. Javier	2,365,857.15
Jose T. Pardo	2,280,000.00
Corazon S. De La Paz-Bernardo	2,280,000.00
Godfrey E. Scotchbrook	2,280,000.00
Total	9,205,857.15

The Company's executive directors do not receive remuneration for their function as directors of the Company. Details of the executive's remuneration have been disclosed to the Company's stockholders, CARI and SEA Diner.

8. Independent Public Accountants

SGV & Co. has acted as the Company's external auditor since May 2015. Erwin Pagma is the audit partner for the Company beginning fiscal year 2022 or for the last two years. 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).

The following table sets out the aggregate fees for the fiscal years presented for professional services rendered by SGV & Co.:

Fees	FY 2021	FY 2022	FY 2023
	Php in millions		
Audit Fees	7.2	5.0	5.2
Other fees	3.1	-	0.8
Tax Fees	-	0.5	-
Total	10.3	5.5	6.0

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 ARC 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 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.

9. Compensation Plans

There are no actions to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed during the Meeting.

C. ISSUANCE AND EXCHANGE OF SECURITIES

10. Authorization or Issuance of Securities Other than for Exchange

There have been no sales by the Company of any unregistered or exempt securities including any recent issuance of securities constituting an exempt transaction.

11. Modification or Exchange of Securities

The proposed amendment to the Seventh Article of the Company's Articles of Incorporation to create voting, non-cumulative, convertible, redeemable, and participating preferred shares and to give common shares convertibility feature shall be submitted for stockholders' approval during the Meeting.

At present, the authorized capital stock of the Company consists exclusively of common shares (3,000,000,000 common shares with par value of PhP1.00 per share). The proposed amendment will result in the authorized capital stock of the Company being comprised of 2,636,348,400 common shares with par value of PhP1.00 per share and 363,651,600 voting, non-cumulative, convertible, redeemable and participating preferred shares (the "**Preferred Shares**"). Moreover, common shares are proposed to be made convertible to Preferred Shares.

The proposed amendment to the Seventh Article of the Company's Articles of Incorporation will not change the authorized capital stock of the Corporation which will remain at Three Billion Pesos (P3,000,000,000.00). Only the composition of the authorized capital stock will change.

The Company's authorized capital stock shall be composed of the following before and after the proposed amendment to the Seventh Article of the Company's Articles of Incorporation:

	Before Amendment	After Amendment
Common Shares	3,000,000,000	2,636,348,400
Preferred Shares	0	363,651,600
Total Number of Shares	3,000,000,000	3,000,000,000

All of SEA Diner's 363,651,600 common shares will eventually be converted to Preferred Shares. The rest of the issued and outstanding shares will remain common shares.

The Company's issued and outstanding shares shall be composed of the following before and after the proposed amendment to the Seventh Article of the Company's Articles of Incorporation:

	Before Amendment	After Amendment
CARI and all directors	2,433,668,404 common shares	2,433,668,404 common shares
SEA Diner	363,651,600 common shares	363,651,600 Preferred Shares
Total Number of Shares	2,797,320,004	2,797,320,004

Subject to corporate and regulatory approvals, the Preferred Shares shall have the following features:

The Preferred Shares may be issued from time to time as the Board of Directors may determine, and authority is expressly granted to the Board of Directors to determine the amount and the issue price, cash dividend rate, and period and manner of redemption, of the Preferred Shares. To the extent not set forth in Article Seventh of the Articles of Incorporation, the specific terms and restrictions of each issuance of the Preferred Shares shall be specified in such resolutions (the "**Enabling Resolutions**") as may be adopted by the Board of Directors prior to the issuance thereof, which Enabling Resolutions shall be

filed with the SEC, and thereupon be deemed a part of the Company's Articles of Incorporation.

Without prejudice to such terms and conditions as may be set out in the Enabling Resolutions, the Preferred Shares shall have the following general rights, preferences, qualifications and limitations:

(1) Dividends

The holders of the Preferred Shares 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 or payment of dividends on the same basis to the holders of the Preferred Shares.

(2) Liquidation Preference

In the event of liquidation, dissolution or winding up of the Company (whether voluntary or involuntary), the Preferred Shares shall have preference over the Common Shares in respect of the assets of the Company available for distribution after payment of the liabilities of the Company.

(3) Voting Rights

The holders of Preferred Shares then outstanding are entitled to receive notice of, and to attend and speak at, general meetings of the 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 Preferred Shares have voting rights.

(4) Conversion to Common Shares

At any time and from time to time, any holder of the Preferred Shares then outstanding shall have the right, at its option, to require the Company to convert all or any part of such Preferred Shares held into Common Shares, provided, however, that in the event of an initial public offering by the Company, all the Preferred Shares then outstanding shall be automatically converted into Common Shares.

(5) 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.

12. Financial and Other Information

There will be no financial information to be considered or approved by the stockholders. However, for their reference, attached are the audited financial statements for FY2023, MD&A and the latest 17Q of the Company that had been filed with the SEC.

13. Mergers, Consolidations, Acquisitions and Similar Matters

There are no actions to be taken in relation to any merger, acquisition or business combination.

14. Acquisitions and Investments

There are no matters to be taken with respect to any merger, consolidation, and acquisition of any property.

15. Restatement of Accounts

There are no actions to be taken and submitted for stockholders' approval with respect to the restatement of any asset, capital or surplus account of the Company.

16. Recent Cash Dividends

On 5 September 2023, the Board declared cash dividends of PHP0.15886 per share to holders of the Company's common shares as of close of business of 20 September 2023.

Cash dividends may only be declared out of the Company's unrestricted retained earnings. On 22 January 2018, the Board 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. The Board had also approved a policy limiting the total dividend that may be declared in any fiscal year to a maximum of 75% of the Company's consolidated net income for the preceding fiscal year, except as may be otherwise decided by the Board. On 18 August 2021, the Board approved a policy of declaring quarterly dividends, subject to availability of unrestricted retained earnings for such purpose. 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.

17. Corporate Governance and Protection of Minority Stockholders

The Company has adopted its parent company's practice to dutifully accomplish the Integrated Annual Corporate Governance Report to assess the level of compliance by the Company, the Board and Senior Management with the Manual of Corporate Governance.

The DMPL Group to which the Company belongs participates in regular Corporate Governance surveys such as the ASEAN Corporate Governance Scorecard and the Singapore Transparency Index. Hence, the Company keeps abreast of best practices in corporate governance matters. The directors and executives also regularly attend training seminars and workshops on these matters and training hours are monitored regularly.

We are not aware of any material deviation by the directors or the members of top level management from the Company's Manual of Corporate Governance.

The Board continues to find ways to enhance the independence of the independent directors. For instance, measurable objectives relating to this as well as diversity are being considered. There is also a plan to consider adopting a Board charter for the Company.

In the interest of good corporate governance and the protection of minority stockholders, the Company also observes DMPL's Interested Party Transaction and Related Party Transactions policy and manual to ensure that its related party 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 stockholders. All related party transactions are subject to the review and approval of the ARC, the Board and the stockholders, depending on the amounts involved.

And to manage the risk of potential limitations on minority stockholders' rights, the Company remains cognizant of the requirements of applicable laws as well as of its Articles of Incorporation and By-Laws governing stockholder meetings and stockholders' voting rights

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

18. Previous Meeting of the Stockholders

On 1 December 2022, the stockholders of the Company held its annual meeting by videoconference. Notice of the meeting was sent to all stockholders of record and all the stockholders have notified the Corporate Secretary in advance of their intention to participate in such meetings through remote communication. The Corporate Secretary confirmed and noted the participants and certified that a quorum existed for the transaction of business by the stockholders.

Voting and vote tabulation procedures used in the previous meeting.

The amendment to the Articles of Incorporation of the Company to add "to raise animals such as but not limited to livestock and poultry, process animal products and by-products, operate dairy farms, meat processing plants, feedmills and slaughterhouses, and otherwise engage in livestock operations;" as part of the Company's purposes required the affirmative vote of at least two-thirds (2/3) of the total outstanding capital stock of the Company entitled to vote.

Abstentions with respect to any matter were treated as shares present and represented and entitled to vote for purposes of determining whether the stockholders have approved that matter and, thus, abstentions had the same effect as negative votes. Shares as to which proxy authority had been withheld with respect to any matter were not deemed to be present or represented for purposes of determining whether stockholder approval of that matter had been obtained.

Items that required the vote of stockholders were presented for approval of the stockholders at the previous meetings and voting was done by viva voce via remote communication and by voting in absentia in accordance with the procedures for registration and casting of votes on-line. Votes were counted and recorded by the Corporate Secretary.

Opportunity given to stockholders or members to ask questions.

In the notice of the meeting, the stockholders were advised that they could send their questions, comments and/or remarks prior to or during the meeting to the Corporate Secretary at his provided email address.

The following matter was presented to the stockholders and, upon discussion, were unanimously approved by the stockholders:

Amendment of the Amended Articles of Incorporation

RESOLVED, That the amendments below to Article Second of the Amended Articles of Incorporation of the Corporation be approved:

SECONDLY: That the purpose for which the corporation is formed is to develop and cultivate agricultural lands and to plant, cultivate, harvest, preserve, refine, pack, and sell the products of such lands; and in furtherance thereof, to lease and use agricultural lands within the limits prescribed by law and the purpose for which the corporation is formed; to buy, sell, preserve by freezing or otherwise, export, import and deal in, and with all kinds of fish, sea foods, and products of the sea and of lakes and rivers; to acquire, hold, own, lease, charter, maintain and operate such vessels, cold storage, refrigerators, and refrigerator cars and vessels as may be necessary for the proper conduct of such business; to carry on the business of preserving fish and other classes of sea food in wooden, tin, glass or any other kind of containers; to preserve by evaporating, dehydrating, freezing, canning, pickling or otherwise, fish and other sea foods; to buy and sell the same; to manufacture and sell fish oil, fish meat, fertilizer, and other products of fish, or other aquatic animals; and to acquire, own, hold, erect, establish and operate such factories and plants as may be necessary for the proper conduct of such business; to acquire, construct, maintain and operate hatcheries, ponds and pools, with all the necessary and convenient appurtenances and equipment in and about which to conduct the business of producing spawn, and hatching, raising and propagating fish; to conduct a store or stores for the buying, selling, importing and exporting, and dealing with and in fish products, sea food, meat, groceries and provisions within the limits prescribed by law; to raise animals such as but not limited to livestock and poultry, process animal products and by-products, operate dairy farms, meat processing plants, feedmills and slaughterhouses, and otherwise engage in livestock operations; to carry on the business of storage, cold storage, refrigeration, freezing and icemaking, manufacturing, producing, and supplying in any manner cold air, refrigeration, ice, and freezing compounds in any form, for use, distribution, and application for any and all purposes; to engage in any manufacturing operations for the purpose of converting raw materials into finished and manufactured products with a view to enhancing their commercial value; to construct, purchase, acquire, hold, use, sell, lease, let, equip, maintain, operate, manage or otherwise deal in or dispose of machinery, shops, factories, buildings, and other structures, means of transportation, motive power, locomotion, communication, irrigation, cultivation, and such materials, tools, implements, apparatus, equipment, and other articles as may be necessary or useful; to establish and maintain factories, agencies, and depots for the manufacture, storage, and sale of any of the above-named or other merchantable products; to conduct, purchase, acquire, equip, own, operate, sell and lease plants, machinery, equipment, and general supplies; to do a general commission merchants' and selling agents' business; to buy, hold, own, manufacture, produce, sell, export, import and otherwise dispose of either as principal or agent, and on commission or otherwise, all kinds of personal property; to act as agent or representative of corporation, firms, and individuals, and as such to develop and extend their business interests; to acquire by purchase, subscription, or otherwise, and to invest in, hold, sell, assign, transfer, mortgage, pledge, exchange, and otherwise dispose of stocks, or any interest in the stocks, bonds, and other obligations or evidences of indebtedness, of any other corporation or corporations, domestic or foreign, and

to exercise all rights and privileges of ownership, including the right to vote thereon and consent in respect thereto, for any and all purposes; to aid in any manner, any corporation of which the stocks, bonds, and other obligations or evidences of indebtedness are owned or held by it, or in the stocks, bonds, or other obligations or evidences of indebtedness of which it is in any way interested, to purchase, or by other means acquire such freehold, leasehold or other property or any estate or interest whatever and any rights, privileges, or easement over or in respect of any property, as may be permitted by law and as may be reasonably necessary to enable it to carry out the purpose for which the Corporation is created; to design, build, construct, repair, operate, maintain, buy, sell, charter, or otherwise manage, deal, and traffic in ships, boats, and vessels of all kinds, and their equipment, furnishings, and appurtenances, together with all materials, articles, tools, machinery, docks, and appliances entering into, or suitable and convenient for, the construction, equipment, maintenance, or operation thereof; to construct, purchase, lease or otherwise acquire, maintain, operate or use wharves, warehouses, piers, docks, dry-docks, and all other structures, buildings, or works; to apply for, obtain, register, purchase, lease, or otherwise acquire, and to hold, use, own exercise, develop, operate, and introduce and to sell, assign, and grant licenses in respect to, or otherwise dispose of, any trade-marks, trade names, patents and inventions, processes, and the like, and any such property or rights; to borrow money and to issue bonds, debentures, or obligations of the Corporation, and to secure the same by mortgage or pledge of any or all of the property, rights, privileges, or franchises of the Corporation, wherever situated; to sell or otherwise dispose of any or all such bonds, debentures, or obligations, and incidental to the foregoing, to act as guarantor and/or surety for monetary obligations incurred by persons, entities and/or corporations with whom the corporation may have business dealings or in whom the corporation may have any interest whatsoever, directly or indirectly without engaging in guaranteeship or surety business. Without in any particular limiting the powers of the Corporation, it is hereby expressly declared and provided that the Corporation shall have power to make, perform, and carry out contracts of every sort and kind with any person, firm or corporation, private, public, or municipal, or body politics, and with the Government of the United States or of any State, Territory, or Possession thereof, or any foreign government; to have one or more offices out of the Philippines, and to conduct its business and exercise its powers in any part of the Philippines or in any of its business, to do any and all acts and things and to exercise any and all powers which a natural person could do and exercise and which now or hereafter may be authorized by law.

RESOLVED FINALLY, that the President, Corporate Secretary, Treasurer and other officers of the Corporation be, as they are hereby, authorized and empowered, to do any and all acts necessary and proper to give the foregoing resolutions force and effect.

The following were the directors, officers, and stockholders who attended the 1 December 2022 meeting:

1. CARI represented by Joselito D. Campos, Jr.
2. SEA Diner represented by Jason Michael Rosenblatt
3. Rolando C. Gapud
4. Joselito D. Campos, Jr.
5. Edgardo M. Cruz, Jr.
6. Luis F. Alejandro
7. Corazon S. De la Paz-Bernardo
8. Emil Q. Javier
9. Jose T. Pardo
10. Godfrey E. Scotchbrook
11. Antonio Eugenio S. Ungson
12. Parag Sachdeva
13. Ignacio Carmelo O. Sison
14. Katherine Joy Fe. De Jesus-Lagazo

The Minutes and the Records of Attendance of the Joint Special Meeting of the Board of Directors and Stockholders and of the Annual Meeting of the Stockholders have been uploaded at https://www.delmontephil.com/investors/shareholder-center#Minutes_of_AGM.

19. Directors' Attendance Report

The following shows the number of meetings attended by the directors of the Company for the fiscal year 2023 (from May 1, 2022 to April 30, 2023):

Directors	Board	ARC	RSOC	NGC	Special Joint Meeting of Stockholders and Board
Rolando C Gapud	5/5	5/5	N/A	N/A	1/1
Joselito D Campos, Jr	5/5	5/5	N/A	N/A	1/1
Edgardo M Cruz, Jr	5/5	5/5	N/A	N/A	1/1
Luis F Alejandro	5/5	5/5	N/A	N/A	1/1
Emil Q Javier	5/5	5/5	N/A	N/A	1/1
Corazon S De la Paz-Bernardo	5/5	5/5	N/A	N/A	1/1
Jose T Pardo	5/5	5/5	N/A	N/A	1/1
Godfrey E Scotchbrook	5/5	5/5	N/A	N/A	1/1
Jeanette Beatrice Naughton	N/A	N/A	N/A	N/A	N/A

D. OTHER MATTERS

20. Matters Not Required to be Submitted

There are no actions to be taken at the Meeting with respect to any matter which is not required to be submitted to a vote of security holders.

21. Amendment of Articles, By-laws or Other Documents

The proposed amendment to the Seventh Article of the Company's Articles of Incorporation to create voting, non-cumulative, convertible, redeemable, and participating preferred shares and to give common shares convertibility feature shall be submitted for stockholders' approval during the Meeting.

The proposed amendment is as follows (*amended portions underlined*):

SEVENTHLY: That the authorized capital stock of the Corporation is Three Billion Pesos (P3,000,000,000.00) consisting of Two Billion Six Hundred Thirty Six Million Three Hundred Forty Eight Thousand Four Hundred (2,636,348,400) Common Shares with par value of One Peso (P1.00) per share and Three Hundred Sixty Three Million Six Hundred Fifty One Thousand Six Hundred (363,651,600) voting, non-cumulative, convertible, redeemable and participating preferred shares (the "Preferred Shares") with a par value of One Peso (P1.00) per share.. The Common Shares shall be convertible to Preferred Shares. The Preferred Shares shall be convertible to Common Shares.

The Preferred Shares may be issued from time to time as the Board of Directors may determine, and authority is hereby expressly granted to the Board of Directors to determine the amount and the issue price, cash dividend rate, and period and manner of redemption, of the Preferred Shares. To the extent not set forth in this Article Seventh, the specific terms and restrictions of each issuance of the Preferred Shares shall be specified in such resolutions (the "Enabling Resolutions") as may be adopted by the Board of Directors prior to the issuance thereof, which Enabling Resolutions shall be filed with the Securities and Exchange Commission, and thereupon be deemed a part of these Articles of Incorporation.

Without prejudice to such terms and conditions as may be set out in the Enabling Resolutions, the Preferred Shares shall have the following general rights, preferences, qualifications and limitations:

(1) Dividends

The holders of the Preferred Shares 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 or payment of dividends on the same basis to the holders of the Preferred Shares.

(2) Liquidation Preference

In the event of liquidation, dissolution or winding up of the Corporation (whether voluntary or involuntary), the Preferred Shares shall have preference over the Common Shares in respect of the assets of the Corporation available for distribution after payment of the liabilities of the Corporation.

(3) Voting Rights

The holders of Preferred Shares then outstanding are entitled to receive notice of, and to attend and speak at, general meetings of the Corporation, 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 Preferred Shares have voting rights.

(4) Conversion to Common Shares

At any time and from time to time, any holder of the Preferred Shares then outstanding shall have the right, at its option, to require the Corporation to convert all or any part of such Preferred Shares held into Common Shares, provided, however, that in the event of an initial public offering by the Corporation, all the Preferred Shares then outstanding shall be automatically converted into Common Shares.

(5) 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.

No transfer of stock or interest which will reduce the ownership of Filipino citizens to less than the required percentage of the capital stock under applicable laws shall be allowed or permitted to be recorded on the books of the Corporation.

No shareholder of any class shall be entitled to any pre-emptive right to subscribe for purchase, or receive any part of the shares of the Corporation, whether issued from its unissued capital or its treasury stock.

There are no actions to be taken at the Meeting with respect to any amendment of the Company's By-laws.

22. Other Proposed Action

Approval of minutes of previous meeting, approval/ratification of Appointment of External Auditors, and other actions on matters of incidence that may properly arise during the Meeting.

23. Voting Procedures

The proposed amendment to the Company's Articles of Incorporation will require the affirmative vote of at least two-thirds (2/3) of the total outstanding capital stock of the Company entitled to vote. The other proposed actions will require the affirmative vote of a majority of the issued and outstanding shares of the Company's common shares present and represented and entitled to vote at the Meeting. Because abstentions with respect to any matter are treated as shares present and represented and entitled to vote for purposes of determining whether the stockholders have approved that matter, abstentions have the same effect as negative votes. Shares as to which proxy authority has been withheld with respect to any matter are not deemed to be present or represented for purposes of determining whether stockholder approval of that matter has been obtained.

Items requiring the vote of stockholders will be presented for approval of the stockholders at the Meeting and voting shall be by *viva voce* via remote communication and by voting *in absentia* by in accordance with the procedures for registration and casting of votes below.

For the election of directors, each stockholder is entitled to one vote for each share of stock held as of the established record date. Cumulative voting will be allowed for election of members of the Board. Each stockholder is allowed to vote the number of shares of stock outstanding in its own name as of the record date of the meeting for as many persons as there are directors to be elected or it may cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of its shares shall equal, or it may distribute them on the same principle among as many candidates as it shall see fit; provided that the total number of votes cast by it shall not exceed the number of shares owned by it as shown in the books of the Company multiplied by the whole number of directors to be elected and provided, however, that no delinquent stock shall be voted.

Considering that the Meeting will be held virtually and in accordance with SEC Memorandum Circular No. 6, Series of 2020, the following are the internal procedures, describing the steps to be taken by stockholders for the latter to cast/submit their votes online:

a) Stockholders of record as of 4 December 2023 are entitled to attend and participate and vote in absentia during the Meeting on 11 December 2023 provided, they:

- (i) Register by sending an email, together with the requirements to the Corporate Secretary at ungsonaes@delmonte-phil.com on or before 5:00 p.m. on 7 December 2023.
- (ii) Have their shares authenticated and verified through the registration process and Proxies, if any and applicable, accompanied by their respective authorities (Special Power of Attorney or Secretary's Certificate) validated.

b) Only stockholders who have registered and whose shares have been verified, proxies validated shall be counted in the determination of a quorum and other corporate actions.

c) Stockholders may send their questions, comments and/or remarks prior to or during the Meeting to the Corporate Secretary at ungsonaes@delmonte-phil.com. It is requested and encouraged that questions will be limited to the matters set out in this Information Statement.

Since the Meeting will be conducted virtually, voting shall be cast through the submission of votes/ballots to any of the following addresses:

(1) Office of the Corporate Secretary at 10/F JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City; or

(2) Submission of the vote/ballot forms through email to the Corporate Secretary at ungsonaes@delmonte-phil.com.

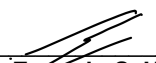
The registration, authentication and validation process shall be open starting on 5 December 2023 and will close at 5:00 p.m. on 7 December 2023. Thereafter, the stockholder of record may no longer avail of the option to vote *in absentia*.

The Company reserves the right to reject processing of registration and to deny access to the Meeting facilities for incomplete documents or for any discrepancy found in information provided. An email confirmation on the status of the stockholder of record's registration shall be sent to the latter's registered email.

24. Other Matters

Stockholders of record as of 4 December 2023 owning at least 5% of the total outstanding capital stock of the Company may submit proposals on items for inclusions in the agenda on or before 7 December 2023, in accordance with SEC Memorandum Circular No. 14, Series of 2020. The Chairman may also open the floor for other matters that stockholders may wish to raise, and will decide whether the same may be taken up in the Meeting or in another forum.

After reasonable inquiry and to the best of my knowledge and belief, I certify the information set out in this Information Statement.


Antonio Eugenio S. Ungson
Corporate Secretary, Chief Legal Counsel, and
Chief Compliance Officer

DEL MONTE PHILIPPINES, INC.

**NOTICE OF THE ANNUAL MEETING
OF THE STOCKHOLDERS**

DECEMBER 11, 2023

Notice is hereby given that the Annual Meeting of the Stockholders of the Company will be held via videoconference in accordance with the rules of the Securities and Exchange Commission at:

<https://zoom.us/j/98662793929?pwd=aUN5NUlxOXF5Zzd2SHIOTkFDdWZlQT09>

Meeting ID: 986 6279 3929

Passcode: 463988

as follows:

DATE : December 11, 2023, Monday

TIME : 2:00 p.m.

AGENDA

1. Proof of notice of the meeting and existence of a quorum
2. Approval of minutes of previous meetings
3. Approval of the proposed amendment of the Company's Articles of Incorporation to create voting, non-cumulative, convertible, redeemable, and participating preferred shares and to give common shares convertibility feature
4. Approval/ ratification of appointment of external auditors
5. Re-election of the following Directors of the Company:
 - a. Rolando C. Gapud as Director
 - b. Joselito D. Campos, Jr. as Director
 - c. Edgardo M. Cruz, Jr. as Director
 - d. Luis F. Alejandro as Director
 - e. Jeanette Beatrice Naughton as Director
 - f. Corazon S. De La Paz-Bernardo as Independent Director
 - g. Emil Q. Javier as Independent Director
 - h. Jose T. Pardo as Independent Director
 - i. Godfrey E. Scotchbrook as Independent Director
6. Consideration of such other matters as may properly come during the meeting
7. Adjournment

A brief explanation of the agenda items requiring the stockholders' approval is provided in the Information Statement that is sent to the stockholders with this Notice.

Considering that the Meeting will be held virtually and in accordance with SEC Memorandum Circular No. 6, Series of 2020, the following are the internal procedures, describing the steps to be taken by stockholders for the latter to cast/submit their votes online:

- a) Stockholders of record as of 4 December 2023 are entitled to attend and participate and vote in absentia during the Meeting on 11 December 2023 provided, they:
 - (i) Register by sending an email, together with the requirements to the Corporate Secretary at ungsonaes@delmonte-phil.com on or before 5:00 p.m. on 7 December 2023.
 - (ii) Have their shares authenticated and verified through the registration process and Proxies, if any and applicable, accompanied by their respective authorities (Special Power of Attorney or Secretary's Certificate) validated.
- b) Only stockholders who have registered and whose shares have been verified, proxies validated shall be counted in the determination of a quorum and other corporate actions.
- c) Stockholders may send their questions, comments and/or remarks prior to or during the Meeting to the Corporate Secretary at ungsonaes@delmonte-phil.com. It is requested and encouraged that questions will be limited to the matters set out in this Information Statement.

Since the Meeting will be conducted virtually, voting shall be cast through the submission of votes/ballots to any of the following addresses:

- (1) Office of the Corporate Secretary at 10/F JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City; or
- (2) Submission of the vote/ballot forms through email to the Corporate Secretary at ungsonaes@delmonte-phil.com.

The registration, authentication and validation process shall be open starting on 5 December 2023 and will close at 5:00 p.m. on 7 December 2023. Thereafter, the stockholder of record may no longer avail of the option to vote *in absentia*.

The Meeting will be recorded pursuant to SEC requirements.

Printed copies of this Notice will be sent to the stockholders. A copy of this Notice will also be made available on the Company's website at the URL https://www.delmontephil.com/investors/shareholder-center#Notice_of_AGM.

The Company reserves the right to reject processing of registration and to deny access to the Meeting facilities for incomplete documents or for any discrepancy found in information provided. An email confirmation on the status of the stockholder of record's registration shall be sent to the latter's registered email.

Issued on October 23, 2023 in Taguig City.

ANTONIO E. S. UNGSON
Corporate Secretary

Distribution

- (1) Central American Resources, Inc.
- (2) SEA Diner Holdings (S) Pte. Ltd.
- (3) Rolando C. Gapud
- (4) Joselito D. Campos, Jr.
- (5) Edgardo M. Cruz, Jr.
- (6) Luis F. Alejandro
- (7) Jeanette Beatrice Naughton
- (8) Corazon dela Paz-Bernardo
- (9) Emil Q. Javier
- (10) Jose T. Pardo
- (11) Godfrey E. Scotchbrook

PROXY FORM

The Annual Meeting of the Stockholders (the “Meeting”) will be held virtually and the stockholder can attend if he/she/it wishes to but will not be able to speak and vote live. A stockholder (whether individual or corporate) must complete this Proxy Form to effect the appointment of the Chairman of the Meeting as his/her/its proxy to speak and vote on his/her/its behalf at the Meeting in respect of the stockholder’s shares.

The undersigned, being a stockholder of **DEL MONTE PHILIPPINES, INC.** (the “**Company**”) hereby constitutes and appoints:

The Chairman of the Meeting, as proxy, to represent, act and vote in his/her name and stead at the special meeting of the stockholders of the Company to be held by way of electronic means on 11 December 2023 at 2:00 p.m. and at any adjournment thereof, as fully and to all intents and purposes as the undersigned might do if present and acting in person.

(Please indicate your vote “For” or “Against” or “Abstain” with a tick [✓] within the box provided.)

	Resolutions relating to:	For	Against	Abstain
1	Approval of minutes of previous meetings			
2	Approval of the proposed amendment of the Company’s Articles of Incorporation to create voting, non-cumulative, convertible, redeemable, and participating preferred shares and to give common shares convertibility feature			
3	Approval/ ratification of appointment of external auditors			
4	Re-election of Rolando C. Gapud as a Director of the Company			
5	Re-election of Joselito D. Campos, Jr. as a Director of the Company			
5	Re-election of Edgardo M. Cruz, Jr. as a Director of the Company			
7	Re-election of Luis F. Alejandro as a Director of the Company			
8	Re-election of Jeanette Beatrice Naughton as Director of the Company			
9	Re-election of Emil Q. Javier as an Independent Director of the Company			
10	Re-election of Corazon S. De La Paz-Bernardo as an Independent Director of the Company			
11	Re-election of Jose T. Pardo as an Independent Director of the Company			
12	Re-election of Godfrey E. Scotchbrook as an Independent Director of the Company			

Printed Name and Signature of Stockholder

Number of Shares Held

Date/Place

NOTES:

1. This Proxy Form should be duly completed, submitted to, and received by, the Company via either (a) email to ungsonaes@delmonte-phil.com **on or before 5:00 p.m. on 7 December 2023** or (b) by post or courier or submission by hand to the Office of the Corporate Secretary at 10/F, JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City, 1634 Philippines **on or before 5:00 p.m. on 7 December 2023**.
2. Validation of proxies shall be held starting on 5 December 2023 up to 5:00 p.m. on 7 December 2023.
3. This proxy, when properly executed, will be voted in the manner as directed herein by the stockholder(s). If no direction is made, this proxy will be voted for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the information statement and/or as recommended by management or the board of directors.
4. A stockholder giving a proxy has the power to revoke it at any time before the right granted is exercised.
5. The Company shall be entitled to reject any proxy form which is incomplete, improperly completed or illegible, or where the true intentions of the stockholder are not ascertainable from the instructions of the stockholder specified on any proxy form. It is the stockholder’s responsibility to ensure that this proxy form is properly completed.

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **CORAZON S. DE LA PAZ-BERNARDO**, Filipino, of legal age and a resident of Makati City, Metro Manila, Philippines, after having been duly sworn to in accordance with law do hereby declare that:

1. I am elected independent director of **Del Monte Philippines, Inc.** and have been its independent director since 13 April 2018.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
Del Monte Philippines, Inc.	Independent Director	2018 to present
Phinma Education Holdings, Inc.	Independent Director	2020 to present
D&L Industries, Inc.*	Independent Director	April 2017 to present
Republic Glass Holdings Corporation*	Independent Director	2012 to present
Roxas & Co., Inc.*	Independent Director	2013 to present
BDO Unibank, Inc.*	Advisor to the Board and the Board Audit Committee	2012 to present
PLDT, Inc.*	Advisor to Board Audit Committee	2004 to present
University of the East	Independent Trustee	2007 to present
UE Ramon Magsaysay Memorial Medical Center	Independent Trustee	2007 to present
Jaime V. Ongpin Foundation, Inc.	Vice Chairman	1991 to present
Jaime V. Ongpin Microfinance Foundation	Chairman	2017 to present
MFI Polytechnic Institute, Inc.	Trustee/Treasurer	1989 to present
International Social Security Association	Honorary President (Former President 2004-2010)	2010 to present
Philippine Business for Education	Trustee	2015 to present
Cornell University Council	Life Member	2010 to present
FINEX Foundation	Trustee	2023
Institute of Corporate Directors	Honorary Fellow	From September 2023
NAMFREL	Council Member (Former Chairman 2013 election)	2010 to present

*Publicly Listed Company

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Del Monte Philippines, Inc.**, as provided for in Section 38 of the Securities Regulations Code, its Implementing Rules and Regulations and other SEC issuances.
4. I am not related to any director/officer/substantial shareholder of **Del Monte Philippines, Inc.** or its subsidiaries and affiliates.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation of proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance and other SEC issuances.
7. I shall inform the Corporate Secretary of **Del Monte Philippines, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done this 4th day of October 2023, in Las Pinas City.


CORAZON S. DE LA PAZ-BERNARDO
Affiant

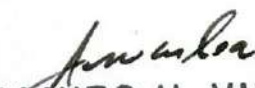
SUBSCRIBED AND SWORN to before me this 4th October 2023 at Las Pinas City,
affiant personally appeared before me and exhibited to me her Passport with number P9344474B
issued on 25 March 2022 at DFA-NCR Central.

Doc. No. 74;

Page No. 16;

Book No. 3;

Series of 2023.


JUANITO H. VINCULADO
Notary Public Until Dec 31, 2023
22 Avocado Drive Agro Homes 1 Talon 5, LPC
CP No 0916-420-3253 Landline 8806-2957
PTR 12266038 J Las Pinas City 1 4/22
IBP 184860 2/18/22 PPLM Roll No 41092
MCLE VII-0021842 Valid until 4 14 25
RTC LPC Notarial Appt dated 7/28/22 No LP-22-016

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **EMIL Q. JAVIER**, Filipino, of legal age and a resident of Sta. Cruz, Laguna, Philippines, after having been duly sworn in accordance with law, hereby declare that:

1. I am an independent director of Del Monte Philippines, Inc. ("DMPI") and had been first elected as such on 13 April 2018.
2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Del Monte Pacific Limited	Independent Director	2007 to Present
Centro Escolar University	Independent Director	2002 to Present

3. To the best of my knowledge, I possess all the qualifications and none of the disqualifications to serve as an Independent Director of DMPI, as provided for in Section 38 of the Securities Regulation Code ("SRC"), its Implementing Rules and Regulations, and other issuances of the Securities and Exchange Commission ("SEC").
4. I am not related to any director, officer, or substantial shareholder of DMPI and/or its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the SRC.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the listing rules of the SRC and its Implementing Rules and Regulations, the SEC Code of Corporate Governance for Publicly Listed Companies and other SEC issuances.
7. I shall inform the Corporate Secretary of DMPI of any changes in the foregoing information within five (5) days from their occurrence.

Done this 4th day of October, 2023 in Las Piñas City.



EMIL Q. JAVIER
Affiant

REPUBLIC OF THE PHILIPPINES)
LAS PIÑAS CITY) S.S.

Before me, a notary public in and for the city named above, personally appeared the affiant, who exhibited to me his Passport with number P0243396C issued on 26 May 2022 at DFA-Manila, who is personally known to me to be the same person who presented the foregoing.

Witness my hand and seal this 4th October 2023.

Doc. No. 76;
Page No. 17;
Book No. 673;
Series of 2023.

Juanito H. Vinculado
JUANITO H. VINCULADO
Notary Public Until Dec 31 2023
22 Avocado Drive Agro Homes 1 Talon 5 LPC
CP No 0916-420-3253 Landline 8806-2957
PTR 12266038 J Las Pinas City 14 22
IBP 184860 2 18 22 PPLM Roll No 31092
MCLE VII-0021842 Valid until 4 14 25
RTC LPC Notarial Appl dated 7/28/22 No LP-22-016

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **JOSE T. PARDO**, Filipino, of legal age and a resident of Manila, Philippines, after having been duly sworn in accordance with law, hereby declare that:

1. I am an independent director of Del Monte Philippines, Inc. ("**DMPI**") and had been first elected as such on 10 September 2018.
2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
Bank of Commerce	Chairman, Board of Advisers	2022 to Present
Araneta Hotels, Inc.	Independent Director	2016 to Present
League One Finance & Leasing Corp.	Independent Director	2016 to Present
Philippine Seven Corporation	Independent Director/Chairman	2015 to Present
The Philippine Stock Exchange, Inc.	Independent Director/Chairman	2011 to Present
Securities Clearing Corp. of the Philippines	Independent Director/Chairman	2011 to Present
National Grid Corp. of the Philippines	Non-Executive Director	2009 to Present
Radio Veritas Global Broadcasting System, Inc.	Board Director	2006 to Present
JG Summit Holdings, Inc.	Independent Director	2003 to Present
Bayaning Pulis Foundation	Trustee	2022 to Present
Philippine Stock Exchange Foundation	Chairman & Trustee	2021 to Present
ECOP Council of Business Leaders (Non-Profit)	Chairman (Non-Executive)	2009 to Present
PCCI Council of Business Leaders (Non-Profit)	Chairman (Non-Executive)	2007 to Present

3. To the best of my knowledge, I possess all the qualifications and none of the disqualifications to serve as an Independent Director of DMPI, as provided for in Section 38 of the Securities Regulation Code ("**SRC**"), its Implementing Rules and Regulations, and other issuances of the Securities and Exchange Commission ("**SEC**").
4. I am not related to any director, officer, or substantial shareholder of DMPI and/or its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the SRC.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the listing rules of the SRC and its Implementing Rules and

Regulations, the SEC Code of Corporate Governance for Publicly Listed Companies and other SEC issuances.

7. I shall inform the Corporate Secretary of DMPI of any changes in the foregoing information within five (5) days from their occurrence.

Done this 4th day of October, 2023 in Las Piñas City.



JOSE T. PARDO
Affiant

REPUBLIC OF THE PHILIPPINES)
LAS PIÑAS CITY) S.S.

Before me, a notary public in and for the city named above, personally appeared the affiant, who exhibited to me his Passport with number P0859171B issued on 28 February 2019 at DFA-NCR South, who is personally known to me to be the same person who presented the foregoing.

Witness my hand and seal this 4th October 2023.

Doc. No. 75 ;
Page No. 16 ;
Book No. 3 ;
Series of 2023.


JUANITO H. VINCULADO
Notary Public Until Dec 31, 2023
22 Avocado Drive Agro Homes 1 Talon 5, LPC
CP No 0916-420-3253 Landline 8806-2957
PTR 12266038 J Las Piñas City 1 4/22
IBP 184860 2/18 22 PPLM Roll No 41092
MCLE VII-0021842 Valid until 4 14 25
RTC LPC Notarial Appt. dated 7/28/22 No LP-22-016

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **GODFREY E. SCOTCHBROOK**, British, of legal age and a resident of Hong Kong SAR, after having been duly sworn in accordance with law, hereby declare that:

1. I am an independent director of Del Monte Philippines, Inc. ("**DMPI**") and had been first elected as such on 19 April 2021.
2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations):

COMPANY/ORGANIZATION	POSITION/ RELATIONSHIP	PERIOD OF SERVICE
August Consulting	Partner	1992 to present
Speedflex Ltd	Partner	1982 to present
Fung Group	Consultant	1987 to present
Pacific Century Group	Consultant	1991 to present
Del Monte Pacific Limited	Independent Director	2000 to present
Del Monte Foods Holdings Limited	Independent Director	2023 to present
Yorick Limited	Partner	2013 to present
Scotchbrook Associates International	Managing Partner	1990 to present

3. To the best of my knowledge, I possess all the qualifications and none of the disqualifications to serve as an Independent Director of DMPI, as provided for in Section 38 of the Securities Regulations Code ("**SRC**"), its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission ("**SEC**").
4. I am not related to any director, officer or substantial shareholder of DMPI and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the SRC.
5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the listing rules of the SRC and its Implementing Rules and Regulations, the SEC Code of Corporate Governance for Publicly Listed Companies and other SEC issuances.
7. I shall inform the Company Secretary of DMPI of any changes in the abovementioned information within five days from their occurrence.

Done this 5th day of October, 2023 in Turkey/Türkiye.


GODFREY E. SCOTCHBROOK
Affiant

UNDERTAKING

DEL MONTE PHILIPPINES, INC. (the **Corporation**), a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office at JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City, through its Corporate Secretary, **ANTONIO EUGENIO S. UNGSON**, hereby undertakes that it will cause the submission of the notarized Certificate of Independent Director of Godfrey E. Scotchbrook by 15 December 2023.

IN WITNESS WHEREOF, I have hereunto signed this Certificate this **OCT 04 2023** in Las Piñas City.


ANTONIO EUGENIO S. UNGSON
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
CITY OF LAS PIÑAS) S.S.

Before me, a notary public in and for the city named above, personally appeared:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Date/Place Issued</u>
Antonio Eugenio S. Ungson	Passport No. P2425790B	03 July 2019 / DFA-NCR East

who is personally known to me to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this **OCT 04 2023**.

Doc. No: 73;
Page No: 16;
Book No: 3;
Series of 2023.


JUANITO H. VINCULADO
Notary Public Until Dec 31, 2023
22 Avocado Drive Agro Homes 1 Talon 5, LPC
CP No 0916-420-3253 Landline 8806-2957
PTR 12266038 J Las Piñas City 14/22
IBP 184860 2 18 22 PPLM Roll No 41092
MCLE VII-0021842 Valid until 4 14 25
RTC LPC Notarial Appt dated 7/28/22 No LP-22-016

SECRETARY'S CERTIFICATE

I, **ANTONIO EUGENIO S. UNGSON**, Filipino, of legal age, and with office address at 10th Floor, JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City, being the duly appointed and qualified Corporate Secretary of **DEL MONTE PHILIPPINES, INC.** (the **Corporation**), a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office at JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City, after having been sworn in accordance with law, hereby certify that none of the directors or officers or nominees for election as directors or officers of the Corporation is connected to any government agency or its instrumentalities.

IN WITNESS WHEREOF, I have hereunto signed this Certificate this **OCT 04 2023** in Las Piñas City.

ANTONIO EUGENIO S. UNGSON
Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
CITY OF LAS PIÑAS) S.S.

Before me, a notary public in and for the city named above, personally appeared:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Date/Place Issued</u>
Antonio Eugenio S. Ungson	Passport No. P2425790B	03 July 2019 / DFA-NCR East

who is personally known to me to be the same person who presented the foregoing instrument and signed the instrument in my presence, and who took an oath before me as to such instrument.

Witness my hand and seal this **OCT 04 2023**.

Doc. No: 72
Page No: 15
Book No: 2
Series of 2023.

for and on
JUANITO H. VINCULADO
Notary Public Until Dec 31 2023
22 Avocado Drive Agro Homes 1 Talon 5 LPC
CP No 0916-420-3253 Landline 8806-2957
PTR 12266038 J Las Pinas City 14 22
IBP 184860 2/18/22 PPLM Roll No 41092
MCLE VII-8021842 Valid until 4 14 25
RTC LPC Notarial Appt. dated 7/28/22 No LP-22-016

COVER SHEET

SEC Registration Number

P W 0 0 0 0 0 0 1 1 2

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

1 7 - A

Department requiring the report

S E C

Secondary License Type, If Applicable

N / A

COMPANY INFORMATION

Company's Email Address

www.delmontephil.com

Company's Telephone Number

(02) 8- 8562888

Mobile Number

N/A

No. of Stockholders

9

Annual Meeting (Month / Day)

Any day of August

Fiscal Year (Month / Day)

April 30

CONTACT PERSON INFORMATIONThe designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Antonio E.S. Ungson

Email Address

UngsonAES@delmonte-phil.com

Telephone Number/s

+65 2 856 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, 2023
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: (088) 855-4312
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 6,478,460,000

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**

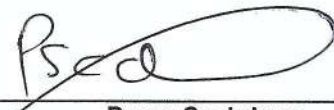
SIGNATURES

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 MANILA on AUG 11 2023

By:



Joselito D. Campos, Jr.
Chief Executive Officer



Parag Sachdeva
Chief Financial Officer



Luis F. Alejandro
Chief Operating Officer



Antonio E. S. Ungson
Company Secretary

SUBSCRIBED AND SWORN to before me this AUG 11 2023 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
Antonio E. S. Ungson	P2425790B	3 July 2019 / DFA-NCR East

Doc No. 229
Page No. 44
Book No. 577
Series of 2027



ATTY. GEORGE DAVID D. SITON
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. M 61 - UNTIL DEC. 31, 2023
ROLL NO. 68402 / TITLE COMPLIANCE NO. M-0010136/Z-15-2022
IBP O.R. NO. 002082 IBP ATTNEY MEMBER MAY 5, 2017
PTR NO. WFO 3561500 JAN 03, 2021-MC-BAT CITY
EXECUTIVE BLDG. CENTER MAKATI AVE. COR. JUNITER ST., MAKATI CITY

TABLE OF CONTENTS

PART I. BUSINESS AND GENERAL INFORMATION		Page No.
Item 1	Business	2
Item 2	Properties	9
Item 3	Legal Proceedings	10
Item 4	Submission of Matters to a Vote of Security Holders	10
 PART II. OPERATIONAL AND FINANCIAL INFORMATION		
Item 5	Market for Registrant's Common Equity and Related Stockholder Matters	12
Item 6	Management's Discussion and Analysis or Plan of Operation	15
Item 7	Financial Statements	37
Item 8	Information on Independent Accountant and Other Related Matters	37
 PART III. CONTROL AND COMPENSATION INFORMATION		
Item 9	Directors and Executive Officers of the Registrant	39
Item 10	Compensation of Directors and Executive Officers	44
Item 11	Security Ownership of Certain Beneficial Owners and Management	45
Item 12	Certain Relationships and Related Transactions	46
 PART IV. CORPORATE GOVERNANCE		
Item 13	Annual Corporate Governance	47
 PART V. ANNEX		
Annex A	Financial Statements and Supplementary Schedules (Item 7) Statement of Management's Responsibility for Financial Statements Consolidated Financial Statements Supplementary Schedules	

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. DMPI has been in operation in the Philippines for 96 years and caters to the needs of today's consumers for premium quality, healthy and convenient fresh and packaged products. DMPI produces, markets and distributes its products worldwide under a variety of brand names, including Del Monte, a brand 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 is the number one locally-owned brand in the Philippines in 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, 2023 the Company's Convenience Cooking and Dessert, Healthy Beverages and Snacks, Premium Fresh Fruit, and Packaged Fruit and Beverages – Export segments contributed 33%, 22%, 20% and 18%, respectively, to the Company's revenues.

According to Nielsen, DMPI is among the market leaders in the Philippines for a number of its products, such as, packaged pineapples and packaged mixed fruits, ready-to-drink juices (excluding do/foil packs), and tomato sauce and spaghetti sauce, with market shares ranging from 38% to 96% for the year ended April 30, 2023.

DMPI manages one of the world's largest pineapple growing operations, including an approximately 26,000-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. 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. DMPI also has a beverage plant in Cabuyao, Laguna (the “**Cabuyao PET Plant**”), which is about a 1.5-hour drive from Manila.

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, DMPI sells packaged fruit and beverage products to its affiliates DMFI for sale in the United States and South America, and FieldFresh 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.

The Company has been able to sustain consistent growth over the past several years. In the year ended April 30, 2023, the Company recorded consolidated revenues of ₱41,067.6 million (U.S.\$740.00 million), an increase by 12.3% from

₱36,556.5 million (U.S.\$ 700.88 million) in the year ended April 30, 2022. The Company's net income decreased by 24.2% from ₱4,893.8 million in the year ended April 30, 2022 to ₱3,708.3 million (U.S.\$66.8 million) in the year ended April 30, 2023. The Company's EBITDA (before depreciation for bearer plants) for the year ended April 30, 2023 was ₱13,073.1 million (U.S.\$235.6 million), a slight increase of 0.6% from ₱13,000.0 million in the year ended April 30, 2022.

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 of 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, 2023, the effective tax rate of the Company was 14.8% of income before income tax. This range can vary depending on the mix of export and local volume. For the year ended April 30, 2023, 81.9% of the Company's total sales volume pertained to its PEZA-registered activities, of which 67.9% was subject to a tax rate of 5% on gross income earned and 32.1% 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 28,087 hectares of land in Mindanao, Philippines. DMPI has an existing long-term lease agreement with DEARBC for approximately 8,506 (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 18,438 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 Processing and Production Facility			2,576.25
Administrative (Main) Office	Bugo, Cagayan de Oro City	Good	82.28
Can Plant	Bugo, Cagayan de Oro City	Good	261.45
Cannery Clothes and Shoes Changing	Bugo, Cagayan de Oro City	Good	1.17
Central Maintenance	Bugo, Cagayan de Oro City	Good	52.50
Coal-Fired Boiler Plant	Bugo, Cagayan de Oro City	Good	66.49
Compound and Yard	Bugo, Cagayan de Oro City	Good	1,078.38
Concentrate Plant	Bugo, Cagayan de Oro City	Good	27.61
DM Bugo Clinic	Bugo, Cagayan de Oro City	Good	4.07
Engineering and Design	Bugo, Cagayan de Oro City	Good	0.29
Factory Offices	Bugo, Cagayan de Oro City	Good	4.49
General Products Plant	Bugo, Cagayan de Oro City	Good	0.00
GPSL/PCL/GL Plant	Bugo, Cagayan de Oro City	Good	132.16
Labeling and Warehousing	Bugo, Cagayan de Oro City	Good	130.57
Machine Shop	Bugo, Cagayan de Oro City	Good	0.28
Mixed Fruit Plant	Bugo, Cagayan de Oro City	Good	23.01
Preparation Plant	Bugo, Cagayan de Oro City	Good	101.01
Processing Plant	Bugo, Cagayan de Oro City	Good	179.71
Quality Control	Bugo, Cagayan de Oro City	Good	4.58
Steam and Power Plant	Bugo, Cagayan de Oro City	Good	58.44
Sugar Recovery Plant	Bugo, Cagayan de Oro City	Good	22.06
Tetra Plant	Bugo, Cagayan de Oro City	Good	108.11
Waste Water Treatment Plant	Bugo, Cagayan de Oro City	Good	237.60
Others			499.00
Customers Area	Various locations	Good	10.88
Forwarding Warehouses	Various locations	Good	106.89

Kalawaan Office	Pasig City	Good	12.07
Las Piñas Warehouse	Las Piñas City	Good	0.69
NutriAsia Plant.....	Cabuyao, Laguna	Good	0.48
PET Plant	Cabuyao, Laguna	Good	200.72
Taguig Office	Taguig City	Good	152.47
Tollpacker – Dairy Zest	Valenzuela City	Good	0.00
Tollpacker - Innovative Packaging	Valenzuela City	Good	2.98
Tropical Asset Fruit Corp.	Malolos, Bulacan	Good	2.21
FG Warehouse - MITIMCO.....		Good	0.00
Mindanao Distribution Center.....	Tagoloan, Misamis Oriental	Good	8.03
Iloilo Warehouse	Iloilo City	Good	1.59
Plantation Operations			1,853.58
Baungon	Baungon, Bukidnon	Good	10.97
Camp 1 (JMC).....	Manolo Fortich, Bukidnon	Good	271.29
Camp 14.....	Manolo Fortich, Bukidnon	Good	13.45
Camp 9.....	Manolo Fortich, Bukidnon	Good	32.17
Camp Fabia	Manolo Fortich, Bukidnon	Good	11.58
Camp Phillips	Manolo Fortich, Bukidnon	Good	654.90
Cawayanon.....	Manolo Fortich, Bukidnon	Good	16.79
Claveria	Claveria, Misamis Oriental	Good	6.33
Dalwangan	Malaybalay City, Bukidnon	Good	4.86
Damilag.....	Manolo Fortich, Bukidnon	Good	0.63
Dehydro Freezing Plant	Manolo Fortich, Bukidnon	Good	587.93
El Salvador.....	El Salvador, Misamis Oriental	Good	0.22
FF Packing Shed	Manolo Fortich, Bukidnon	Good	87.24
Harvester Shop.....	Manolo Fortich, Bukidnon	Good	0.00
Hospital	Manolo Fortich, Bukidnon	Good	3.38
Impasug-ong	Impasug-ong, Bukidnon	Good	13.34
Kiantig Quezon	Quezon, Bukidnon	Good	1.25
Livestock and Cut-meat	Manolo Fortich, Bukidnon	Good	22.82
Montemar Industries	Manolo Fortich, Bukidnon	Good	0.16
Pat-pat	Malaybalay City, Bukidnon	Good	2.36
Phillips Social Hall.....	Manolo Fortich, Bukidnon	Good	0.00
South Bukidnon	Quezon, Bukidnon	Good	106.57
Sumilao	Sumilao, Bukidnon	Good	6.42
Taliwan	Taliwan, Misamis Oriental	Good	1.28
Total			4,928.83

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

In the joint special meeting of the stockholders and the Board of Directors held last December 7, 2021, the stockholders unanimously approved and authorized the amendment of Article Six of the Amended Articles of Incorporation of the Company to increase the number of directors from seven (7) to nine (9). In the same meeting, the stockholders also unanimously approved the Company's 2021 Long Term Incentive Plan and authorized the filing of all such necessary

applications and requests with relevant government agencies such as, but not limited to, a request for exemption from registration of securities with the Philippine Securities and Exchange Commission (“**SEC**”).

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, 2023, and the relative volatility and illiquidity of the Philippine securities market may substantially limit the holder's ability to sell the Common Shares at a suitable price or at a time they desire.

On March 1, 2021, the Philippine SEC approved the Company's application for the amendment of its Articles of Incorporation, including amendment of Article Seventh to convert all of its preferred shares to Common Shares. The amendment was approved by DMPI's Board of Directors and shareholders on February 5, 2021. Following such conversion on a one-to-one ratio and issuance of one share to an independent director, the Company's total issued shares consist of 2,797,320,004 Common Shares. Previously, there were 335,678,400 issued preferred shares and 2,461,641,603 issued Common Shares.

The following table sets forth the shareholders of the Company, their respective shareholdings and the corresponding percentage of ownership as of April 30, 2023:

Name	Type of Shares	Number of Shares	% of Ownership
Central American Resources, Inc.	Common	2,433,668,397	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%
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
2023	June 15, 2023 ⁽¹⁾	0.04989	₱118.6 million	June 29, 2023	July 5, 2023
2023	March 2, 2023 ⁽²⁾	0.30188	844 million	March 16, 2023	March 21, 2023
2023	December 1, 2022 ⁽³⁾	0.41476	1,160.2 million	December 21, 2022	December 22, 2022
2023	September 1, 2022 ⁽⁴⁾	0.17906	500.1 million	September 19, 2023	September 22, 2022
2022	June 17, 2022 ⁽⁵⁾	0.80143	2,241.9 million	July 4, 2022	July 7, 2022
2022	March 17, 2022 ⁽⁶⁾	0.16975	403.6 million	March 17, 2022	March 21, 2022
2022	December 7, 2021 ⁽⁷⁾	0.15	419.6 million	December 21, 2021	December 22, 2021
2022	August 18, 2021 ⁽⁸⁾	0.147559	412.8 million	September 6, 2021	September 7, 2021
2021	May 27, 2021 ⁽⁹⁾	0.34	940.9 million	June 11, 2021	June 14, 2021
2021	March 3, 2021 ⁽¹⁰⁾	0.9013	2.5 billion	March 15, 2021	March 16, 2021

Notes:

- (1) 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 ₱118,625. 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.

- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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 ₱52.0 million and ₱351.1 million, both net of final taxes, were remitted to Sea Diner Holdings Pte and CARI, respectively.
- (7) 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.
- (8) 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.
- (9) 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.
- (10) On March 3, 2021, the Company declared a dividend amounting to ₱2.5 billion, or ₱0.9013 per Common Share. Of the total ₱2.5 billion dividend, ₱327.8 million was distributed in cash to CARI on March 16, 2021 and ₱278.6 million (net of withholding tax) was distributed to SEA Diner, while the balance of ₱1,864.4 million was offset, pursuant to an offsetting agreement between the Company and CARI, against ₱1,559.0 million of receivables due to the Company from DMPL in connection with the extension of interest-bearing advances by the Company and ₱305.4 million of receivables due to the Company from S&W Fine Foods. As of April 30, 2021, ₱467.6 million (U.S.\$9.7 million) of advances remained outstanding and not yet repaid by DMPL. During the year ended April 30, 2021, these advances were repaid by DMPL through the trademark acquisition by PPMSC, repayments by DMPL and SEA Diner's acquisition of shares in DMPL.

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, 2023, 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, 2021, 2022 and 2023 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, 2021, 2022 and 2023, 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, 2023 are provided for convenience only and is unaudited. For readers' convenience only, amounts in Pesos as of and for the year ended April 30, 2023 were converted to U.S. dollars using the BSP Reference Rate quoted on in the BSP's Reference Exchange Rate Bulletin on April 30, 2023 of ₱55.497 = U.S.\$1.00.

Results of Operations

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	740.00	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)	95.2
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	(30.5)
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	19,8000.0
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	228.1	30.8	5.0
Healthy Beverages and Snacks..	6,889.3	18.8	7,531.1	135.7	18.3	9.3
Premium Fresh Fruit	6,586.7	18.0	8,237.5	148.4	20.1	25.0
Packaged Fruit and Beverages – Export	7,639.4	20.9	9,234.7	166.4	22.5	20.9
Others.....	87.8	0.2	135.6	2.4	0.3	54.4
Changes in Fair Value – PAS 41	3,296.1	9.0	3,271.9	59.0	8.0	(0.7)
Total	36,556.5	100.0	41,067.6	740.0	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.\$228.1 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 25.0%, 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 and Del Monte Foods Inc. .

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 30.5%, from ₱5,686.1 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 ₱648.1 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	50.1	(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.....	31.5	0.5	40.0	0.7	0.8	27.0
Changes in Fair Value – PAS 41	12.04	0.2	(70.3)	(1.27)	(1.4)	(683.9)
Total	6,199.6	100.0	5,123.2	92.31	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.\$54.29 million) for the year ended April 30, 2022 to ₱2,565.9 million (U.S.\$46.23 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.\$8.04 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.\$3.89 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.

Year Ended April 30, 2022 Compared to Year Ended April 30, 2021

	For the year ended April 30,					
	2021		2022			
	(audited)	(unaudited)	(audited)	(unaudited)		
			(in millions, except %)			
	₱	% of total	₱	U.S.\$	% of total	% change
Revenues	34,464.6	100.0	36,556.5	700.88	100.0	6.1
Cost of sales	(24,101.9)	(69.9)	(25,742.2)	(493.54)	(70.4)	6.8
Gross income.....	10,362.7	30.1	10,814.3	207.34	29.6	4.4
Distribution and selling expenses	(3,288.3)	(9.5)	(3,631.3)	(69.62)	(9.9)	10.4
General and administrative expenses	(902.3)	(2.6)	(864.2)	(16.57)	(2.4)	(4.2)
Finance cost.....	(762.6)	(2.2)	(698.4)	(13.39)	(1.9)	(8.4)
Foreign exchange gain – net..	68.7	(0.2)	(107.2)	(2.06)	(0.3)	56.1
Interest income	24.1	0.1	60.9	1.17	0.2	152.1
Loss from joint venture			(50.1)	(1.0)	(0.1)	0
Other income.....	204.3	0.6	188.6	3.62	0.5	(7.7)
Other expense.....	(188.4)	(0.5)	(241.0)	(4.62)	(0.7)	27.9
Income before income tax	5,518.3	16.0	5,686.0	109.0	15.6	3.0
Income tax expense						
Current	(917.8)	(2.7)	(792.6)	(15.96)	(2.2)	(13.6)
Deferred	15.6	0.0	0.3	(0.005)	0.0	(98.3)
Net income	4,616.2	13.4	4,893.8	93.83	13.4	6.0

Revenues

The Company's consolidated revenues increased by ₱2,091.9 million, or 6.1%, from ₱34,464.6 million in the year ended April 30, 2021 to ₱36,556.5 million (U.S.\$ 700.88 million) in the year ended April 30, 2022, 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,					
	2021		2022			
	(audited)	(unaudited)	(audited)	(unaudited)		
			(in millions, except %)			
	₱	% of total	₱	U.S.\$	% of total	% change
Convenience Cooking and Dessert	12,257.6	35.6	12,057.2	231.17	33.0	(1.6)
Healthy Beverages and Snacks..	6,937.5	20.1	6,889.3	132.09	18.8	(0.7)

	For the year ended April 30,					
	2021		2022			
	(audited)	(unaudited)	(audited)	(unaudited)		
			(in millions, except %)			
	₱	% of total	₱	U.S.\$	% of total	% change
Premium Fresh Fruit	5,803.5	16.8	6,586.7	126.28	18.0	13.5
Packaged Fruit and Beverages – Export	6,614.8	19.2	7,639.4	146.47	20.9	15.5
Others.....	118.0	0.3	87.8	1.68	0.2	(25.6)
Changes in Fair Value – PAS 41	2,733.1	7.9	3,296.1	63.19	9.0	20.6
Total	34,464.6	100.0	36,556.5	700.88	100.0	6.1

Convenience Cooking and Dessert

Revenues from the Convenience Cooking and Dessert segment decreased by ₱200.4 million, or 1.6%, from ₱12,257.6 million (U.S.\$235.01 million) for the year ended April 30, 2021 to ₱12,057.2 million for the year ended April 30, 2022. The decrease was mainly due to lower sales of Mixed Fruit and Spaghetti Sauce with increased activity from competition. Packaged fruit and spaghetti sauce category consumption was down due to shifting consumer priorities in the face of food inflation. Despite volume decline, Del Monte's market share of packaged fruit increased from sustained marketing programs. However, spaghetti sauce lost share from low-priced brands. This is partly offset by higher sales prices for selected products in Convenience Cooking and Dessert segment, which contributed ₱673.4 million to segment revenues as compared to the previous year.

Healthy Beverages and Snacks

Revenues from the Healthy Beverages and Snacks segment decreased by ₱48.2 million, or 0.7%, from ₱6,937.5 million for the year ended April 30, 2021 to ₱6,889.3 million (U.S.\$132.09 million) for the year ended April 30, 2022. The decrease was mainly due to decline in sales of 100% pineapple juice as some consumers shifted to multi-flavored juice drinks. This is partly offset by higher sales prices for selected products in the Healthy Beverages and Snacks segment, which contributed ₱400.9 million to segment revenue growth as compared to the year ended April 30, 2021

Premium Fresh Fruit

Revenues from the Premium Fresh Fruit segment increased by ₱783.2 million, or 13.5%, from ₱5,803.5 million for the year ended April 30, 2021 to ₱6,586.7 million (U.S.\$126.28 million) for the year ended April 30, 2022. The increase was primarily due higher export sales to China and South Korea. In China, sales benefitted from expanded distribution coverage from existing distributors, plus new distributors which have supported the continued expansion into tier 2 and 3 cities. The Company launched the extra sweet S&W Deluxe Premium in China, Japan and South Korea in the earlier quarter with sustained favorable market feedback. This premium fresh variety is gaining traction in China's retail segment. Price increases implemented in the fourth quarter of fiscal year 2021 have been sustained throughout the current year which resulted to increase in sales. Furthermore, the growth in Premium Fresh Fruit segment revenues was driven by the devaluation of the Peso against the US dollar during the period, which had a positive impact of ₱189.4 million on segment revenues compared to the previous year.

Packaged Fruit and Beverages – Export

Revenues from the Packaged Fruit and Beverages – Export segment increased by ₱1,024.6 million, or 15.5%, from ₱6,614.8 million for the year ended April 30, 2021 to ₱7,639.4 million (U.S.\$146.47 million) for the year ended April 30, 2022. This increase was mainly due to higher sales of pine juice concentrates to the US and pine solids to South Korea. Pricing also continued to improve in FY22. In addition, the growth in sales was driven by the devaluation of the Peso against the U.S. dollar for the period, which had a favourable impact of ₱222.2

million to segment revenues for the period compared to the same period last year. The Company also started supplying 100% pineapple juice to Jollibee Malaysia, supporting their key outlet with an S&W-labelled juice dispenser.

Cost of Sales

Cost of sales increased by ₱1,640.3 million, or 6.8%, from ₱24,101.9 million in the year ended April 30, 2021 to ₱25,742.2 million (U.S.\$ 493.54 million) in the year ended April 30, 2022. As a percentage of revenue, cost of sales was higher at 70.4% of revenues in the year ended April 30, 2022 as compared to 69.9% of revenues in the previous year. The increase was primarily the result of higher cost of imported packaging materials (mainly tinplate), warehousing and fuel, light and power. Fresh Fruit product cost also increase mainly driven by lower recovery and higher growing and hauling cost.

Gross Income

As a result of the foregoing, gross income increased by ₱451.6 million, or 4.4%, from ₱10,362.7 million in the year ended April 30, 2021 to ₱10,814.3 million (U.S.\$207.34 million) in the year ended April 30, 2022. The Company's gross margin in the year ended April 30, 2021 was 29.6%, 0.5% lower than the 30.1% gross margin it recorded in the year ended April 30, 2021.

Distribution and Selling Expenses

Distribution and selling expenses increased by ₱343.0 million, or 10.4%, from ₱3,288.3 million in the year ended April 30, 2021 to ₱3,631.3 million (U.S.\$69.62 million) in the year ended April 30, 2022. 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 9.9% of revenues in the year ended April 30, 2022 compared to 9.5% in the previous period.

General and Administrative Expenses

General and administrative expenses decreased by ₱38.1 million, or 4.2%, from ₱902.3 million in the year ended April 30, 2021 to ₱864.2 million (U.S.\$16.6 million) in the year ended April 30, 2022 mainly driven by lower personnel cost on salaries and incentives and lower professional fees. This is partially offset by higher recruitment expenses, donations, rent expenses and higher spending on COVID tests.

Finance Cost

Finance cost, which primarily consists of interest expenses and miscellaneous financial charges decreased by ₱64.3 million, or 8.4%, from ₱762.6 million in the year ended April 30, 2021 to ₱698.4 million in the year ended April 30, 2022 due to lower market interest rates and capitalization of interest amounting to ₱57.7 million. .

Foreign Exchange Gain – net

Foreign exchange gain – net increased by ₱38.5 million, or 56.1%, from ₱68.7 million in the year ended April 30, 2021 to ₱107.2 million in the year ended April 30, 2022 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 ₱36.7 million, or 152.1%, from ₱24.1 million in the year ended April 30, 2021 to ₱60.8 million (U.S.\$1.2 million) in the year ended April 30, 2022, primarily due to interest income charged on the overdue balance of S&W Fine Foods.

Other Income

Other income decreased by ₱15.7 million, or 7.7%, from ₱204.3 million in the year ended April 30, 2021 to ₱188.6 million (U.S.\$3.62 million) in the year ended April 30, 2022, primarily due to lower rental income and lower scrap sales.

Other Expense

Other expense increased by ₱52.6 million, or 27.9%, from ₱188.4 million in the year ended April 30, 2021 to ₱241.0 million (U.S.\$4.62 million) in the year ended April 30, 2022, 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 increased by ₱167.7 million, or 3%, from ₱5,518.3 million in the year ended April 30, 2021 to ₱5,686.1 million (U.S.\$109.02 million) in the year ended April 30, 2022.

Income Tax Expense

Income tax expense decreased by ₱109.9 million, or 12.2%, from ₱902.2 million in the year ended April 30, 2021 to ₱792.3 million (U.S.\$15.9 million) in the year ended April 30, 2022, mainly attributable to lower average tax rate.

Net Income

As a result of the foregoing, net income increased by ₱277.6 million, or 6%, from ₱4,616.2 million in the year ended April 30, 2021 to ₱4,893.8 million (U.S.\$93.83 million) in the year ended April 30, 2022. The Company's net income margin in the year ended April 30, 2022 was 13.4%, same margin in the previous 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,					
	2021		2022			
	(audited)	(unaudited)	(audited)	(unaudited)		
			(in millions, except %)			
	₱	% of total	₱	U.S.\$	% of total	% change
Convenience Cooking and Dessert.....	3,024.0	49.2	2,831.6	54.29	45.7	(6.4)
Healthy Beverages and Snacks.....	1,129.5	18.4	713.5	13.68	11.5	(36.8)
Premium Fresh Fruit	1,674.3	27.3	1,931.5	37.03	31.2	15.4
Packaged Fruit and Beverages – Export.....	387.9	6.3	679.5	13.03	11.0	75.2
Others.....	(5.4)	(0.1)	31.5	0.61	0.5	(683.3)
Changes in Fair Value – PAS 41	(68.3)	(0.9)	12.04	0.23	0.2	(117.6)
Total	6,142.0	100.0	6,199.6	118.86	100.0	0.9

Convenience Cooking and Dessert

EBIT from the Convenience Cooking and Dessert segment decreased by ₱192.4 million, or 6.4%, from ₱3,024.0 million for the year ended April 30, 2021 to ₱2,831.6 million (U.S.\$54.29 million) for the year ended April 30, 2022. The decrease was mainly due lower sales in Mixed Fruit and Spaghetti Sauce from increased competition. In addition, product cost increased driven by increases in packaging materials (tinplate, carton) and fixed costs (fixed overheads and warehousing costs) as well as higher selling expenses which resulted to ₱304.8 million increase in cost for the period. This is partly offset by increase in prices which contributed P673.4 million to segment revenue growth as compared to the year ended April 30, 2021.

Healthy Beverages and Snacks

EBIT from the Healthy Beverages and Snacks segment decreased by ₱416.0 million, or 36.8 %, from ₱1,129.5 million for the year ended April 30, 2021 to ₱713.5 million (U.S.\$13.68 million) for the year ended April 30, 2022. The decrease was mainly due lower sales of 100% pineapple juice as some consumers shifted to multi-flavored juice drinks and higher product cost of P227.9 million driven by higher tinplate and fuel costs, higher fixed costs (fixed overheads and warehousing costs) as well as higher selling expenses. This is partially offset by price increases which amounted to an increase of P400.9 million.

Premium Fresh Fruit

EBIT from the Premium Fresh Fruit segment increased by ₱257.20 million, or 15.4%, from ₱1,674.3 million for the year ended April 30, 2021 to ₱1,931.5 million (U.S.\$37.03 million) for the year ended April 30, 2022, primarily as a result of the 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, resulting in a P199.27 million cost increase. Additionally, ocean freight cost and trucking rates increased across all destinations driven by higher fuel rate in the second half of the year.

Packaged Fruit and Beverages – Export

EBIT from the Packaged Fruit and Beverages – Export segment increased by ₱291.6 million, or 75.2%, from ₱387.9 million for the year ended April 30, 2021 to ₱679.5 million (U.S.\$13.03 million) for the year ended April 30, 2022 backed by strong sales in the Americas and North Asia. The growth in EBIT in this segment was also attributable to price increases and favourable effects of devaluation of the Peso against the US dollar for the period. This was partly offset by higher cannery and warehousing cost.

Financial Condition

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 ₱11,357.6 million, or 21.4%, from ₱41,683.2 million as of April 30, 2022 to ₱53,040.80 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.....	2,476.1	2,489.2	44.9
Prepaid expenses and other current assets	1,142.0	1,093.4	19.7
Total current assets	17,342.1	25,692.3	463
Noncurrent assets			
Biological assets.....	144.9	168.6	3

	As of April 30,		
	2022	2023	2023
	(audited)		(unaudited)
	(₱)	(₱)	(U.S.\$)
	(in millions)		
Financial assets at fair value through other comprehensive income	15.4	34.1	0.6
Investment properties	171.7	165.5	3
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.....	41,683.2	53,040.8	955.8

Current Assets

DMPI's current assets increased by ₱8,350.2 million, or 48.15%, from ₱17,342.1 million as of April 30, 2022 to ₱25,692.3 million (U.S.\$462.95 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.\$132.36 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 ₱13.1 million, or 0.5%, from ₱2,476.1 million as of April 30, 2022 to ₱2,489.20 million (U.S.\$44.85 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 ₱48.6 million, or 4.3%, from ₱1,142.0 million as of April 30, 2022 to ₱1,093.4 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 ₱24,341.0 million as of April 30, 2022 to ₱27,348.5 million (U.S.\$492.79 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.\$3.04 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.\$2.98 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 7.9%, 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 12.6%, 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 ₱11,938.6 million, or 29.8%, from ₱28,161.2 million as of April 30, 2022 to ₱40,099.8 million (U.S.\$722.6 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	6,792.1	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	16,163.6	34,867.8	628.30
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	94.3
Total liabilities	28,161.2	40,099.8	722.6

Current Liabilities

DMPI's current liabilities increased by ₱18,704.2 million, or 115.7%, from ₱16,163.6 million as of April 30, 2022 to ₱34,867.8 million (U.S.\$628.28 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 ₱641.1 million, or 9.4%, from ₱6,792.1 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.\$94.28 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.\$32.2 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.\$36.2 million) as of April 30, 2023, due to additions of lease contracts entered into by the Company during the period.

As of April 30, 2022 Compared to as of April 30, 2021

The following is a discussion of DMPI's current and noncurrent assets and liabilities as of April 30, 2022 compared to April 30, 2021.

Assets

DMPI's assets increased by ₱5,670.1 million, or 15.7%, from ₱36,013.1 million as of April 30, 2021 to ₱41,683.2 million (U.S.\$ 799.2 million) as of April 30, 2021, 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,		
	2021	2022	2022
	(audited)		(unaudited)
	(₱)	(₱)	(U.S.\$)
	(in millions)		
ASSETS			
Current assets			
Cash and cash equivalents	1,004.8	856.7	16.4
Receivables	6,057.5	7,696.4	147.6
Inventories.....	5,121.4	5,170.9	99.1
Biological assets.....	2,158.3	2,476.1	47.5
Prepaid expenses and other current assets	625.6	1,142.0	21.9

	As of April 30,		
	2021	2022	2022
	(audited)		(unaudited)
	(₱)	(₱)	(U.S.\$)
	(in millions)		
Total current assets	14,967.7	17,342.1	332.5
Noncurrent assets			
Biological assets	129.5	144.9	2.8
Financial assets at fair value through other comprehensive income	12.6	15.4	0.3
Investment properties	177.9	171.7	3.3
Property, plant and equipment	16,498.8	19,261.6	369.3
Intangible assets	2,987.4	2,987.4	57.3
Receivable – net of current portion	188.1	157.6	3.0
Net retirement benefits asset	379.9	512.9	9.8
Deferred tax assets – net	0.2	0.0	0
Other noncurrent assets	671.0	1,089.6	20.9
Total noncurrent assets	21,045.4	24,341.1	466.7
Total assets	36,013.1	41,683.2	799.2

Current Assets

DMPI's current assets increased by ₱2,374.5 million, or 15.9%, from ₱14,967.7 million as of April 30, 2021 to ₱17,342.1 million (U.S.\$332.5 million) as of April 30, 2022 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 ₱148.1 million, or 14.7%, from ₱1,004.8 million as of April 30, 2021 to ₱856.7 million (U.S.\$16.4 million) as of April 30, 2022, primarily as a result of decrease in cash in bank from operations.

Receivables

Receivables increased by ₱1,638.9 million, or 27.1%, from ₱6,057.5 million as of April 30, 2021 to ₱7,696.4 million (U.S.\$147.6 million) as of April 30, 2022, primarily as a result of increase in related party receivables from higher sales, and third parties.

Inventories

Inventories increased by ₱49.5 million, or 1%, from ₱5,121.4 million as of April 30, 2021 to ₱ 5,170.9 million (U.S.\$99.1 million) as of April 30, 2022 primarily as a result of the increase in materials used for cans and finished goods for beverage and culinary markets. 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 84 days, which was higher only by 1 day from average days in inventory of 83 days in the year ended April 30, 2021.

Biological assets

The current portion of biological assets increased by ₱317.8 million, or 14.7%, from ₱2,158.3 million as of April 30, 2021 to ₱2,476.1 million (U.S.\$47.5 million) as of April 30, 2022, primarily as a result of an increase in harvested agricultural produce to support increased sales volumes, and increase prices of farm inputs.

Prepaid expenses and other current assets

Prepaid expenses and other current assets increased by ₱516.4 million, or 82.5%, from ₱625.6 million as of April 30, 2021 to ₱1,142.0 million (U.S.\$21.9 million) as of April 30, 2022, primarily due to increase in the advances to suppliers that are still undelivered as of end of period.

Noncurrent Assets

DMPI's noncurrent assets increased by ₱3,295.6 million, or 15.7%, from ₱21,045.4 million as of April 30, 2021 to ₱24,341.0 million (U.S.\$466.7 million) as of April 30, 2022 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 ₱15.4 million, or 11.8%, from ₱129.5 million as of April 30, 2021 to ₱144.9 million (U.S.\$2.8 million) as of April 30, 2022, primarily as a result of the decrease of live cattle sales and increased cattle births.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income increased by ₱2.8 million, or 22.5%, from ₱12.6 million as of April 30, 2021 to ₱15.4 million (U.S.\$0.3 million) as of April 30, 2022, primarily as a result of higher fair values.

Investment properties

Investment properties decreased by ₱6.2 million, or 3.5%, from ₱177.9 million as of April 30, 2021 to ₱171.7 million (U.S.\$3.3 million) as of April 30, 2022 due to depreciation of property and right-of-use assets.

Property, plant and equipment

Property, plant and equipment increased by ₱2,762.8 million, or 16.7%, from ₱16,498.8 million as of April 30, 2021 to ₱19,261.6 million (U.S.\$369.3.0 million) as of April 30, 2022, 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, 2022.

Receivable – net of current portion

Receivable – net of current portion decreased by ₱30.5 million, or 16.2%, from ₱188.1 million as of April 30, 2021 to ₱157.6 million (U.S.\$3.0 million) as of April 30, 2022, as a result of lease collections from its lease arrangements.

Net retirement benefits asset

Net retirement benefits asset increased by ₱133.0 million, or 35.0%, from ₱379.9 million as of April 30, 2021 to ₱512.9 million (U.S.\$9.8 million) as of April 30, 2022, primarily as a result of decrease in present value of defined benefit retirement obligation due to higher actuarial gains and benefit payments.

Deferred tax assets – net

Deferred tax assets – net decreased by ₱0.2 million, or 100%, from ₱0.1 million as of April 30, 2021 to ₱0 (U.S.\$0) as of April 30, 2022, primarily as a result of lower timing differences particularly on accrued expenses.

Other noncurrent assets

Other noncurrent assets increased by ₱418.6 million, or 62.4%, from ₱671.0 million as of April 30, 2021 to ₱1,089.6 million (U.S.\$20.9 million) as of April 30, 2022 due to higher advances to suppliers to cover capital expenditures of the Company, and higher advance rent which will commence beyond one year from the reporting period.

Liabilities

DMPI's liabilities increased by ₱2,854.90 million, or 11.28%, from ₱25,306.3 million as of April 30, 2021 to ₱28,161.2 million (U.S.\$523.0 million) as of April 30, 2022 primarily as a result of the increase in long-term debt and issuance of bonds payable, as discussed below.

	As of April 30,		
	2021	2022	2022
	(audited)		(unaudited)
	(₱)		(U.S.\$)
	(in millions)		
LIABILITIES			
Current liabilities			
Short-term notes payable.....	7,888.7	8,777.8	168.3
Accounts payable and accrued expenses	5,414.9	6,792.1	130.2
Current portion of:			
Long-term debt	—	—	—
Lease liabilities	291.2	472.5	9.1
Income tax payable.....	92.4	121.2	2.3
Total current liabilities	13,687.3	16,163.6	309.9
Noncurrent liabilities			
Long-term debt – net of current portion	2,980.1	2,985.6	57.2
Bonds payable	6,389.8	6,422.4	123.1
Deferred tax liabilities – net	135.4	191.0	3.7
Lease liabilities – net of current portion	2,113.7	2,398.6	46.0
Other noncurrent liabilities.....	—	—	—
Total noncurrent liabilities	11,619.0	11,997.6	230.0
Total liabilities	25,306.3	28,161.2	539.9

Current Liabilities

DMPI's current liabilities increased by ₱2,476.3 million, or 18.1%, from ₱13,687.3 million as of April 30, 2021 to ₱16,163.6 million (U.S.\$309.9 million) as of April 30, 2022, primarily as a result of the increase in short-term notes payable, as discussed below.

Short-term notes payable

Short-term notes payable increased by ₱889.1 million, or 11.3%, from ₱7,888.7 million as of April 30, 2021 to ₱8,777.8 million (U.S.\$168.3 million) as of April 30, 2022, to support working capital needs.

Accounts payable and accrued expenses

Accounts payable and accrued expenses increased by ₱1,377.2 million, or 25.4%, from ₱5,414.9 million as of April 30, 2021 to ₱6,792.1 million (U.S.\$130.2 million) as of April 30, 2022, primarily as a result of the increase in trade payables related to foreign purchases.

Current portion of lease liabilities

Current portion of lease liabilities increased by ₱181.3 million, or 62.3%, from ₱291.2 million as of April 30, 2021 to ₱472.5 million (U.S.\$9.1 million) as of April 30, 2022, primarily as a result of additional lease contracts entered into by Company during the year.

Income tax payable

Income tax payable increased by ₱28.8 million, or 31.2%, from ₱92.4 million as of April 30, 2021 to ₱121.2 million (U.S.\$2.3 million) as of April 30, 2022 due to higher income.

Noncurrent Liabilities

DMPI's noncurrent liabilities increased by ₱378.6 million, or 3.3%, from ₱11,619.0 million as of April 30, 2021 to ₱11,997.6 million (U.S.\$230.0 million) as of April 30, 2022, primarily as a result of the increase in long-term debt and issuance of bonds payable.

Long-term debt – net of current portion

Long-term debt – net of current portion increased to ₱5.5 million or 0.2% as of April 30, 2022 from ₱2,980.1 as of April 30, 2021 to ₱2,985.6 million (U.S.\$2 million) as of April 30, 2022, attributable to accretion of interest expense for the period.

Bonds payable

Bonds payable increased by ₱32.6 million, or 0.5%, from ₱6,389.8 million as of April 30, 2021 to ₱6,442.4 million (U.S.\$123.1 million) as of April 30, 2022 attributable to accretion of interest expense for the period.

Deferred tax liabilities – net

Deferred tax liabilities – net increased by ₱55.6 million, or 41.1%, from ₱135.4 million as of April 30, 2021 to ₱191.0 million (U.S.\$3.7 million) as of April 30, 2021, primarily as a result of lower timing differences on accrued expenses.

Lease liabilities – net of current portion

Lease liabilities – net of current portion increased by ₱284.9 million, or 13.5%, from ₱2,113.7 million as of April 30, 2021 to ₱2,398.6 million (U.S.\$45.9 million) as of April 30, 2022, due to additions of lease contracts entered into by the Company during the period.

Liquidity and Capital Resources

Overview

The Company's principal liquidity requirements are for both operating expenses and capital expenditures, which comprise inventory purchases, salaries and wages, overhead costs, advertising and promotion and logistics costs.

The Company's principal sources of liquidity are from internally generated cash from operations and unsecured bank loans. As of April 30, 2022, the Company's total current assets were ₱17,342.1 million (U.S.\$332.5 million), of which cash and cash equivalents accounted for 4.9% or ₱856.7 million (U.S.\$16.4 million), as compared to total current assets of ₱14,967.7 million as of April 30, 2021. This was against the Company's total current liabilities as of April 30, 2022 of ₱16,163.6 million (U.S.\$309.9 million), of which 54.3%, or ₱8,777.8 million (U.S.\$168.3 million), were short-term notes payable, as compared to total current liabilities of ₱13,687.3 million as of April 30, 2021.

The table below shows the Company's current and quick ratio for the year ended April 30, 2021, 2022, and 2023.

	As of and for the year ended April 30,		
	2021	2022	2023
	(unaudited)		
	(in millions except %, ratios and days)		
Current ratio or working capital ratio ⁽¹⁾	1.1	1.1	0.7
Quick ratio ⁽²⁾	0.5	0.5	0.4

Notes:

- (1) Current ratio or working capital ratio is calculated as total current assets divided by total current liabilities.
- (2) The table below sets forth the computation of the quick ratio for the years ended April 30, 2021, 2022 and 2023:

For the years ended April 30,				
	2021	2022	2023	
		(audited)	(unaudited)	
		(₱)	(U.S.\$)	
		(in millions)		
Total current assets	14,967.7	17,342.1	25,692.3	462.9
Less:				
Inventories	5,121.4	5,170.9	7,345.7	132.4
Prepaid expenses and other current assets	625.6	1,142.0	1,093.3	19.7
Biological assets	2,158.3	2,476.2	2,489.2	44.9
	7,062.4	8,553.1	14,764.1	266.0
Divided by: Total current liabilities	13,687.3	13,687.3	34,867.8	628.3
Quick ratio	0.5	0.5	0.4	0.4

As of April 30, 2023, the Company's current ratio was 0.7. While the current assets has increased significantly from the previous years, current liabilities rose higher driven by reclassification of the current portion of long-term debt and bonds payable to current liabilities.

As of April 30, 2022, the Company's current ratio was 1.1, ratio same as April 30, 2021. The Company's current liabilities increased due to higher short-term notes payable and accrued expenses, however, current assets, driven by increase in receivables also increased proportionately resulting to the same ratio.

The Company expects an increase in its working capital requirements due to increased sales and market share expansion. Moving forward, the Company expects to fund its working capital requirements from its operating cash flows and borrowings. The Company may also, from time to time, seek other sources of funding, which may include debt or equity financing, depending on its financing needs and market conditions. In the course of conducting its business, the Company has incurred, and will continue, to incur short-term debt from banking institutions. As of April 30, 2021, the Company expects to be able to service its working capital requirements for the next 12 months from its cash flow from operations. The Company also has several unused credit lines from certain financial institutions, which it can use to service its short-term working capital requirements if needed.

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,				
	2021	2022	2023	
		(audited)	(unaudited)	
		(in millions)		
	₱	₱	₱	U.S.\$
Net cash flows provided by operating activities	5,093.2	9,444.4	2,308.9	41.6
Net cash flows used in investing activities ⁽¹⁾	(6,618.0)	(9,227.0)	(10,179.4)	(183.4)
Adjustment for trademark ⁽²⁾	2,987.4	—	—	—
Operating free cash flow ⁽³⁾	8,183.4	—	—	—
Adjusted net cash flows used in investing activities ⁽⁴⁾	(9,513.2)	—	—	—

Net cash flows provided by (used in) financing activities	1,363.0	(372.5)	7,596.3	136.9
Net increase (decrease) in cash and cash equivalents .	(166.1)	(148.2)	(271.8)	(4.9)

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.
- (2) Adjustment for trademark represents the reduction in related party receivables of ₱2,987.4 million (U.S.\$61.7 million) as consideration for the acquisition of certain trademarks by the Company's wholly owned subsidiary from an affiliate in the year ended April 30, 2021.
- (3) Operating free cash flow represents net cash provided by operating activities plus the adjustment for trademark.
- (4) Adjusted net cash flows used in investing activities for the year ended April 30, 2021 is calculated as net cash flows used in investing activities for the period, less the adjustment for the acquisition of trademarks amounting to ₱2,987.4 million (U.S.\$61.7 million) and less operating free cash flow of ₱8,183.4 million (U.S.\$169.1 million).

Net cash flows provided by operating activities

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 ₱4,356.5 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 ₱9,468.5 million (U.S.\$181.5 million), while the Company had consolidated income before income tax of ₱5,686.1 million (U.S.\$109.0 million). Cash generated by operating income (after adding back non-cash items and after deducting working capital changes) was ₱9,938.5 million (U.S.\$190.5 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.

For the year ended April 30, 2021, net cash flows provided by operating activities was ₱5,093.2 million (U.S.\$105.3 million), while the Company had consolidated income before income tax of ₱5,518.3 million (U.S.\$114.0 million). Cash generated by operating income (after adding back non-cash items and after deducting working capital changes) was ₱5,935.2 million (U.S.\$122.7 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, ₱5,601.8 million (U.S.\$115.8 million) of which were offset as consideration for the assignment of trademarks acquired by the Company's wholly owned subsidiary, PPMSC, from an affiliated entity during the period (see Note 9 to the audited consolidated financial statements included elsewhere in this report). The Company generated cash from interest of ₱24.1 million (U.S.\$0.5 million) and paid income taxes of ₱849.9 million (U.S.\$17.6 million) in the year ended April 30, 2021.

Net cash flows provided by (used in) investing activities

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.

For the year ended April 30, 2021, adjusted net cash flows used in investing activities was ₱6,618.0 million (U.S.\$136.8 million). This cash outflow comprised ₱2,987.4 million (U.S.\$61.7 million) primarily related to the acquisition of various trademarks, which included Del Monte and Today's (see Note 9 to the audited consolidated financial statements included elsewhere in this report), construction in progress of ₱406.6 million (U.S.\$8.4 million), additional machinery and equipment of ₱165.6 million (U.S.\$3.4 million), and additions to bearer plants of ₱5,881.8 million (U.S.\$121.5 million). Major items in construction in progress included expenses related to the construction of certain manufacturing equipment, such as can making equipment, a production line for pineapple tidbits in stand-up pouches and a filling and seaming machine.

Net cash flows provided by (used in) financing activities

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 ₱187,835.7 million (U.S.\$3,384.6 million) from availments of Peso and U.S. dollar-denominated bank loans and paid out a corresponding ₱176,287.3 million (U.S.\$3,176.5 million) for the same.

For the year ended April 30, 2022, net cash flows provided by financing activities was ₱396.5 million (U.S.\$7.6 million). For the year ended April 30, 2021, the Company received proceeds of ₱108,189.8 million (U.S.\$2,074.3 million) from availments of Peso and U.S. dollar-denominated bank loans and paid out a corresponding ₱107,355.1 million (U.S.\$2,058.3 million) for the same.

For the year ended April 30, 2021, net cash flows provided by financing activities was ₱1,363.0 million (U.S.\$28.2 million). For the year ended April 30, 2021, the Company received proceeds of ₱146,343.4 million (U.S.\$3,024.2 million) from availments of Peso and U.S. dollar-denominated bank loans and paid out a corresponding ₱149,891.4 million (U.S.\$3,097.6 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,						
	2021		2022		2023		
	(audited)	(unaudited)	(audited)	(unaudited)	(audited)	(unaudited)	
	(in millions, except %)						
	₱	% of total	₱	% of total	₱	U.S.\$	% of total
Machinery and equipment.....	165.6	2.5	718.6	8.5	245.8	4.4	2.4
Buildings and improvements	29.2	0.4	23.7	0.3	5.9	0.1	0.1
Leasehold improvements	179.2	2.7	321.6	3.8	538.4	9.7	5.4
Construction in progress	406.6	6.1	647.8	7.6	1,175.3	21.2	11.7
Bearer plants at cost ⁽¹⁾	5,881.8	88.3	6,785.0	79.9	8,072.0	145.5	80.4
Total	6,662.4	100.0	8,496.7	100.0	10,037.4	180.9	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,		
	2024	2025	2026
	(unaudited, estimated) (P in millions)		
Uncommitted amounts approved by the Board	895.5	2,176.1	2,324.1
Commitments in respect of contracts made	111.3	—	—
Total	1,006.7	2,176.1	2,324.1

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 P1,006.7 million for the year ended April 30, 2024, 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, 2023. 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, 2023.

	Total	Year ending April 30, 2024	Years ending April 30, 2025 and beyond
	(P in millions)		
Short-term notes payable.....	8,777.8	8,777.8	—
Long-term debt.....	2,985.6	(14.4)	3,000.0

	Total	Year ending April 30, 2024 (₱ in millions)	Years ending April 30, 2025 and beyond
Bonds payable	6,422.4	(56.1)	6,478.5
Accounts payable and accrued expenses	6,792.2	6,792.2	—
Income tax payable	121.2	121.2	—
Lease liabilities (current and non-current) – upon adoption of PFRS 16	2,871.0	472.5	2,398.5
Rentals and lease commitments	5,319.6	817.0	4,502.6
Total	33,289.8	16,910.2	13,981.1

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.\$225.2 million (₱12,497.9 million) as of April 30, 2023. The loans bear interest at 4.43% 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, 2023 for all non-cancellable long-term leases of real property, equipment and grower agreements amounted to ₱5,772.1 million (U.S.\$104 million).

The Company has unsecured lines of credit with local banks amounting to ₱23,890.0 million (U.S.\$430.5 million) as of April 30, 2023. 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 a debt-to-equity ratio not exceeding 2.5x. For the years ended April 30 2022 and 2023, 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.

Off-Balance Sheet Arrangements

As of April 30, 2023, the Company was not a financial guarantor of the obligations of any unconsolidated entity. As of April 30, 2023, the Company had 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,		
	2021	2022	2023
	(unaudited)		
Profitability			
Gross profit margin ⁽¹⁾	30.1%	29.6%	25.4%
EBIT margin ⁽²⁾⁽³⁾	17.8%	17.0%	12.5%
Net revenue growth ⁽⁴⁾	8.0%	6.1%	12.3%
Financial Leverage			
Debt-to-equity ratio ⁽⁵⁾	2.4	2.1	3.1
Solvency			
Current ratio or working capital ratio ⁽⁶⁾	1.1	1.1	0.7

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, 2021, 2022 and 2023:

	For the years ended April 30,			
	2021	2022	2023	
		(audited)	(unaudited)	
		(P)	(U.S.\$)	
		(in millions)		
Net income	4,616.2	4,893.8	3,708.4	66.8
Non-controlling interest.....	0.0	0.0	0.0	0
Interest expense	647.6	605.0	1,009.8	18.2
Interest income	(24.1)	(60.9)	(243.1)	(4.4)
Income tax expense	902.2	792.3	648.1	11.7
EBIT	6,142.0	6,230.3	5,123.2	92.3

- (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 2023 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, 2021, 2022 and 2023, in accordance with Philippine Standards on Auditing.

SGV & Co. has acted as the Company’s external auditor since May 2015. Erwin A. Paigma serves as the current audit partner while Johnny F. Ang had served as such since 2019 until 2021. 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, 2021, 2022 and 2023 for professional services rendered by SGV & Co. to the Company, excluding fees directly related to the initial public offering.

	For the year ended April 30,		
	2021	2022	2023
	(₱ in millions)		
Audit fees ⁽¹⁾	7.2	5.0	5.2
Other fees ⁽²⁾	3.1	—	0.8
Tax fees ⁽³⁾	—	0.5	—
Total	10.3	5.5	6.02

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 seven members. The table below sets forth the members of the Company's Board of Directors as of April 30, 2023:

Name	Age	Nationality	Position
Rolando C. Gapud	81	Filipino	Chairman of the Board
Joselito D. Campos, Jr.	72	Filipino	Director
Edgardo M. Cruz, Jr.	68	Filipino	Director
Emil Q. Javier	82	Filipino	Independent Director
Corazon S. De La Paz-Bernardo	82	Filipino	Independent Director
Jose T. Pardo	84	Filipino	Independent Director
Godfrey E. Scotchbrook	77	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, 81, Filipino, is the Director and Chairman of the Board, a position he has held since April 2018. Mr. Gapud has over 45 years of experience in banking, finance and general management, having worked as the Chief Executive Officer of several Philippine companies, notably Security Bank and Trust Company, Oriental Petroleum and Minerals Corp and Greenfield Development Corp. He is Executive Chairman of DMPL, the indirect parent company of DMPI. He was also the Chief Operating Officer of the joint venture operations of Bankers Trust and American Express in the Philippines. He has served in the Boards of various major Philippine companies, including the Development Bank of the Philippines, the development finance arm of the Philippine Government. Mr. Gapud is the Chairman of the Board of Del Monte Foods, Inc, DMPL's U.S. subsidiary. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of DMPL with the Bharti Group of India. He holds a Master of Science in Industrial Management degree from the Massachusetts Institute of Technology. He is a member of the Asian Executive Board of the Sloan School in 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., 72, Filipino, is a Director and the Chief Executive Officer of the Company. Mr. Campos is also Managing Director and Chief Executive Officer of DMPL, the indirect parent company of DMPI. Mr. Campos is Chairman of Nutri-Asia Inc., a major food company in the Philippines and an affiliate and indirect minority shareholder of DMPI. He is also Chairman of Fort Bonifacio Development Corporation and Ayala-Greenfield Development Corporation, two major Philippine property developers. He is a Director of San Miguel Corporation, one of the largest and oldest business conglomerates in the Philippines. Mr. Campos is a Director and the Vice Chairman of the Board of DMFI, an affiliate of the Company. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of DMPL with the Bharti Group of India. He was formerly Chairman and Chief Executive Officer of United Laboratories, Inc. ("**Unilab**") and its regional subsidiaries and affiliates. Unilab is the Philippines' largest pharmaceutical company with substantial operations in the Asian region. Mr. Campos is the Consul General in the Philippines for the Republic of Seychelles. He is also Chairman of the Metropolitan Museum of Manila, Bonifacio Arts Foundation Inc., The Mind Museum and the Del Monte Foundation, Inc. He is a Trustee and Global Council Member of the Asia Society in the Philippines; a Trustee of the Philippines-China Business Council and the Philippine Center for Entrepreneurship; a National Advisory Council Member of the World Wildlife Fund-Philippines; and a Director of the Philippine Eagle Conservation Program Foundation, Inc. Mr. Campos holds an MBA from Cornell University.

Mr. Edgardo M. Cruz, Jr., 67, Filipino, is a Director and the Assistant Corporate Secretary of the Company. Mr. Cruz is a member of the Board and Corporate Secretary of Nutri-Asia Inc. and a Director of both DMPL and DMFI, the indirect parent company and affiliate of DMPI, respectively. He is the Chairman of the Board of Bonifacio Gas Corporation, Bonifacio Water Corporation and Bonifacio Transport Corporation. He is a member of the Board of Evergreen Holdings Inc., Fort Bonifacio Development Corporation and the BG Group of Companies. 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 after graduating from De La Salle University. He is a Certified Public Accountant.

Dr. Emil Q. Javier, 82, Filipino, is an Independent Director of the Company and a director of the Company. Dr. Javier is a Filipino agronomist with a broad understanding of developing country agriculture. He was the first and only developing country scientist to Chair the Technical Advisory Committee of the prestigious Consultative Group for International Agricultural Research, 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 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 at various periods, he had been President of the University of the Philippines, Minister for Science and Technology and President of the National Academy of Science and Technology, Philippines. In August 2019, he was declared a National Scientist, the highest honor conferred by the President of the Philippines to a Filipino in the field of science and technology. Dr. Javier is an Independent Director of DMPL and of Del Monte Foods, Inc, DMPL's U.S. subsidiary. He is also an Independent Director of Philippine-listed Centro Escolar University. He holds doctorate and masteral degrees in plant breeding and agronomy from Cornell University and the University of Illinois. He completed his bachelor's degree in agriculture at the University of the Philippines at Los Baños.

Ms. Corazon S. De La Paz-Bernardo, 81, Filipino, is an Independent Director of the Company. Ms. De La Paz-Bernardo is also an Independent Director of the following publicly listed companies: Phinma Education Holdings, Inc., D&L Industries, Republic Glass Holdings Corporation and Roxas & Co. She is Adviser to the Board and the Board Audit Committee of BDO Unibank, Inc., and Adviser to the Board Audit Committee of PLDT; Trustee of Miriam College, University of the East, UE Ramon Magsaysay Memorial Medical Center, Philippine Business for Education, Laura Vicuna Foundation for Street Children, Vice Chairperson of Jaime V. Ongpin Foundation, Inc. and the Stockholders Association of the Philippines, Chairman 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.

Mr. Jose T. Pardo, 83, 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, Philippine Seven Corporation, Philippine Savings Bank, and 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, Synergy Grid and Development Philippines, Inc., League One Finance and Leasing Corporation, Monte Oro

Grid Resources 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, OOCC 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.

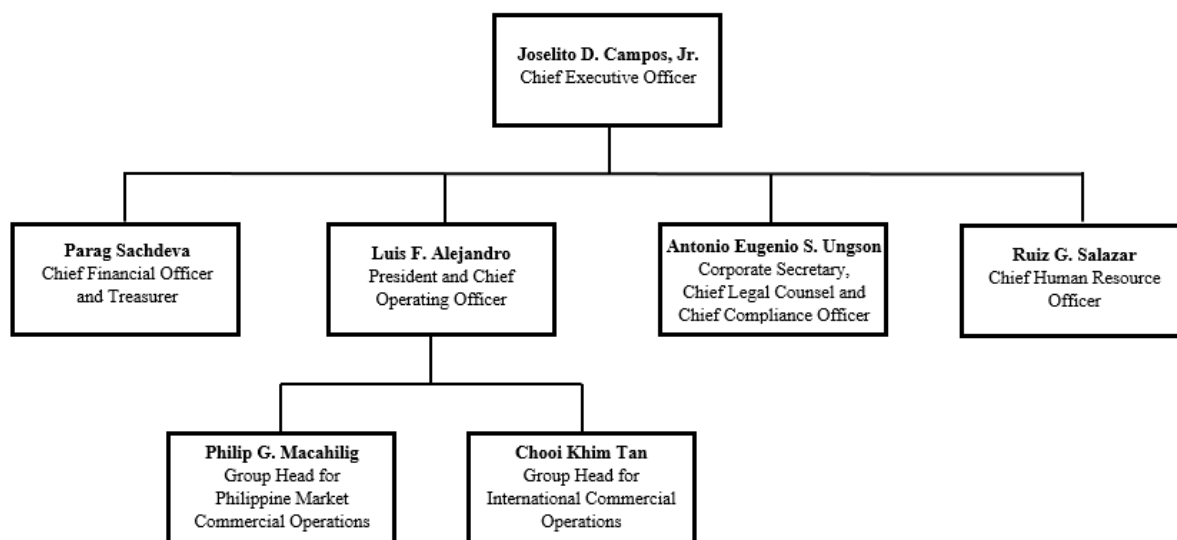
Mr. Godfrey E. Scotchbrook, 77, British, is an Independent Director of the Company and an independent director of DMPL. Mr. Scotchbrook is an independent practitioner in corporate communications, issues management and investor relations with more than 50 years of experience in Asia. In 1990, he founded Scotchbrook Communications and his prior appointments included being an executive director of the then publicly listed Shui On Group. Mr. Scotchbrook is also an Independent Director of Boustead Singapore Ltd, a Non-Executive Director of Hong Kong-listed Convenience Retail Asia, and a Director of DMPL and DMFI. 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.	72	Filipino	Chief Executive Officer
Luis F. Alejandro	69	Filipino	President and Chief Operating Officer
Parag Sachdeva	53	Indian	Chief Financial Officer and Treasurer
Antonio Eugenio S. Ungson	51	Filipino	Corporate Secretary, Chief Legal Counsel and Chief Compliance Officer
Ruiz G. Salazar	59	Filipino	Chief Human Resource Officer
Philip G. Macahilig	53	Filipino	Group Head for Philippine Market Commercial Operations
Chooi Khim Tan	62	Malaysian	Group Head for International Commercial Operations

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 39 of this report.

Mr. Luis F. Alejandro, 69, Filipino, is the President and Chief Operating Officer of the Company. Mr. Alejandro has over 30 years of experience in consumer product operations and management. He started his career with Procter & Gamble where he spent 15 years in Brand Management before joining Kraft Foods Philippines Inc. as President and General Manager. Later, he became President and Chief Operating Officer of Southeast Asia Food Inc. and Heinz UFC Philippines, Inc., two leading consumer packaged condiment businesses, which have since been assumed by Nutri-Asia Inc. He then became President and Chief Operating Officer of ABS-CBN Broadcasting Corporation, a leading media conglomerate in the Philippines. As a reflection of the importance of the Philippines operations and his immense contributions to the DMPL Group, Mr. Alejandro also concurrently holds the title the Chief Operating Officer of DMPL, the indirect parent company of DMPI, and is a Director of DMFI, an affiliate of the Company. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of DMPL with the Bharti Group of India. He holds a Bachelor's degree in Economics from the Ateneo de Manila University and an MBA from the Asian Institute of Management.

Mr. Parag Sachdeva, 53, Indian, is the Company's Chief Financial Officer and Treasurer. Mr. Parag Sachdeva has more than 20 years of management and finance experience spanning planning and controllership, performance management, mergers and acquisitions, treasury, IT and human resources. Mr. Sachdeva is also the Chief Financial Officer of DMPL, the indirect parent company of DMPI. Mr. Sachdeva is also concurrently serving as the Chief Operating Officer of DMFI in a temporary capacity until a suitable replacement is appointed. Before joining the Company, he was with Carlsberg Asia for more than a year and supported efficiency and effectiveness programs across Asia and Africa 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 Economics. He also has an MBA degree, Major in Finance from the same university.

Mr. Antonio E. S. Ungson, 51, Filipino, is the Corporate Secretary, Chief Legal Counsel and Chief Compliance Officer of the Company. Mr. Antonio E. S. Ungson is also the Chief Legal Counsel and Chief Compliance Officer of DMPL, the Company's indirect parent company. He has been the Head of the Legal Department of DMPI since March 2007. 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.

Mr. Ruiz G. Salazar, 59, Filipino, is the Company's Chief Human Resource Officer. He is also the Chief Human Resource Officer of DMPL, the indirect parent company of DMPI. Mr. Ruiz G Salazar is a Human Resources and Organization Development Leader with over 25 years of professional career focused on delivering strategic and effective solutions as a value-driven partner to business, most of which was spent with Johnson & Johnson (J&J). He was Regional Human Resources Director of J&J Asia Pacific, where he was responsible for talent management, organization transformation, succession pipelining and capability development covering mostly J&J's Consumer Division across the region. Prior to J&J, he was also Group Head – Human Resources and Organization Development of NutriAsia Food, Inc. Mr. Salazar completed the J&J's Senior Management Program at the Asian Institute of Management in 1996, and the J&J's Advanced Management Program at the University of California in 1995. He obtained his Bachelor of Arts degree (Major in Economics) from the University of Santo Tomas.

Mr. Philip G. Macahilig, 53, Filipino, is the Group Head for Philippine Market Commercial Operations. Mr. Philip G. Macahilig previously served as Group Head of DMPI's Customer Development Group, from 2006 to 2012. Afterwards, he established Ocean Skipjack Distribution, Inc. (distributor of Century Tuna) and served as the General Manager of the same from 2012 to 2015. In 2015, he joined San Miguel Corporation as its National Sales Manager, and eventually its National Sales and Distribution Manager, before rejoining DMPI as the Group Head for Philippine Market Commercial Operations in May 2019. Prior to joining DMPI in 2006, he was the National Sales Manager of Mead Johnson Nutrition. Mr. Macahilig obtained his bachelor's degree in Business Management, Marketing and Related Support Services from Ateneo de Manila University.

Ms. Chooi Khim Tan, 62, Malaysian, is the Group Head for International Commercial Operations. Ms. Tan 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 has 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 April 30, 2023, 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.

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 11 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. The prosecution has completed its presentation of evidence and has filed its formal offer of evidence, while the accused has filed a motion for leave to file demurrer to evidence. This case remains pending as of April 30, 2023.

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>
	2023	263.5	278.1
Chief Executive Officer and four most highly compensated executive officers ⁽¹⁾	2022	235.0	227.9
	2021	218.4	175.2
	2023	173.2	49.8
All other officers and directors as a group unnamed	2022	170.7	46.1
	2021	171.1	45.2

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 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

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

There are no outstanding warrants or options held by the directors and executive officers of the Company in respect of the shares of the Company.

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, 2022:

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	2,433,668,397	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 table below sets forth the security ownership of the Company's directors and executive officers as of April 30, 2023:

Title of Class	Name of Beneficial Owner	No. of Shares Held and Nature of Beneficial Ownership		Citizenship	Percent of Class
Common	Rolando C. Gapud	1	Direct	Filipino	0%
Common	Joselito D. Campos, Jr.	1	Direct	Filipino	0%
Common	Edgardo M. Cruz, Jr.	1	Direct	Filipino	0%
Common	Emil Q. Javier	1	Direct	Filipino	0%
Common	Corazon S. De La Paz- Bernardo	1	Direct	Filipino	0%
Common	Jose T. Pardo	1	Direct	Filipino	0%
Common	Godfrey E. Scotchbrook	1	Direct	British	0%

(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 31 of the Company's audited consolidated financial statements as of and for the years ended April 30, 2021, 2022 and 2023.

A summary of the amount of the transactions entered into by the Company with related parties for the year ended April 30, 2023 and the outstanding balance due from or to related parties as of April 30, 2023 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, 2023		Outstanding balance due from (due to) related parties as of April 30, 2023	
	₱	U.S.\$	₱	U.S.\$
	(audited)	(unaudited)	(audited)	(unaudited)
	(in millions)			
Nutri-Asia, Inc.				
Sales.....	0.8	0.0	0.0	0.0
Purchases and advanced payment of toll pack fee	(4.3)	(0.1)	(1.0)	(0.1)
Services and other reimbursement	3.1	0.1	3.9	0.1
Affiliates under common control⁽¹⁾				
Sales.....	7,838.3	141.2	6,457.1	116.4
Purchases and royalties	(37.6)	(0.7)	(35.7)	(0.6)
Advances	10,993.8	198.1	3,158.2	56.9
Services and other reimbursement	557.2	10.0	590.7	10.6
Other related parties				
Sales.....	305.4	5.5	132.7	2.4
Purchases	(361.2)	(6.5)	(16.5)	(0.3)
Rendering of services.....	(241.7)	(4.4)	87.2	1.6
Lease receivable.....	0.0	0.0	3.4	0.1
Rental of office space and common use service area	(137.8)	(2.5)	(13.1)	(0.2)
Total			10,366.9	186.9

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, 2023, 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, 2023, April 30, 2022 and April 30, 2021, 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 or members.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Company 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 5th day of July, 2023

REPUBLIC OF THE PHILIPPINES)

Las Pinas) S.S.

SUBSCRIBED AND SWORN to before me this 7/26/23 in
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 known 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: 385

Page No: 75

Book No: 2

Series of 2023.

Juanito H. Vinculado
JUANITO H. VINCULADO

Notary Public Until Dec 31 2023
22 Avocado Drive Agro Homes 1 Talon 5 LPC
CP No 0916-420-3253 Landline 8806-2957
PTR 12266038 J Las Pinas City 1422
IBP 184860 2-18-22 PPLM Roll No 41092
MCLE VII-0021842 Valid until 4-14-25
RTC LPC Notarial Appt dated 7/28/22 No LP-22-016



NC0N6A0HNA

NOTARIAL CERTIFICATE

TO ALL TO WHOM these presents shall come

I, Tan Mary, NOTARY PUBLIC duly admitted, authorised to practise in the Republic of Singapore, DO HEREBY CERTIFY

that I was present on the 28 day of August, 2023 and did see **ROLANDO C. GAPUD** (holder of Passport PHL No. P4083346B) Executive Chairman of **DEL MONTE PHILIPPINES INC.** described in the **STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS DATED 5TH JULY, 2023** duly sign, seal and execute the same in my presence and that the signature appearing thereon is the proper handwriting of the said **ROLANDO C. GAPUD**.

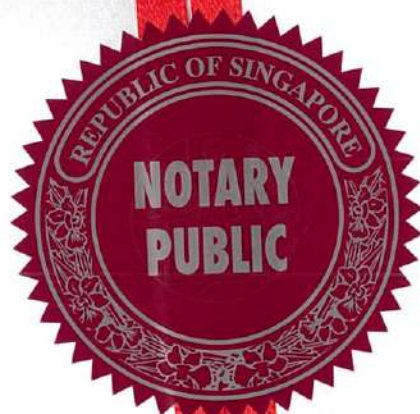
IN FAITH AND TESTIMONY whereof I the said notary have subscribed my name and set and affixed my seal of office at Singapore, this 28th day of August 2023.

NOTARY PUBLIC
SINGAPORE



By virtue of Rule 8(3)(c) of the Notaries Public Rules, a Notarial Certificate must be authenticated by the Singapore Academy of Law in order to be valid.

With effect from 16 September 2021, a Notarial Certificate shall be deemed to be validly authenticated by the affixing of an Apostille to the back of the Notarial Certificate.



APOSTILLE

(Convention de La Haye du 5 Octobre 1961)

This **Apostille** only certifies the authenticity of the signature, seal or stamp and the capacity of the person who has signed the attached Singapore public document, and, where appropriate, the identity of the seal or stamp. It does not certify the authenticity of the underlying document.

If this document is to be used in a country not party to the Hague Convention of the 5th of October 1961, it should be presented to the consular section of the mission representing that country.

To verify this **Apostille**, go to

<https://legalisation.sal.sg>

or scan QR code:



Verification code: 02173166

1. **Country:** Singapore

This public document

2. **Has been signed by:** Tan Mary

3. **Acting in the capacity of:** Notary Public

4. **Bears the seal/stamp of:** Notary Public

Certified

5. **At:** Singapore Academy of Law

6. **The:** 28th August 2023

7. **By:** Melissa Goh, Director, Trust Services, SAL

8. **No.:** AC0N6O03JB

9. **Seal/Stamp:**

10. **Signature:**

Melissa





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, 2023, April 30, 2022 and April 30, 2021, 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 or members.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Company 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

28 August, 2023



Signature: _____

Joselito D. Campos, Jr., Chief Executive Officer

Signature: _____

Parag Sachdeva, Chief Financial Officer & Treasurer



Signed this 5th day of July, 2023

REPUBLIC OF THE PHILIPPINES

Las Pinas

)

) S.S.

SUBSCRIBED AND SWORN to before me this 7/26/23 in
_____, 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 known 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: 385

Page No: 75

Book No: 2

Series of 2023.

Juanito H. Vinculado
JUANITO H. VINCULADO

Notary Public Until Dec 31 2023
22 Avocado Drive Agro Homes 1 Talon 5 LPC
CP No. 0916-420-3253 Landline 8306-2957
PTR 12266038 J Las Pinas City 1 4 22
IBP 184860 2-18-22 PPLM Rol No. 41092
MCLE VII-0021842 Valid until 4 14 25
RTC LPC Notarial Appt dated 7/28/22 No LP-22-016



Del Monte Philippines, Inc.

8 August 2023

CORPORATE GOVERNANCE AND FINANCE DEPARTMENT

Securities & Exchange Commission

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307

Attention: **Rachel Esther J. Gumtang-Remalante**
Director

Re: **Request for Extension of Compliance with Notarization**

Gentlemen:

Del Monte Philippines, Inc. (the “Company”), through the undersigned, respectfully requests for an extension of the submission of the notarized signature of the Chairman of its Board of Directors, **Mr. Rolando C. Gapud**, for the Company’s submission of the Statement of Management Responsibility (SMR), which forms part of the Company’s Audited Financial Statements (AFS). We note that notarization of the SMR is a requirement for the submission of the AFS.

We have learned that there have been some difficulties in procuring the consularization of the signature of Mr. Gapud, who is already a senior citizen, not very mobile and currently resides in Bangkok, Thailand, where notarization and consularization of documents are not a straightforward process. For instance, this would entail interim steps such as applying for authentication with Thailand’s Ministry of Foreign Affairs. Hence, we anticipate some delays in the consularization of Mr. Gapud’s signature.

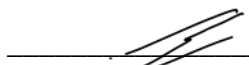
In view of the foregoing, we respectfully request for an extension of time for Mr. Gapud to submit his notarized signature for the SMR. While the Company will submit the AFS and SMR with his signature (without notarization yet) and the other signatories’ notarized signatures, on or before the AFS’s deadline, we shall submit the AFS with the Chairman’s notarized signature by 6 September 2023.

We hope for your favorable consideration on this matter.

Very truly yours,

DEL MONTE PHILIPPINES, INC.

By:


ANTONIO EUGENIO S. UNGSON
Corporate Secretary and Chief Legal Counsel

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
---	---	---	---	---

Department requiring the report

S	E	C	
---	---	---	--

Secondary License Type, If Applicable

N	/	A	
---	---	---	--

COMPANY INFORMATION

Company's Email Address

www.delmontephil.com

Company's Telephone Number

(02) 8- 8562888

Mobile Number

N/A

No. of Stockholders

10

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, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the three years in the period ended April 30, 2023, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

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, 2023 and 2022 and its consolidated financial performance and its consolidated cash flows for the three years in the period ended April 30, 2023 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

A substantial portion of the Group's biological assets consists of agricultural produce such as harvested and unharvested pineapple and papaya fruits from the Group's bearer plants. The Group's unharvested and harvested agricultural produce amounted to ₱2,489 million and ₱4,292 million, respectively, as of April 30, 2023. Agricultural produce are measured at their fair value from the time of maturity of the bearer plant until harvest. The Group estimates the fair value of unharvested agricultural produce using estimated tonnage of harvest, estimated future selling prices and gross margin of finished goods less estimated future growing costs and adjusted for margin related to production. 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 margin related to production.

The valuation of agricultural produce is significant to our audit because the estimation process is complex, involves significant management judgment, and is based on assumptions that can be affected by natural phenomena.

The disclosures related to the biological assets and fair value measurement of agricultural produce applied are included in Notes 4, 8, 23 and 36 to the consolidated financial statements.

Audit response

We obtained an understanding of management's fair value measurement methodology and their process in valuing the biological assets. We tested the key assumptions used in the valuation, which include estimated selling prices, cost to sell and gross margin related to production for harvested produce; and estimated tonnage of harvests, estimated future selling prices, gross margin of finished goods, estimated future growing costs and margin related to production for unharvested produce by comparing them to external data such as selling prices in the principal market and historical information. We also assessed the methodology used in estimating the fair value. We also reviewed the adequacy of the related disclosures to biological assets in relation to PAS 41, *Agriculture*.

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, 2023, 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 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 Note 10 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 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 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.

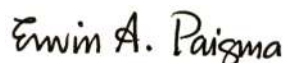
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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 Erwin A. Paigma.

SYCIP GORRES VELAYO & CO.



Erwin A. Paigma

Partner

CPA Certificate No. 0118576

Tax Identification No. 944-093-568

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 118576-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-137-2021, November 10, 2021, valid until November 9, 2024

PTR No. 9564677, January 3, 2023, Makati City

July 5, 2023



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

	April 30		
	2023	2022	2021
ASSETS			
Current Assets			
Cash and cash equivalents (Notes 5, 35 and 36)	₱584,903	₱856,653	₱1,004,815
Receivables (Notes 6, 34, 35 and 36)	14,179,134	7,696,415	6,057,539
Inventories (Notes 7, 20 and 28)	7,345,733	5,170,899	5,121,377
Biological assets (Note 8)	2,489,173	2,476,150	2,158,274
Prepaid expenses and other current assets (Note 12)	1,093,341	1,142,001	625,649
Total Current Assets	25,692,284	17,342,118	14,967,654
Noncurrent Assets			
Investment in joint venture (Note 9)	—	—	—
Biological assets (Note 8)	168,588	144,876	129,530
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 11, 35 and 36)	34,054	15,384	12,557
Investment properties (Note 13)	165,524	171,703	177,882
Property, plant and equipment (Note 14)	22,075,145	19,261,622	16,498,849
Intangible asset (Note 10)	2,987,400	2,987,400	2,987,400
Receivable - net of current portion (Notes 6 and 38)	145,975	157,627	188,098
Net retirement benefits asset (Note 33)	586,670	512,850	379,920
Deferred tax assets - net (Note 29)	—	—	212
Other noncurrent assets (Notes 15, 35 and 36)	1,185,145	1,089,581	670,992
Total Noncurrent Assets	27,348,501	24,341,043	21,045,440
	₱53,040,785	₱41,683,161	₱36,013,094
LIABILITIES AND EQUITY			
Current Liabilities			
Short-term notes payable (Notes 16, 35 and 36)	₱20,472,924	₱8,777,789	₱7,888,665
Accounts payable and accrued expenses (Notes 19, 35 and 36)	7,433,190	6,792,153	5,414,949
Current portion of:			
Bonds payable (Note 18)	5,816,019	—	—
Long-term debt (Notes 17, 35 and 36)	687,500	—	—
Lease liabilities (Note 38)	429,222	472,454	291,236
Income tax payable (Note 29)	28,955	121,190	92,416
Total Current Liabilities	34,867,810	16,163,586	13,687,266
Noncurrent Liabilities			
Long-term debt - net of current portion (Notes 17, 35 and 36)	2,303,855	2,985,632	2,980,124
Bonds payable - net of current portion (Note 18)	640,414	6,422,398	6,389,792
Deferred tax liabilities - net (Note 29)	281,651	190,989	135,357
Lease liabilities - net of current portion (Note 38)	2,005,990	2,398,620	2,113,745
Total Noncurrent Liabilities	5,231,910	11,997,639	11,619,018
Total Liabilities	40,099,720	28,161,225	25,306,284
Equity Attributable to Equity Holders of the Parent			
Convertible common stock (Note 30)	—	—	—
Common stock (Note 30)	2,797,320	2,797,320	2,797,320
Other comprehensive income reserves (Notes 11, 13 and 33)	1,040,601	582,420	412,963
Retained earnings:			
Appropriated (Note 32)	2,796,541	2,796,541	2,796,541
Unappropriated (Notes 31, 32 and 38)	6,298,582	7,337,584	4,691,860
Total Equity Attributable to Equity Holders of the Parent	12,933,044	13,513,865	10,698,684
Non-controlling interest	8,021	8,071	8,126
Total Equity	12,941,065	13,521,936	10,706,810
	₱53,040,785	₱41,683,161	₱36,013,094

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		
	2023	2022	2021
REVENUES (Notes 23)	₱41,067,618	₱36,556,457	₱34,464,604
COST OF SALES (Note 20)	(30,651,751)	(25,742,201)	(24,101,870)
GROSS INCOME	10,415,867	10,814,256	10,362,734
DISTRIBUTION AND SELLING EXPENSES (Note 21)	(4,147,790)	(3,631,340)	(3,288,297)
GENERAL AND ADMINISTRATIVE EXPENSES (Note 22)	(957,580)	(864,164)	(902,251)
FINANCE COST (Note 26)	(1,150,006)	(698,358)	(762,617)
FOREIGN EXCHANGE GAIN - net (Note 35)	42,371	107,215	68,688
INTEREST INCOME	243,110	60,872	24,147
SHARE IN NET LOSS FROM JOINT VENTURE (Note 9)	(97,881)	(50,064)	—
OTHER INCOME (Note 24)	288,644	188,638	204,290
OTHER EXPENSE (Note 25)	(280,289)	(240,978)	(188,365)
INCOME BEFORE INCOME TAX	4,356,446	5,686,077	5,518,329
INCOME TAX EXPENSE (Note 29)			
Current	707,760	792,561	917,796
Deferred	(59,677)	(260)	(15,627)
	648,083	792,301	902,169
NET INCOME	3,708,363	4,893,776	4,616,160
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will be reclassified to profit or loss			
Gain on commodity swaps and nondelivery forward contract	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 11)	18,670	2,827	(501)
Gain on revaluation of land (Note 14)	427,162	—	—
Remeasurement gain in retirement liability (Note 33)	131,582	222,734	156,743
Income tax effect	(150,243)	(56,104)	(9,145)
	458,181	169,457	147,097
TOTAL COMPREHENSIVE INCOME	₱4,166,544	₱5,063,233	₱4,763,257
Total Net Income (Loss) Attributable to			
Equity holders of the Parent Company	₱3,708,413	₱4,893,831	₱4,616,184
Non-controlling interests	(50)	(55)	(24)
	₱3,708,363	₱4,893,776	₱4,616,160
Total Comprehensive Income (Loss) Attributable to			
Equity holders of the Parent Company	₱4,166,594	₱5,063,288	₱4,763,281
Non-controlling interests	(50)	(55)	(24)
	₱4,166,544	₱5,063,233	₱4,763,257
Attributable to equity holders of the parent			
Basic earnings per share (Note 42)	₱1.33	₱1.75	₱1.65
Diluted earnings per share (Note 42)	₱1.33	₱1.75	₱1.65
Dividends declared per share to common stock (Note 31)	₱1.70	₱0.80	₱1.82

See accompanying Notes to the Consolidated Financial Statements.



DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands)

	Equity Attributable to Holders of the Parent							Non-Controlling Interest	Total Equity
	Capital Stock			Other Comprehensive Income Reserves (see Notes 11, 14, and 33)	Retained Earnings		Total Equity Attributable to Holders of the Parent		
	Preferred (Note 30)	Convertible Common (Note 30)	Common (Note 30)		Appropriated (see Note 32)	Unappropriated			
As at May 1, 2022	₱–	₱–	₱2,797,320	₱582,420	₱2,796,541	₱7,337,584	₱13,513,865	₱8,071	₱13,521,936
Total comprehensive income for the year									
Net income (loss) for the year	–	–	–	–	–	3,708,413	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 31)			–	–	–	(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 (loss) 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 31)	–	–	–	–	–	(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
As at May 1, 2020	₱–	₱2,797,320	₱–	₱265,866	₱2,796,541	₱5,180,226	₱11,039,953	₱8,150	₱11,048,103
Total comprehensive income for the year									
Net income (loss) for the year	–	–	–	–	–	4,616,184	4,616,184	(24)	4,616,160
Other comprehensive income during the year - net of tax	–	–	–	147,097	–	–	147,097	–	147,097
Total comprehensive income (loss) for the year	–	–	–	147,097	–	4,616,184	4,763,281	(24)	4,763,257
Conversion of convertible common stock to common stock (Note 30)	335,678	(2,797,320)	2,461,642	–	–	–	–	–	–
Conversion of preferred stock to common stock (Note 30)	(335,678)	–	335,678	–	–	–	–	–	–
Cash dividend (see Note 31)	–	–	–	–	–	(5,104,550)	(5,104,550)	–	(5,104,550)
As at April 30, 2021	₱–	₱–	₱2,797,320	₱412,963	₱2,796,541	₱4,691,860	₱10,698,684	₱8,126	₱10,706,810

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		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱4,356,446	₱5,686,077	₱5,518,329
Adjustments for:			
Depreciation and amortization (Notes 13, 14 and 28)	7,949,960	6,769,735	5,716,951
Finance cost (Note 26)	1,009,828	605,046	647,592
Interest income	(243,110)	(60,872)	(24,147)
Unrealized foreign exchange loss (gain) (Note 35)	217,434	(80,970)	3,153
Share in net loss of joint venture (Note 9)	97,881	50,064	—
Net retirement benefit expense (Note 33)	83,943	118,476	129,716
Amortization of debt issuance costs (Note 17 and 18)	39,757	38,179	15,798
Gain on sale of property, plant and equipment	(1,213)	(1,877)	(12,831)
Operating income before working capital changes	13,510,926	13,123,858	11,994,561
Decrease (increase) in:			
Receivables (Notes 6 and 34)	(8,489,067)	(3,401,516)	(5,747,904)
Inventories (Note 7)	(2,174,834)	(49,522)	(476,050)
Biological assets (Note 8)	(36,734)	(333,222)	895,659
Prepaid expenses and other current assets (Note 12)	49,829	(502,930)	(190,695)
Increase (decrease) in:			
Accounts payable and accrued expenses (Note 19)	(211,022)	1,077,715	(540,379)
Cash generated from operations	2,649,098	9,914,383	5,935,192
Income taxes paid	(555,922)	(499,729)	(849,930)
Interest received	241,857	58,445	24,147
Contributions paid to pension plan (Note 33)	(26,153)	(28,672)	(7,328)
Benefits paid to pension plan (Note 33)	—	—	(8,838)
Net cash provided by operating activities	2,308,880	9,444,427	5,093,243
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to:			
Property and equipment (Notes 14 and 41)	(10,082,981)	(8,557,133)	(6,616,319)
Investment in joint venture (Note 9)	(56,325)	(50,064)	—
Advances to suppliers	—	(518,133)	(149,327)
Refundable deposits	—	(20,112)	(636,110)
Security deposits	—	(1,984)	(4,447)
Movement in other noncurrent assets (Note 15 and 41)	(48,342)	(448,644)	(476,443)
Proceeds from sale of property and equipment	8,245	5,595	130,132
Payments/ applications of:			
Advances to suppliers	—	349,457	184,879
Refundable deposits	—	8,031	945,564
Security deposits	—	6,010	4,026
Net cash used in investing activities	(10,179,403)	(9,226,977)	(6,618,045)

(Forward)



	Years Ended April 30		
	2023	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from availments of notes payable (Notes 16 and 41)	₱187,835,701	₱108,189,786	₱146,343,378
Payments of notes payable (Notes 16 and 41)	(176,287,259)	(107,335,096)	(149,891,372)
Dividends paid (Notes 31 and 41)	(2,263,421)	(248,416)	(537,953)
Payment of lease liabilities (Notes 38 and 41)	(969,408)	(531,072)	(490,027)
Interest paid (Notes 16, 17 and 41)	(719,352)	(447,660)	(435,059)
Proceeds from issuance of bonds (Notes 18 and 41)	—	—	6,373,994
Net cash flows provided by (used in) financing activities	7,596,261	(372,458)	1,362,961
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2,512	6,846	(4,260)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(271,750)	(148,162)	(166,101)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	856,653	1,004,815	1,170,916
CASH AND CASH EQUIVALENTS AT END OF YEAR	₱584,903	₱856,653	₱1,004,815

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 (see Note 40).

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

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

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

On May 1, 2020, Dewey Sdn. Bhd., a subsidiary of CARI and organized and existing under the laws of Malaysia, assigned to PPMSC the various trademarks which includes the “Del Monte” and “Today’s” trademarks for use in connection with processed foods in the Philippines for US\$60 million (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, 2023, 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.

The consolidated financial statements were approved and authorized for issuance by the Board on July 5, 2023.

2. Basis of Preparation

Statement of Compliance

The consolidated financial statements (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, 2023, the Group's current liabilities exceeded its current assets by ₱9.18 billion. 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 as disclosed in Note 16. In addition, the Group generated net operating cash flows of ₱2.31 billion for the year ended April 30, 2023 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 will be a significant focus for the Group for the years ended April 30, 2024 and 2025 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.

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Parent Company's accounting policies. All significant intra-group 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 noncontrolling 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 on 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 (see Note 43).

3. Summary of Significant Accounting Policies

Changes in Accounting Policies

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, 2022. 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 PFRS 3, *Reference to the Conceptual Framework*

The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately.

At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.



- Amendments to PAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRSs 2018-2020 Cycle*

- Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported in the parent’s consolidated financial statements, based on the parent’s date of transition to PFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of PFRS 1.

- Amendments to PFRS 9, *Financial Instruments, Fees in the ‘10 per cent’ test for derecognition of financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf.

- Amendments to PAS 41, *Agriculture, Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

Standards Issued but not yet effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.



Effective beginning on or after January 1, 2023 (May 1, 2023 for 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. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023 (which the Group will adopt on or after May 1, 2023). Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

▪ Amendments to 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.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 (which the Group will adopt on or after May 1, 2023) with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

▪ 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).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023 (which the Group will adopt on or after May 1, 2023).



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)

▪ PFRS 17, *Insurance Contracts*

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

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

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the FRSC amended the mandatory effective date of PFRS 17 from May 1, 2023 to May 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.



PFRS 17 is effective for reporting periods beginning on or after January 1, 2025 (which the Group will adopt on or after May 1, 2025), with comparative figures required. Early application is permitted.

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, 2023, 2022 and 2021.

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 16, 17, 18, 19, 35 and 36).

The Group has no financial liabilities designated at fair value through profit for loss as at April 30, 2023, 2022 and 2021.

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.

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Derivative financial instruments, including hedge accounting

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

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

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



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

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

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

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, 2023, 2022 and 2021.

Interest Income

Interest income is recognized as it accrues, taking into account the effective yield on the asset.

Other Income

Other income is recognized when there is an incidental economic benefit, outside the normal course of business that will flow to the Group and can be measured reliably.

Cost and Expense Recognition

Costs and expenses are recognized upon receipt of goods, utilization of services or at the date they are incurred. These are measured at the fair value of the consideration paid or payable.



Expenses are also recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in a liability that can be measured reliably has arisen. Expenses are recognized in profit or loss on the basis of a direct association between costs incurred and the earnings of specific items of income; on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that future economic benefits do not qualify, or cease to qualify, for recognition in the consolidated statement of financial position as an asset.

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 identifies 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.

Contingencies

Contingent liabilities are not recognized in the consolidated financial statements. They are disclosed in the notes to the consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated



financial statements but are disclosed in the notes to the consolidated financial statements when an inflow of economic benefits is probable. If it is virtually certain that an inflow of economic benefits will arise, the asset and the related income is recognized in the consolidated financial statements.

Events After the Reporting Date

Post year-end events that provide additional information about the Group's financial position at the financial reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

4. 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 reported in the consolidated financial statements at the reporting date. 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 and estimates 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 (tax 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, 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 period of land, building and certain warehouse are not included as part of the lease term as these are not reasonably certain to be exercised since it is subject to mutual agreement of both parties and is considered as unenforceable.

The 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.

In 2021, the Group reassessed the lease terms of certain land leases, to which the Group has rights to pre-terminate at the end of each pineapple life cycle, as a result of the Group's cost-effectiveness programs implemented in 2021. The Group reassessed the lease term to be for a period of 6 years instead of the full contractual term for identified land leases based on the pineapple's life cycle and time for land preparation. The Group is looking for ways to reduce pineapple costs by revisiting fields with low yields and/or high growing costs and expanding its outgrowership programs and the use of big planting materials which will save planting area. Due to the significant change of circumstance arising from the cost effectiveness strategy implemented in 2021 and the pre-termination option which is within the control of the Group, management revisited the lease term and recognized a reduction in right-of-use asset and lease liability amounting to ₱491,284 in 2021 (Notes 14 and 38).

Classification of leases as lessor. The Group entered into lease agreements on its leased property. The 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.

Obligation to deliver additional RCPS. The Share Purchase and Shareholders' Agreements between DMPL, CARI, the Parent Company and SEA Diner, provides conditional obligation to the Parent Company to deliver additional RCPS subject to meeting certain level of net income and adjusted equity value as defined in the abovementioned agreements for fiscal year ending April 30, 2021. Management assessed that the Parent Company's obligation to deliver additional RCPS has a carrying value of nil as at April 30, 2021 since the net income for fiscal year ended April 30, 2021 is higher than the agreed target income. Consequently, the Parent Company's obligation to deliver additional RCPS no longer exist since certain conditions as defined in the abovementioned agreements have already lapsed.



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, 2023, 2022 and 2021. 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, 2023, 2022 and 2021 (see Note 10).

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 Company 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 Company's historical observed default rates. The Company 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 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 ₱79,993, ₱91,893 and ₱48,024 as at April 30, 2023, 2022 and 2021, respectively. The carrying amount of receivables, net of allowance for impairment losses, amounted to ₱14,325,109, ₱7,854,042 and ₱6,245,637 as at April 30, 2023, 2022 and 2021, respectively (see Note 6).

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 ₱241,377, ₱250,906 and ₱390,938 as at April 30, 2023, 2022 and 2021, respectively. The carrying amount of inventories, net of allowance for inventory losses, amounted to ₱7,345,733, ₱5,170,899 and ₱5,121,377 as at April 30, 2023, 2022 and 2021, respectively (see Note 7).

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 volume 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.

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

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

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

The 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 ₱3,271,864, ₱3,296,124 and ₱2,733,121 as at April 30, 2023, 2022 and 2021, respectively (see Note 8).

Estimating fair value of harvested agricultural produce. The fair values of the harvested pineapple fruits 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. 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 ₱4,292,431, ₱3,872,298 and ₱3,734,508 as at April 30, 2023, 2022 and 2021, respectively (see Note 8).

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, 2023, 2022 and 2021. The carrying amount of depreciable investment property amounted to ₱10,198, ₱16,377 and ₱22,556 as at April 30, 2023, 2022 and 2021, respectively (see Note 13). The carrying amount of depreciable property, plant and equipment, excluding right-of-use assets, amounted to ₱16,257,557, ₱13,987,309 and ₱12,051,256 as at April 30, 2023, 2022 and 2021, respectively (see Note 14).

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 ₱281,651, ₱190,989 and ₱135,145 as at April 30, 2023, 2022 and 2021, respectively (see Note 29).

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, 2023, 2022 and 2021, the carrying values of nonfinancial assets that are subject to impairment testing when impairment indicators are present are as follows (see Notes 8, 10, 13, 14 and 15):

	2023	2022	2021
Biological assets - growing herd	₱168,588	₱144,876	₱129,530
Intangible asset	2,987,400	2,987,400	2,987,400
Investment properties	165,524	171,703	177,882
Property, plant and equipment	22,075,145	19,261,622	16,498,849
Other noncurrent assets, excluding security and refundable deposits	1,029,462	920,051	509,517

The Group did not note any impairment indicators in for the years ended April 30, 2023, 2022 and 2021. No impairment losses were recognized for the years ended April 30, 2023, 2022 and 2021.

Determination of 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 ₱2,435,212, ₱2,871,074 and ₱2,404,981, as at April 30, 2023, 2022 and 2021, respectively (see Note 38).

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 33.

The present value of the defined benefit obligation amounted to ₱1,433,009, ₱1,500,939 and ₱1,670,911 at April 30, 2023, 2022 and 2021, respectively (see Note 33).

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, 2023, 2022, and 2021 respectively (see Note 10).

Provisions and contingencies. The Company, in the ordinary course of business, sets up appropriate provisions for its present legal or constructive obligations, if any, in accordance with its policies on provisions and contingencies. In recognizing and measuring provisions, management takes risk and uncertainties into account.

5. Cash and Cash Equivalents

	2023	2022	2021
Cash on hand	₱4,400	₱3,300	₱3,076
Cash in banks	560,503	853,353	1,001,739
Cash equivalents	20,000	—	—
	₱584,903	₱856,653	₱1,004,815

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 Company and earn interest at the respective short-term placement rates ranging from 0.063% to 0.50% as of April 30, 2023.

Interest earned for the fiscal years ended April 30, 2023, 2022 and 2021 amounted to ₱2,527, ₱1,551 and ₱6,441 respectively.



6. Receivables

	2023	2022	2021
Trade receivables from third parties	₱3,060,941	₱3,137,659	₱2,548,538
Due from related parties (see Note 34)	10,387,221	4,233,001	3,269,310
Non-trade receivables from third parties	142,667	151,981	156,248
Advances to officers and employees	43,226	45,132	28,600
Others	771,047	378,162	290,965
	14,405,102	7,945,935	6,293,661
Less allowance for ECL	79,993	91,893	48,024
	14,325,109	7,854,042	6,245,637
Less noncurrent portion:			
Lease receivable	3,308	10,168	36,117
Receivable from third parties	142,667	147,459	151,981
Noncurrent portion	145,975	157,627	188,098
Current portion	₱14,179,134	₱7,696,415	₱6,057,539

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, 2023, 2022 and 2021, intercompany receivable and payable eliminated upon consolidation amounted to ₱2,922,630, ₱3,078,045 and ₱3,009,058, respectively (see Note 34).

During the year ended April 30, 2023, the Parent Company declared various cash dividends to the holders of common shares, as follows:

- In March 2023, the Parent Company declared cash dividend amounting to ₱844,455 to holders of record as of March 16, 2023. Dividends amounting to ₱93,312, 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 ₱624,474, net of final tax, was offset against the receivables from DMPL.
- In December 2022, the Parent Company declared cash dividend 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.
- In September 2022, the Parent Company declared cash dividend 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.
- In June 2022, the Parent Company declared cash dividend 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.



- In March 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 ₱52,470 and ₱351,148, both net of final taxes, were remitted to SEA Diner and CARI, respectively.
- In December 2021, the Parent Company declared cash dividend to the holders of common shares of the Parent Company as of close of December 21, 2021 amounting to ₱419,598. 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 ₱376,621 and payables to S&W Fine Foods International Ltd. of ₱66,328.
- In August 2021, the Parent Company declared cash dividend 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.
- In May 2021, the Parent Company declared cash dividend 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. 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.
- In March 2021, the Parent Company declared cash dividend to the holders of common shares of the Parent Company as of close of business of March 29, 2021 amounting to ₱2,521,225. Dividends amounting to ₱278,595, 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 ₱1,864,445, net of final tax, was offset against the receivables from S&W Fine Foods International Ltd., amounting to ₱305,409 and receivables from DMPL amounting to ₱1,559,036 (see Note 41).
- In July 2020, the Parent Company declared dividends amounting to ₱2,583,325. The Parent Company and CARI, subsequently entered into an offsetting agreement wherein the dividends payable amounting to ₱1,912,612, net of final tax, to CARI was offset against the receivables from GTL Limited, DMPL and S&W Fine Foods International Ltd. (see Note 31). The remaining balance of ₱259,358, net of final tax, was remitted by the Parent Company to CARI.

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 ECLs are as follows:

	2023	2022	2021
Trade receivables:			
Balance at beginning of year	₱85,510	₱37,782	₱37,834
Additional provision (Note 21)	—	47,728	—
Reversals	(12,285)	—	(52)
Balance at end of year (Carried Forward)	73,225	85,510	37,782



	2023	2022	2021
Balance at end of year (Brought Forward)	₱73,225	₱85,510	₱37,782
Nontrade receivables:			
Balance at beginning of year	6,383	10,242	16,840
Reversals	—	(3,859)	(6,598)
Write-off	385	—	—
Balance at end of year	6,768	6,383	10,242
Total	₱79,993	₱91,893	₱48,024

7. Inventories

	2023	2022	2021
Cased goods and other merchandise:			
At NRV	₱1,900,384	₱1,269,502	₱1,468,272
At cost	1,247,558	956,754	997,632
Production materials and supplies - at NRV	3,284,700	2,260,832	2,138,061
Storeroom supplies - at NRV	913,091	683,811	517,412
	₱7,345,733	₱5,170,899	₱5,121,377

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

	2023	2022	2021
Cost	₱2,096,560	₱1,470,229	₱1,801,048
Less allowance for cased goods and other merchandise:			
Balance at beginning of the year	200,727	332,776	298,666
Provision for obsolescence (Note 20)	169,696	61,766	116,132
Write-off	(174,247)	(193,815)	(82,022)
Balance at end of year	196,176	200,727	332,776
NRV	₱1,900,384	₱1,269,502	₱1,468,272

The balances of production materials and supplies are as follows:

	2023	2022	2021
Cost	₱3,329,849	₱2,306,361	₱2,185,603
Less allowance for production materials and supplies:			
Balance at beginning of the year	45,529	47,542	37,060
Provision for obsolescence (Note 20)	44,667	32,388	22,381
Write-off	(45,047)	(34,401)	(11,899)
Balance at end of year	45,149	45,529	47,542
NRV	₱3,284,700	₱2,260,832	₱2,138,061



The balances of storeroom supplies are as follows:

	2023	2022	2021
Cost	₱913,143	₱688,461	₱528,032
Less allowance for storeroom supplies:			
Balance at beginning of year	4,650	10,620	16,790
Reversal of obsolescence (Note 20)	(4,598)	(5,970)	(6,170)
Balance at end of year	52	4,650	10,620
NRV	₱913,091	₱683,811	₱517,412

Inventories recognized as cost of sales amounted to ₱16,867,521, ₱13,231,445 and ₱13,003,540 for the fiscal years ended April 30, 2023, 2022 and 2021, respectively (see Note 20).

8. Biological Assets

	2023	2022	2021
Current -			
Unharvested agricultural produce - at fair value	₱2,489,173	₱2,476,150	₱2,158,274
Noncurrent -			
Growing herd - at cost	168,588	144,876	129,530
	₱2,657,761	₱2,621,026	₱2,287,804

Carrying amounts of the unharvested agricultural produce are as follows:

	2023	2022	2021
Balance at beginning of year	₱2,476,150	₱2,158,274	₱3,076,198
Additions	1,033,590	894,050	83,463
Harvest	(4,292,431)	(3,872,298)	(3,734,508)
Fair value attributable to price changes, actual harvest and estimated future harvest (Note 23)	3,271,864	3,296,124	2,733,121
Balance at end of year	₱2,489,173	₱2,476,150	₱2,158,274

Estimated hectares planted with growing crops are 16,562, 16,130 and 15,027 for pineapple, and 185, 123 and 111 for papaya as at April 30, 2023, 2022 and 2021, 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 858,908, 785,876 and 778,464 for pineapple, 1,497, 1,266 and 1,008 for papaya for the years ended April 30, 2023, 2022 and 2021, respectively.



The fair value of harvested agricultural produce amounted to ₱4,292,431, ₱3,872,298 and ₱3,734,508 as at April 30, 2023, 2022 and 2021, respectively. These are recognized under:

	2023	2022	2021
Cost of sales	₱4,043,956	₱3,701,535	₱3,472,023
Inventories	248,475	170,763	262,485
	₱4,292,431	₱3,872,298	₱3,734,508

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

	2023	2022	2021
Balance at beginning of year	₱144,876	₱129,530	₱107,265
Purchases	67,737	46,517	52,827
Sales and transfers	(44,025)	(31,171)	(30,562)
Balance at end of year	₱168,588	₱144,876	₱129,530

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, 2023, 2022 and 2021, the number of heads of cattle for growing herd totaled to 2298, 2,325 and 2,139, respectively.

9. 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, 2023 and 2022.

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, 2023 and 2022, is as follows:

	2023	2022
Revenue	₱155,540	₱309
Loss from continuing operations/ Total comprehensive loss^a	(₱179,203)	(₱215,104)
^a Includes:		
- depreciation	₱771	₱386
Asset	47,136	191,683
Liabilities	(130,248)	(306,749)
Net assets	(83,112)	(115,066)
Controlling interest	50%	50%
	(41,556)	(57,533)
Share in net loss in excess of capital injection	(41,556)	(57,533)
Carrying amount of investment	₱—	₱—



	2023	2022
Carrying amount of interest in DMVDPI at beginning of the year	₱–	₱–
Capital injection during the year	56,325	50,064
Group's share of loss from continuing operations/ total comprehensive loss	(56,325)	(50,064)
Carrying amount of interest at end of the year	₱–	–

As of April 30, 2023 and 2022, share in net loss in excess of capital injection amounting to ₱41,556 and nil, respectively, is presented under “Accounts payable and accrued expenses - others” (see Note 19).

10. Intangible Assets

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, 2023, 2022 and 2021.

In 2023 and 2022, in determining the recoverable amount of the trademarks, the Group used relief-from-royalty approach where free cash flow projections is 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 7.9% and 8.7%, respectively. The trademarks’ cash flows beyond the five-year period is extrapolated using a steady 5.4% in 2023 and 6.1% in 2022 cumulative average annual revenue growth rate. Management believes that a 5.4% in 2023 and 6.1% in 2022 revenue growth rate is 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.

In 2021, the recoverable amount of the trademark has been determined based on a VIU calculation. The VIU calculation uses cash flow projections based on financial budgets approved by management covering a five-year period, and a discount rate of 10.03%. The trademarks’ cash flows beyond the five-year period is extrapolated using a steady 5.4% cumulative average annual revenue growth rate. Management believes that a 5.4% revenue growth rate is 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.

As of April 30, 2023, 2022 and 2021, the carrying value of the intangible asset does not exceed the present value of asset and hence, no impairment has been recorded.



11. Financial Assets at FVOCI

This account consists of the following:

	2023	2022	2021
Cost -			
Balance at beginning and end of the year	₱444	₱444	₱444
Unrealized gain - gross of tax:			
Balance at beginning of the year	14,940	12,113	12,614
Unrealized gain (loss) during the year	18,670	2,827	(501)
Balance at end of the year	33,610	14,940	12,113
	₱34,054	₱15,384	₱12,557

For the years ended April 30, 2023, 2022 and 2021, unrealized gain (loss), net of tax, recorded as fair value reserves in other comprehensive income reserves are as follows:

	2023	2022	2021
Balance at beginning of the year	₱12,697	₱10,291	₱10,717
Other comprehensive income (loss)	15,865	2,406	(426)
Balance at end of the year	₱28,562	₱12,697	₱10,291

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.

12. Prepaid Expenses and Other Current Assets

	2023	2022	2021
Advances to suppliers	₱401,658	₱664,830	₱192,428
Input VAT - net	199,883	162,790	48,539
Prepaid expenses	173,634	88,242	194,680
Prepaid taxes	141,743	96,844	76,789
Deferred transportation cost	92,322	93,166	58,850
Derivative asset	58,866	—	—
Prepaid rent	21,864	13,992	24,947
Short-term deposit	1,000	21,172	21,101
Others	2,371	965	8,315
	₱1,093,341	₱1,142,001	₱625,649

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 2023, 0.75% in 2022 and 0.875% in 2021. Interest income earned amounted to nil, ₱66 and ₱224 for the years ended April 30, 2023, 2022 and 2021, respectively.

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

As at April 30, 2023, 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:

	2023
Foreign currency forward contract	₱58,866
Commodity swaps	(27,856)
Balance at end of the year	₱31,010

Included in:	
Prepaid expenses and other current assets	₱58,866
Trade and other current liabilities (Note 19)	(27,856)
Balance at end of the year	₱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, 2023, the notional amount of the Group's commodity contracts are 46,545 barrels of gas and oil.

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, 2023, the notional amount of the Group's foreign currency forward contracts is 154,000 US dollars.

The amounts as at April 30, 2023 relating to items designated as hedged items are as follows:

	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 2023			During 2023			
	Notional amount	Carrying amount		Line item in the statement of financial position where the hedged instrument is included	Change in the value of hedge instrument recognized in OCI	Amount reclassified from hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
Commodity price risk							
Commodity contracts							
Gas oil (barrels)	₱46,545	₱—	(₱27,856)	Derivative liabilities – Current	(₱27,856)	₱—	Cost of sales
Foreign exchange risk							
Foreign currency forwards	154,000	58,866	—	Prepayment and other current assets	58,866	—	Net finance expense



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, 2023:

	2023
Changes in fair value:	
Commodity risk	(P27,856)
Foreign exchange risk	58,866
Balance at end of the year	P31,010

13. Investment Properties

	April 30, 2023			
			Right-of-use Assets - Building and Improvements	Total
	Land	Buildings and improvements		
Cost – Beginning and ending balances	P155,326	P184,568	P–	P339,894
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	P155,326	P10,198	–	P165,524

	April 30, 2022			
			Right-of-use Assets - Building and Improvements	Total
	Land	Buildings and improvements		
Cost – Beginning balances	P155,326	P184,568	P–	P339,894
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	P155,326	P16,377	–	P171,703



April 30, 2021				
	Land	Buildings and improvements	Right-of-use Assets - Building and Improvements	Total
Cost				
Beginning balances	₱155,326	₱184,568	₱28,444	₱368,338
Additions	—	—	(28,444)	(28,444)
Ending balances	155,326	184,568	—	339,894
Accumulated Depreciation, Amortization and Impairment Losses				
Beginning balances	—	155,832	6,321	162,153
Depreciation for the year	—	6,180	—	6,180
Disposal	—	—	(6,321)	(6,321)
Ending balances	—	162,012	—	162,012
Net book value	₱155,326	₱22,556	₱—	₱177,882

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 an 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 replacemenet 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	₱0.1 - ₱0.3

Rental income, included as part of other income, generated from the investment properties for the fiscal years ended April 30, 2023, 2022 and 2021 amounted to ₱44,633, ₱44,249 and ₱83,996, respectively (see Note 24). Direct costs arising from the investment properties that generated rent income for the fiscal years ended April 30, 2023, 2022 and 2021 amounted to ₱34,232, ₱35,136 and ₱23,352 respectively (see Note 25).



14. Property, Plant and Equipment

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
Accumulated Depreciation and Amortization									
Beginning balances, May 1, 2022	—	9,570,147	874,149	606,819	—	9,194,783	1,063,017	432,262	21,741,177
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, 2023	—	10,166,823	958,515	752,309	—	7,941,792	1,496,368	705,325	22,021,132
Carrying Value	₱1,037,395	₱2,866,584	₱821,712	₱1,483,216	₱1,836,667	₱11,086,045	₱1,611,777	₱1,331,749	₱22,075,145
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	₱610,232	₱11,593,571	₱1,698,703	₱1,360,574	₱763,944	₱18,003,802	₱2,415,797	₱1,736,461	₱38,183,084
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

(Forward)



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
Accumulated Depreciation and Amortization									
Beginning balances, May 1, 2021	P=	P8,960,615	P787,685	P556,285	P=	P10,300,809	P699,285	P379,556	P21,684,235
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
2021									
	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, 2020	P610,232	P11,310,024	P1,884,088	P1,292,047	P597,724	P18,207,559	P2,586,618	P1,175,684	P37,663,976
Additions	—	165,570	29,155	179,247	406,642	5,881,764	399,202	560,777	7,622,357
Transfers /adjustments	—	155,431	64,335	20,656	(240,422)	—	(43,345)	—	(43,345)
Change in lease term (Note 4)	—	—	—	—	—	—	(491,284)	—	(491,284)
Disposals	—	(37,454)	(278,875)	(131,376)	—	(6,085,521)	(35,394)	—	(6,568,620)
Ending balances, April 30, 2021	610,232	11,593,571	1,698,703	1,360,574	763,944	18,003,802	2,415,797	1,736,461	38,183,084
Accumulated Depreciation and Amortization									
Beginning balances, May 1, 2020	—	8,363,620	775,908	557,607	—	12,150,623	349,685	126,466	22,323,909
Depreciation and amortization	—	628,854	97,287	106,505	—	4,235,707	389,328	253,090	5,710,771
Transfers /adjustments	—	(2,637)	(194)	(32)	—	—	(4,334)	—	(7,197)
Disposals	—	(29,222)	(85,316)	(107,795)	—	(6,085,521)	(35,394)	—	(6,343,248)
Ending balances, April 30, 2021	—	8,960,615	787,685	556,285	—	10,300,809	699,285	379,556	21,684,235
Carrying Value	P610,232	P2,632,956	P911,018	P804,289	P763,944	P7,702,993	P1,716,512	P1,356,905	P16,498,849



Major items in CIP as of April 30, 2023 include new Tetra Line in Cabuyao, installation of additional FDM 202 Line at Bugo Cannery, additional 307 Cookroom Line, acquisition and construction of Bugo Tetra Filler, 307 Line 6 Autocaser North DC Warehouse in Marilao Bulacan and JMC Fresh Fruit Packing House purchase of Terta Line No. 4 for Cabuyao Plant, which are part of the significant top projects implemented in fiscal year 2023. These projects are expected to be completed by fiscal year 2024.

Capitalized Borrowing Cost

Capitalized borrowing costs 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. For the year ended April 30, 2021, capitalized borrowing costs amounting to ₱1,461 is related to the installation of can making equipment and installation of automated line for 2.3kg Tidbits.

The Group also capitalized interest expense arising from general borrowings and lease liabilities to bearer plants amounting to ₱179,471, ₱119,982 and ₱47,462 for the years ended April 30, 2023, 2022 and 2021, respectively. Average capitalization rate used is 5.32%, 2.25% and 2.62% for the fiscal years ended April 30, 2023, 2022 and 2021, respectively.

Land at Revalued Amount

The last revaluation was April 30, 2023 with land fair value of ₱1,037,394. The original cost of the land is ₱101.

For the years ended April 30, 2023, 2022 and 2021, adjustment of land revaluation surplus net of deferred tax effect are as follows:

	2023	2022	2021
Beginning balance - net of tax	₱457,598	₱457,598	₱427,092
Revaluation during the year - net of tax	320,372	—	—
Effect of change in tax rate (Note 29)	—	—	30,506
Ending balance - net of tax	₱777,970	₱457,598	₱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, 2023, 2022 and 2021.

Changes in Right of Use Assets

In 2021, the Group reassessed the lease terms of certain land leases, to which the Group has rights to pre-terminate at the end of each pineapple life cycle, as a result of the Group's cost-effectiveness programs implemented in 2021. The Group reassessed the lease term to be for a period of 6 years instead of the full contractual term for identified land leases based on the pineapple's life cycle and time for land preparation. The Group is looking for ways to reduce pineapple costs by revisiting fields with low yields and/or high growing costs and expanding its outgrowership programs and the use of big planting materials which will save planting area. Due to the significant change of circumstance arising from the cost-effectiveness strategy implemented in 2021 and the pre-termination option which is within the control of the Group, management revisited the lease terms and recognized a reduction in right-of-use asset and lease liability amounting to ₱491,284 in 2021.

15. Other Noncurrent Assets

	2023	2022	2021
Advance rent	₱815,817	₱632,887	₱413,767
Advances to suppliers	160,834	220,416	51,740
Refundable deposits	101,740	111,561	99,480
Security deposits	53,943	57,969	61,995
Deferred input VAT	25,988	25,988	30,262
Others	26,823	40,760	13,748
	₱1,185,145	₱1,089,581	₱670,992

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

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

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).

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.

16. Short-term Notes Payable

	2023	2022	2021
Peso-denominated loans	₱7,975,000	₱5,880,000	₱4,720,000
Dollar-denominated loans	12,497,924	2,897,789	3,168,665
	₱20,472,924	₱8,777,789	₱7,888,665

The unsecured peso-denominated loans bear interest at 4.50% to 6.75%, 2.125% to 2.250% and 2.50% to 4.125% as at April 30, 2023, 2022 and 2021, respectively, and usually mature after 30 to 90 days.

As at April 30, 2023, 2022 and 2021, the balance of dollar-denominated unsecured notes payable in original currency amounted to US\$225,200 or ₱12,497,924, US\$55,370 or ₱2,897,789 and US\$65,800 or ₱3,168,665, respectively. The loans bear an interest at 4.43% to 6.50%, 1.85% to 2.00% and 2.25% to 2.65% as at April 30, 2023, 2022 and 2021, respectively, and usually mature after 28 to 90 days.

Total interest expense on short-term loans amounted to ₱632,404, ₱210,762 and ₱353,182 for fiscal years ended April 2023, 2022 and 2021, respectively.

The Company has unsecured lines of credit with local banks amounting to ₱23,890, ₱26,043 and ₱20,483 of which ₱19,363, ₱11,778 and ₱7,889 have been availed as at April 30, 2023, 2022 and 2021, respectively.

17. Long-term Debt

	2023	2022	2021
Bank and Financial Institution:			
BDO	₱1,500,000	₱1,500,000	₱1,500,000
DBP	1,500,000	1,500,000	1,500,000
	3,000,000	3,000,000	3,000,000
Less debt issuance cost	8,645	14,368	19,876
	2,991,355	2,985,632	2,980,124
Less current portion	687,500	—	—
	₱2,303,855	₱2,985,632	₱2,980,124



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

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

Availment date	Maturity date	Payment schedule	Principal	Interest rate
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 ₱132,220, ₱98,571 and ₱93,984 for the years ended April 30, 2023, 2022 and 2021, respectively (see Notes 14 and 26).

The movements in unamortized debt issuance costs follow:

	2023	2022	2021
Balance at beginning of year	₱14,368	₱19,876	₱—
Additions	—	—	23,138
Amortization	(5,723)	(5,508)	(3,262)
Balance at end of year	₱8,645	₱14,368	₱19,876

The maturity analysis of the principal payments is shown below.

Financial year ending	DBP	BDO
2024	₱187,500	₱500,000
2025	750,000	666,667
2026	562,500	333,333



18. Bonds Payable

	2023	2022	2021
Face value of bonds	₱6,478,460	₱6,478,460	₱6,478,460
Debt issuance costs	(22,028)	(56,062)	(88,668)
Carrying value	6,456,432	6,422,398	6,389,792
Less: Current portion	5,816,019	—	—
Non Current Portion	₱640,414	₱6,422,398	₱6,389,792

On October 30, 2020, the Parent Company issued peso-denominated fixed-rate bonds with an aggregate principal amount of ₱5,000,000,000 with an oversubscription option of up to ₱2,500,000,000.

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 was used by the Parent Company to repay its existing short-term and unsecured loans. As of April 30, 2023, 2022 and 2021, ₱5,832,560 three-year fixed-rate and ₱645,900 five-year fixed-rate bonds were issued.

The movement in unamortized debt issuance costs follow:

	2023	2022	2021
Balance at beginning of year	₱56,062	₱88,668	₱—
Additions	—	—	104,466
Amortization	(34,034)	(32,606)	(15,798)
Balance at end of year	₱22,028	₱56,062	₱88,668

Interest expense on bonds payable amounted to ₱261,503, ₱258,875 and ₱114,998 for the years ended April 30, 2023, 2022 and 2021, respectively (see Note 26).

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, 2023, 2022 and 2021.

19. Accounts Payable and Accrued Expenses

	2023	2022	2021
Accounts payable:			
Trade	₱5,367,137	₱5,115,778	₱3,622,280
Royalties payable (Note 39)	122,392	—	—
Nontrade	—	98,919	198,481
Due to related parties (Note 34)	20,265	107,857	69,282
Accrued expenses:			
Payable to government agencies	391,980	184,060	174,112
Freight and warehousing	219,734	173,375	134,843

(Forward)



	2023	2022	2021
Tinplate and consigned stocks	₱204,086	₱225,434	₱194,844
Advertising, promotions and discounts	193,467	309,705	316,974
Interest	188,208	32,563	31,997
Professional and outside services	169,656	105,770	114,011
Salaries, bonuses and other employee benefits (Note 33)	158,894	171,352	205,689
Rental	102,098	105,051	103,497
Utilities	79,634	65,316	63,603
Derivative liability	27,856	—	—
Others	187,783	96,973	185,336
	₱7,433,190	₱6,792,153	₱5,414,949

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 34).

Accrued expenses are payable within the next fiscal year.

20. Cost of Sales

	2023	2022	2021
Inventories (see Note 7)	₱16,867,521	₱13,231,445	₱13,003,540
Depreciation and amortization (Notes 13, 14 and 28)	7,040,659	6,102,533	4,783,415
Personnel (Note 27)	2,512,873	2,850,137	2,913,557
Fuel, light and power	1,264,099	1,001,539	889,676
Repairs and maintenance	562,463	488,220	475,407
Freight and logistics	413,814	368,685	409,902
Rent (Note 38)	283,816	333,021	359,365
Materials and supplies	276,267	159,593	141,445
Provision for obsolescence (Note 7)	209,765	88,184	132,343
Taxes and licenses	34,693	64,641	53,469
Royalty expense (Note 39)	26,907	21,380	17,824
Travel and transportation	19,132	7,202	6,064
Insurance	11,499	13,534	14,207
Others	1,128,243	1,012,087	901,656
	₱ 30,651,751	₱25,742,201	₱24,101,870



21. Distribution and Selling Expenses

	2023	2022	2021
Freight and storage	₱2,268,202	₱1,799,164	₱1,556,377
Personnel (Note 27)	970,959	931,779	816,792
Advertising and promotion	537,541	592,062	578,068
Research and development	122,176	124,166	121,420
Entertainment, amusement and recreation	54,607	20,825	19,610
Depreciation and amortization (Notes 13, 14 and 28)	43,499	45,245	55,667
Taxes and licenses	38,828	35,429	46,817
Rent (Note 38)	12,117	12,781	8,712
Others (Note 6)	99,861	69,889	84,834
	₱4,147,790	₱3,631,340	₱3,288,297

22. General and Administrative Expenses

	2023	2022	2021
Personnel (Note 27)	₱464,833	₱443,106	₱503,807
Depreciation and amortization (Notes 13, 14 and 28)	117,152	116,492	113,616
Professional fees	96,996	81,243	80,919
Technology cost	70,931	55,099	55,483
Training and employee activities	59,947	50,196	31,944
Travel and transportation	38,324	20,755	24,253
Taxes and insurance	25,215	19,359	19,778
Utilities	21,666	16,035	14,447
Rent (Note 38)	17,086	16,178	17,228
Outside services	14,446	13,488	11,721
Supplies	9,727	9,795	11,658
Others	21,257	22,418	17,397
	₱957,580	₱864,164	₱902,251

23. Revenues

	2023	2022	2021
Revenue from customer contracts:			
Convenience cooking and dessert	₱12,656,811	₱12,057,162	₱12,257,607
Packaged fruit and beverages	9,234,739	7,639,408	6,614,827
Premium fresh fruit	8,237,549	6,586,671	5,803,524
Healthy beverage and snacks	7,531,083	6,889,267	6,937,487
Others	135,572	87,825	118,038
Changes in fair values of biological assets (Note 8)	3,271,864	3,296,124	2,733,121
	₱41,067,618	₱36,556,457	₱34,464,604



The changes in fair values are recognized under:

	2023	2022	2021
Cost of sales	₱3,173,187	₱3,021,154	₱2,607,633
Inventories	248,475	170,763	262,485
Unharvested agricultural produce	(149,798)	104,207	(136,997)
	₱3,271,864	₱3,296,124	₱2,733,121

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, 2023, 2022 and 2021 amounted to ₱3,172,353, ₱3,021,154 and ₱2,607,633, respectively.

24. Other Income

	2023	2022	2021
Reversal of long-outstanding payable	₱106,427	₱73,919	₱42,714
Rental income (Notes 13 and 38)	44,633	44,249	83,996
Reversal of employee incentives	32,947	—	16,756
Forfeited personal retirement account	27,567	30,727	13,085
Scrap sales	21,084	27,621	36,212
Management income (Note 34)	18,591	8,033	3,378
Others	37,395	4,089	8,149
	₱288,644	₱188,638	₱204,290

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

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.

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

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

25. Other Expense

	2023	2022	2021
Management fee (Note 34)	₱214,512	₱182,008	₱150,035
Property operating expenses	45,631	42,339	12,938
Depreciation and amortization (Notes 13, 14 and 28)	6,179	6,179	20,255
Others	13,967	10,452	5,137
	₱280,289	₱240,978	₱188,365

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



26. Finance Cost

	2023	2022	2021
Interest expense:			
Short-term and long-term payables (Notes 16 and 17)	₱764,624	₱309,333	₱447,166
Lease liabilities (Note 38)	163,173	156,820	134,351
Bonds payable (Note 18)	261,503	258,875	114,998
Capitalized borrowing costs (Note 14)	(179,471)	(119,982)	(48,923)
	1,009,828	605,046	647,592
Bank charges	140,178	93,312	115,025
	₱1,150,006	₱698,358	₱762,617

27. Personnel

	2023	2022	2021
Outsourced labor	₱4,345,340	₱3,338,369	₱2,792,436
Wages and salaries	2,644,952	2,568,829	2,275,066
Retirement costs and provident fund contributions (Note 33)	110,358	143,902	157,797
Social security costs	259,264	240,967	228,093
	7,359,914	6,292,067	5,453,392
Personnel expenses included in inventories and expenditures on agricultural produce	(3,411,249)	(2,067,045)	(1,219,236)
	₱3,948,665	₱4,225,022	₱4,234,156

Personnel expenses are included in:

	2023	2022	2021
Cost of sales (Note 20)	₱2,512,873	₱2,850,137	₱2,913,557
Distribution and selling expenses (Note 21)	970,959	931,779	816,792
General and administrative expenses (Note 22)	464,833	443,106	503,807
	₱3,948,665	₱4,225,022	₱4,234,156



28. Depreciation and Amortization

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

	2023	2022	2021
Cost of sales (Note 20)	₱7,040,659	₱6,102,533	₱4,783,415
Inventories and biological assets	744,221	499,286	743,998
General and administrative expenses (Note 22)	117,152	116,492	113,616
Distribution and selling expenses (Note 21)	43,499	45,245	55,667
Other expense (Note 25)	6,179	6,179	20,255
	₱7,949,960	₱6,769,735	₱5,716,951

29. Income Taxes

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

DMPI

	2023	2022	2021
Items recognized in profit or loss			
Allowance for:			
Excess of cost over NRV of inventories	₱26,900	₱24,465	₱46,558
Accrued expenses	37,678	69,704	101,312
Accrued leases / PFRS 16 adjustment	131,264	93,276	51,571
Impairment losses on receivables and property, plant and equipment	3,806	4,928	11,393
Changes in fair value of biological assets	(89,927)	(94,579)	(83,400)
Retirement plan	(7,949)	(28,880)	(58,499)
Taxes on sweetened beverages	(16,133)	(9,006)	(11,582)
Capitalized customs duties and taxes on property, plant and equipment	(2,006)	(2,060)	(1,877)
Unrealized foreign exchange losses (gains)	32,570	(1,797)	3
Derivatives	—	—	—
	116,203	56,051	55,479

(Forward)



	2023	2022	2021
Items recognized in other comprehensive income			
Revaluation increment	(P259,323)	(P152,532)	(P152,532)
Remeasurement effects - retirement plan	(125,060)	(92,165)	(36,481)
Derivatives	(7,752)	-	-
Unrealized gain on FVOCI	(5,048)	(2,243)	(1,823)
	(397,183)	(246,940)	(190,836)
	(P280,980)	(P190,889)	(P135,357)

PPMSC

	2023	2022	2021
Items recognized in profit or loss			
PFRS 16 adjustment	(P888)	(P813)	(P755)
Allowance for impairment losses on receivables	217	713	967
	(P671)	(P100)	P212

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, 2023 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
2023	P—	P—	P—	2026
2022	—	—	—	2025
2021	—	—	—	2024
2020	114	—	114	2023
2019	89	—	89	2022
2018	122	—	122	2021
2017	198	198	—	2020
	P523	P198	P325	



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

	2023	2022	2021
Income before income tax	₱4,356,446	₱5,686,077	₱5,518,329
Income tax at 25% in 2023 and 2022 and 25.83% in 2021	1,089,112	1,421,519	1,425,568
Add (deduct) tax effects of the following:			
Nondeductible expenses	101,330	75,440	7,959
Nontaxable income	—	(17,016)	—
Movement in unrecognized deferred tax assets	(20,434)	—	—
Interest income subjected to final tax	(2,516)	(923)	(382)
Income from PEZA-registered activities subject to lowered tax rate	(519,409)	(686,719)	(762,129)
Effect of CREATE Law	—	—	231,153
	₱648,083	₱792,301	₱902,169

30. Capital Stock

	2023	2022	2021
Common stock - ₱1 par value:			
Authorized - 3,000,000,000 shares			
Issued - 2,797,320,004 shares	₱2,797,320	₱2,797,320	₱2,797,320

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

On August 3, 2020, the SEC approved the amendment of the Parent Company's Articles of Incorporation to reflect the conversion of 335,678,400 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.

31. Dividends

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.

On March 3, 2021, the Parent Company declared cash dividend of ₱0.9013 per share to the holders of common shares of the Parent Company as of close of business of March 29, 2021 amounting to ₱2,521,225. Dividends amounting to ₱278,595, net of 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 ₱1,864,445, net of final tax, was offset against the receivables from S&W Fine Foods International Ltd., amounting to ₱305,409 and receivables from DMPL amounting to ₱1,559,036 (see Note 41).

On July 5, 2020, the Parent Company declared cash dividend of ₱0.9235 per share to the holders of common shares of the Parent Company as of close of business of July 6, 2020 amounting to ₱2,583,325. The dividends were partially remitted to CARI amounting to ₱259,358, net of final tax, while the remaining balance was subsequently entered by the Parent Company and CARI into an offsetting agreement wherein the dividend payable to CARI amounting to ₱1,912,612, net of final tax, was offset against the receivables from S&W Fine Foods International Ltd., DMPL and DMPL Management Service Pte. Ltd. (see Note 41).

As at April 30, 2023, 2022 and 2021, dividends payable amounted to nil.



32. Retained Earnings

The Group's retained earnings is restricted to the extent of ₱309,437, ₱227,032 and ₱116,868 as at April 30, 2023, 2022 and 2021, respectively, for the undistributed earnings of subsidiaries.

33. 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 Company's latest actuarial valuation date is April 30, 2023. 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:

	2023	2022	2021
Included in inventories and biological assets	₱4,901	₱5,838	₱15,497
Cost of sales	45,799	69,442	67,832
General and administrative expenses	16,076	21,605	24,380
Distribution and selling expenses	17,167	21,591	22,007
	₱83,943	₱118,476	₱129,716

Remeasurement gain in retirement benefit liability, recorded in other comprehensive income reserves amounted to ₱131,582, ₱222,734 and ₱156,743 for the years ended April 30, 2023, 2022 and 2021.

Balance of the reserves, net of tax effect, amounted to ₱210,811, ₱112,125 and (₱54,926) as at April 30, 2023, 2022 and 2021, respectively.

Actual return on plan assets amounted to ₱139,605, ₱154,010 and ₱193,928 the years ended April 30, 2023, 2022 and 2021, respectively.



Fair value of plan assets consists of the following:

	2023	2022	2021
Real estate	₱773,017	₱778,923	₱744,433
Government securities	640,279	540,434	646,257
Equities	196,745	328,631	264,992
Debt instruments	267,624	217,476	260,416
Unit investment trust funds and other funds	217,794	246,473	144,768
Bank deposits	9,451	5,253	4,368
Others	42,957	(15,969)	14,769
	₱2,147,867	₱2,101,221	₱2,080,003

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 14,609,798 DMPL ordinary shares amounting to ₱144,312, ₱225,000 and ₱192,653 as at April 30, 2023, 2022 and 2021 respectively, and 220,000 DMPL preferred shares amounting to nil, ₱106,455 and ₱114,957 as at April 30, 2023, 2022 and 2021, 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, 2023, 2022 and 2021:

	Present Value of Defined Benefit Retirement Obligation			Fair Value of Plan Assets			Net Defined Benefit Retirement Obligation		
	2023	2022	2021	2023	2022	2021	2023	2022	2021
Balance at beginning of the year	₱1,500,939	₱1,670,911	₱1,724,091	₱2,101,221	₱2,080,003	₱2,088,336	(₱600,282)	(₱409,092)	(₱364,245)
Recognized in profit or loss									
Current service cost	111,681	133,136	139,958	—	—	—	111,681	133,136	139,958
Interest expense	81,201	65,332	76,377	—	—	—	81,201	65,332	76,377
Interest income	—	—	—	113,677	81,085	87,837	(113,677)	(81,085)	(87,837)
Interest on the effect of asset ceiling	—	—	—	—	—	—	4,738	1,093	1,218
	192,882	198,468	216,335	113,677	81,085	87,837	83,943	118,476	129,716
Recognized in other comprehensive income (loss)									
Remeasurements:									
Actuarial losses (gains) arising from:									
Changes in demographic assumptions	—	(1,872)	(102,041)	—	—	—	—	(1,872)	(102,041)
Experience adjustments	(18,175)	(11,876)	117,969	—	—	—	(18,175)	(11,876)	117,969
Changes in financial assumptions	(132,724)	(193,366)	(67,016)	—	—	—	(132,724)	(193,366)	(67,016)
Changes in the effect of the asset ceiling	—	—	—	—	—	—	45,246	57,305	436
Return on plan assets (excluding interest)	—	—	—	25,929	72,925	106,091	(25,929)	(72,925)	(106,091)
	(150,899)	(207,114)	(51,088)	25,929	72,925	106,091	(131,582)	(222,734)	(156,743)
Others									
Benefits paid	(109,913)	(161,326)	(218,427)	(109,913)	(161,326)	(211,099)	—	—	(7,328)
Contributions	—	—	—	16,953	28,534	8,838	(16,953)	(28,534)	(8,838)
	(109,913)	(161,326)	(218,427)	(92,960)	(132,792)	(202,261)	(16,953)	(28,534)	(16,166)
Effect of asset ceiling	—	—	—	—	—	—	78,204	29,034	27,518
Balance at end of the year	₱1,433,009	₱1,500,939	₱1,670,911	₱2,147,867	₱2,101,221	₱2,080,003	(₱586,670)	(₱512,850)	(₱379,920)



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, 2023, 2022 and 2021 are as follows (expressed in annual rates):

	2023	2022	2021
Discount rate	6.6%	5.4%	3.9%
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, 2023, 2022 and 2021, 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.

	2023	
	1% Increase	1% Decrease
Discount rate	(₱98,201)	₱112,099
Salary increase rate	112,755	(100,481)
	2022	
	1% Increase	1% Decrease
Discount rate	(₱108,063)	₱124,205
Salary increase rate	123,463	(109,430)
	2021	
	1% Increase	1% Decrease
Discount rate	(₱129,455)	₱150,124
Salary increase rate	146,937	(129,351)

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	2023	2022	2021
One year	₱189,869	₱153,797	₱110,450
More than one year to two years	158,387	205,458	211,863
More than 2 years to 3 years	159,130	158,794	209,949
More than 3 years to 4 years	135,251	150,639	165,090
More than 4 years to 5 years	169,700	126,286	151,946
More than 5 years	1,022,298	926,428	876,207

As at April 30, 2023, 2022 and 2021, the weighted average duration of defined benefit retirement obligation is 7.3 years, 7.7 years and 8.4 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 ₱26,443, ₱25,426 and ₱28,081 for the years ended April 2023, 2022 and 2021, respectively.

Unremitted contribution (employee and employer share) recognized as part of "Accounts payable and accrued expenses" amounted to ₱55,382, ₱14,780 and ₱14,459 as at April 30, 2023, 2022 and 2021, respectively.

34. Related Party Transactions

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

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

Category/ Transaction	Note	Amount of the Transactions for the year ended April 30	Outstanding Balance	Terms	Conditions	
			Due from (Due to) Related Parties as at April 30			
Ultimate Parent						
Sales	2023	34a	₱833	₱–	Noninterest-bearing	Unsecured; no impairment
	2022		611	2,012		
	2021		816	2,047		
Purchases and advanced payment of toll pack fee	2023	34b	(4,308)	(934)	Noninterest-bearing	Unsecured
	2022		(9,363)	(2,743)		
	2021		(2,748)	1,464		
Advances and security deposit	2023	34c	–	–	Noninterest-bearing	Unsecured; no impairment
	2022		(376)	–		
	2021		–	–		

(Forward)

Category/ Transaction		Note	Amount of the Transactions for the year ended April 30	Outstanding Balance	Terms	Conditions
				Due from (Due to) Related Parties as at April 30		
Services and other reimbursement	2023	34a	₱3,058	₱3,947	Noninterest-bearing	Unsecured; no impairment
	2022		10,452	2,298		
	2021		9,432	15,057		
Under Common Control						
Sales	2023	34d	7,838,344	6,457,055	Noninterest-bearing	Unsecured; no impairment
	2022		6,056,154	3,564,801		
	2021		5,105,049	2,759,493		
Purchases and royalties	2023	34d	(37,613)	(35,662)	Noninterest-bearing	Unsecured
	2022		(17,553)	(14,155)		
	2021		(24,629)	(117,533)		
Advances	2023	34e	10,993,826	3,158,207	Interest bearing	Unsecured; no impairment
	2022		3,257,294	—		
	2021		11,270,530	467,624		
Services and other reimbursement	2023	34e	557,253	590,701	Noninterest-bearing	Unsecured
	2022		6,790	46,599		
	2021		539,354	(63,502)		
Other Related Party						
Sales	2023	34f	305,395	132,687	Noninterest-bearing	Unsecured; no impairment
	2022		299,775	380,896		
	2021		221,847	179,991		
Purchases	2023	34f	(361,249)	(16,465)	Noninterest-bearing	Unsecured
	2022		(71,007)	(49,383)		
	2021		(52,824)	(47,548)		
Rendering of services	2023	34g	(241,717)	87,143	Noninterest-bearing	Unsecured; no impairment
	2022		199,489	214,675		
	2021		205	(126)		
Lease receivable	2023	34h	(41)	3,426	Noninterest-bearing	Unsecured; no impairment
	2022		159	3,385		
	2021		98	3,397		
Rental of office space and common use service area	2023	34g	(137,842)	(13,149)	Noninterest-bearing	Unsecured
	2022		(124,922)	(23,241)		
	2021		(100,207)	(336)		
	2023		₱18,915,939	₱10,366,956		
	2022		₱9,607,503	₱4,125,144		
	2021		₱16,966,923	₱3,200,028		

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 ₱2,922,630, ₱3,078,045 and ₱3,009,058 as at April 30, 2023, 2022 and 2021, 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 2019, the Parent Company advanced ₱312,966 to NutriAsia, Inc. and was recorded under the due from related party account. In 2020, the same amount was reclassified to security deposit presented under other noncurrent assets as security for the additional capacity for the toll manufacturing to be contracted by the Company. In 2021, additional capacity agreement was not finalized, and such deposit has been returned since the Parent Company no longer foresees any tolling agreement with NutriAsia, Inc.
- 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

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 'Today's' 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.

Compensation of Key Management Personnel of the Company

	2023	2022	2021
Salaries	₱176,717	₱130,805	₱131,792
Short-term benefits	30,179	45,493	28,792
Post-employment benefits	8,261	6,829	7,036
Other long-term benefits	1,077	1,256	1,126
Total	₱216,234	₱184,383	₱168,746

35. Financial Risk and Capital Management Objectives and Policies

The 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 Company'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:

	2023	2022	2021
Cash and cash equivalents*	₱580,503	₱853,353	₱1,001,739
Receivables**	14,325,109	7,854,042	6,245,637
Refundable deposits	101,740	111,561	99,480
Short-term deposit	1,000	21,172	21,101
Financial assets at FVOCI	34,054	15,384	12,557
Security deposits	53,943	57,969	61,995
Total credit risk exposure	₱15,096,349	₱8,913,481	₱7,442,509

*Excluding cash on hand ₱4,400, ₱3,300 and ₱3,076 as at April 2023, 2022 and 2021, respectively.

**Includes noncurrent portion of lease receivable amounting to ₱3,307, ₱10,168 and ₱36,117 as at April 2023, 2022 and 2021, respectively, and receivable from third parties amounting to ₱142,667, ₱147,459 and ₱151,981 as at April 2023, 2022 and 2021, respectively.

The table below shows the maximum exposure to credit risk for the Company's financial instruments as at April 30, 2023, 2022 and 2021 based on credit rating grades:

	2023				Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	
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				Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	
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

	2021				Total
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Lifetime ECL Simplified Approach	
High grade	₱1,035,397	₱—	₱—	₱426,976	₱1,462,373
Standard grade	3,906,598	—	—	2,121,562	6,028,160
Gross carrying amount	4,941,995	—	—	2,548,538	7,490,533
Less allowance	—	—	—	(48,024)	(48,024)
Carrying amount	₱4,941,995	₱—	₱—	₱2,500,514	₱7,442,509

The Company 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 Company's trade receivables using a provision matrix as at April 30, 2023, 2022 and 2021:

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

2021							
	Days past due					Credit-impaired	Total
	Current	<30 days	30-60 days	61-120 days	Over 120 days		
Trade receivables	₱2,013,782	₱271,280	₱104,391	₱32,698	₱95,909	₱30,478	₱2,548,538
ECL rate	0.12%	1.14%	3.39%	13.48%	4.25%	100.00%	
ECL	₱2,434	₱3,088	₱3,538	₱4,407	₱4,079	₱30,478	₱48,024

The table below shows the maximum exposure to credit risk for the Company's financial instruments as at April 30, 2023, 2022 and 2021 based on corresponding credit enhancements:

	2023			2022			2021		
	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*	₱580,503	₱9,500	₱571,003	₱853,353	₱9,160	₱844,193	₱1,001,739	₱6,294	₱995,445
Refundable deposits	101,740	–	101,740	111,561	–	111,561	99,480	–	99,480
Short-term deposit	1,000	–	1,000	21,172	–	21,172	21,101	–	21,101
Financial asset at FVOCI	34,054	–	34,054	15,384	–	15,384	12,557	–	12,557
Security deposits	53,943	–	53,943	57,969	–	57,969	61,995	–	61,995
	₱15,180,491	₱14,027	₱15,166,464	₱8,913,481	₱477,682	₱8,435,799	₱7,442,509	₱474,816	₱6,967,693

* 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:

2023					
	Less than 1 year	1 to 3 Years	3 to 5 years	More than 5 years	Total
Cash and cash equivalents	₱580,503	₱-	₱-	₱-	₱580,503
Receivables	14,319,589	974	649	3,897	14,325,109
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
	₱14,867,034	₱156,591	₱606	₱3,937	₱15,096,349

2022					
	Less than 1 year	1 to 3 Years	3 to 5 years	More than 5 years	Total
Cash and cash equivalents	₱853,353	₱-	₱-	₱-	₱853,353
Receivables	7,848,590	909	606	3,937	7,854,042
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
	₱8,738,499	₱170,439	₱606	₱3,937	₱8,913,481

2021					
	Less than 1 year	1 to 3 Years	3 to 5 years	More than 5 years	Total
Cash and cash equivalents	₱1,001,739	₱-	₱-	₱-	₱1,001,739
Receivables	6,239,882	909	606	4,240	6,245,637
Refundable deposits	-	99,480	-	-	99,480
Short-term deposit	21,101	-	-	-	21,101
Financial assets at FVOCI	12,557	-	-	-	12,557
Security deposit	-	61,995	-	-	61,995
	₱7,275,279	₱162,384	₱606	₱4,240	₱7,442,509

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities based on contractual undiscounted payments:

2023					
	Less than 1 year	1 to 3 Years	3 to 5 years	More than 5 years	Total
Accounts payable and accrued expenses*	₱7,433,188	₱-	₱-	₱-	₱7,433,188
Short-term notes payable**	20,472,924	-	-	-	20,472,924
Long-term notes payable**	790,589	2,388,943	-	-	3,179,531
Bonds payable**	5,954,390	688,965	-	-	6,643,355
Lease liabilities	806,671	1,678,358	2,530,969	756,068	5,772,067
	₱35,457,762	₱4,756,265	₱2,530,969	₱756,068	₱43,501,065

2022					
	Less than 1 year	1 to 3 Years	3 to 5 years	More than 5 years	Total
Accounts payable and accrued expenses*	₱6,618,041	₱-	₱-	₱-	₱6,618,041
Short-term notes payable**	8,810,352	-	-	-	8,810,352
Long-term notes payable**	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
	₱16,527,505	₱10,157,916	₱1,791,376	₱2,433,026	₱30,909,823

*Net of amount owed to agencies of the government.

**Includes future interest payables.

	2021				
	Less than 1 year	1 to 3 Years	3 to 5 years	More than 5 years	Total
Accounts payable and accrued expenses*	P5,240,837	P—	P—	P—	P5,240,837
Short-term notes payable**	7,920,662	—	—	—	7,920,662
Long-term notes payable**	151,484	2,378,417	909,474	—	3,439,375
Bonds payable**	173,761	6,266,550	664,299	—	7,104,610
Lease liabilities	698,022	932,925	470,983	1,312,011	3,413,941
	P14,184,766	P9,577,892	P2,044,756	P1,312,011	P27,119,425

*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, 2023, 2022 and 2021 is presented as follows:

	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	8,414,109
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)	(\$87,874)	\$201	€149	(₱4,868,404)

The spot exchange rates used were P55.497:US\$1, P41.754: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	6,290,446

(Forward)

	April 30, 2022			
	US Dollar	SG Dollar	Euro	Total Peso Equivalent
Liabilities				
Short-term notes payable	\$55,370	\$–	€–	₱6,290,446
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 ₱52.335:US\$1, ₱37.613:SG\$1, ₱58.0046:EURO€1 as at April 30, 2022.

	April 30, 2021			
	US Dollar	SG Dollar	Euro	Total Peso Equivalent
Assets				
Cash	\$7,953	\$250	€–	₱392,108
Receivables	89,847	300	–	4,337,619
Other noncurrent assets	879	–	–	42,329
	98,679	550	–	4,772,056
Liabilities				
Short-term notes payable	65,800	–	–	3,168,665
Accounts payable and accrued expenses	11,461	–	–	551,916
	77,261	–	–	3,720,581
Net foreign currency-denominated assets	\$21,418	\$550	€–	₱1,051,475

The spot exchange rates used were ₱48.156:US\$1, and ₱36.491:SG\$1 as at April 30, 2021.

The translation of these foreign currency-denominated assets and liabilities of the Group resulted in net unrealized foreign exchange (gain)/losses amounting to ₱217,434, (₱80,970) and ₱3,153 for the fiscal years ended April 30, 2023, 2022, 2021 and 20212020, 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
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)

	Increase/Decrease in Peso and U.S Dollar, and S.G. Dollar Exchange Rates	Foreign Exchange Rate	Effect on Income Before Income Tax
2021			
U.S. Dollar	+10%	48.156	₱103,140
S.G. Dollar	+10%	36.491	2,007
U.S. Dollar	-10%	48.156	(103,140)
S.G. Dollar	-10%	36.491	(2,007)

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:

	2023	2022	2021
Total liabilities	₱40,095,283	₱28,161,225	₱25,306,284
Total equity	12,630,765	13,521,936	10,706,810
Debt-to-equity ratio	3.17	2.08	2.36

There were no changes in the Company's approach to capital management for the years ended April 30, 2023, 2022 and 2021.

36. 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, 2023, 2022 and 2021.

	2023		2022		2021	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities						
<i>Measured at amortized cost:</i>						
Long-term notes payable	₱2,991,355	₱2,906,707	₱2,985,632	₱2,984,270	₱2,980,124	₱2,959,045
Bonds payable	6,456,432	6,347,364	6,422,398	6,414,308	6,389,792	6,631,228
	₱9,447,787	₱9,254,071	₱9,408,030	₱9,398,578	₱9,369,916	₱9,590,273

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

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

The 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 Notes Payable

The fair value of interest-bearing floating rate loans, categorized as Level 3 input, is based on discounted value of expected future cash flows using the applicable market rates for similar types of instrument as of reporting date. As at April 30, 2023, the fair value of the long-term loan amounted to 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, 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	—	—	610,232	610,232
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.*

As at April 30, 2021	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at FVOCI	₱12,557	₱—	₱—	₱12,557
Non-financial Assets				
Fair value of agricultural produce:				
Harvested*	—	—	3,734,508	3,734,508
Unharvested	—	—	2,158,274	2,158,274
Land	—	—	610,232	610,232
Investment property	—	—	177,882	177,882

**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 market prices, in both local and international markets at the point of harvest. The market price is based on the selling price of fresh fruits as sold in the local and international markets (Level 3).	The unobservable input is the estimated selling price of pineapple per ton specific for fresh products.
Harvested crops – used in processed products	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the processed product (concentrates, pineapple beverages, sliced pineapples, etc.) adjusted for margin and associated costs related to production (Level 3).	The unobservable input is the estimated selling price of pineapple and gross margin per ton specific for processed products.
Unharvested crops – fruits growing on the bearer plants	The growing produce are measured at fair value from the time of maturity of the bearer plant until 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.

37. 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.

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.

38. 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.

In April 2021, the Group entered a sale and leaseback of buildings, warehouses and equipment located on foreshore land. The assets were sold to DEARBC to be paid in installment for 20 years and subsequently leased back by the Group with a term of 20 years. Right-of-use assets recognized at commencement date amounted to ₱339,796 which comprises the proportion of the previous carrying amount of the assets that relates to right of use retained by the Group and the adjustment for below-market terms on the sale of assets. Lease liability and gain on sale and leaseback at commencement date amounted to ₱231,725 and ₱11,162, respectively.

The following are the amounts recognized in profit or loss:

	2023	2022	2021
Depreciation expense of right-of-use assets included in property and equipment and investment properties (Notes 13 and 14)	₱756,554	₱703,253	₱642,418
Interest expense on lease liabilities (Note 26)	159,761	156,820	134,351
Gain on sale and leaseback	—	—	11,162
Expense relating to short-term leases:			
Cost of sales (Note 20)	283,816	332,416	359,365
Inventories and biological assets (Notes 8 and 9)	195,982	95,306	100,524
Distribution and selling expenses (Note 21)	12,117	12,781	8,712
General and administrative expenses (Note 22)	17,086	16,145	17,228
	₱1,425,316	₱1,316,721	₱1,273,760

Lease liabilities represents payments to be made over the remaining lease term. Movement of the lease liabilities during the period are as follows:

	2023	2022	2021
Balance at beginning of the year	₱2,871,074	₱2,404,981	₱2,636,372
Additions during the year	370,429	841,456	671,722
Payments	(969,408)	(531,072)	(490,027)
Modification and reassessment of term (Note 14)	—	—	(491,284)
Interest expense (Note 26)	163,173	156,820	134,351
Adjustments	(56)	(1,111)	(54,130)
Retired	—	—	(2,023)
Balance at end of the year	2,435,212	2,871,074	2,404,981
Current lease liabilities	(429,222)	(472,454)	(291,236)
Noncurrent lease liabilities	₱2,005,990	₱2,398,620	₱2,113,745

The approximate annual future minimum rent payable of the Group under its existing non-cancellable lease agreements as a lessor as at April 30, 2023, 2022 and 2021 are as follows:

	2023	2022	2021
1 year	₱806,671	₱816,992	₱698,022
more than 1 year to 2 years	612,112	692,790	547,166
more than 2 years to 3 years	571,468	494,847	385,759
more than 3 years to 4 years	494,779	455,196	247,763
more than 4 years to 5 years	452,030	426,706	223,220
more than 5 years	2,835,008	2,433,026	1,312,011
	₱5,772,068	₱5,319,557	₱3,413,941

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 Company has sublease agreements which provides for lease rentals based on an agreed fixed monthly rate. Rental income related to these sublease agreement amounted to ₱26,994, ₱25,475 and ₱24,043 for the years ended April 30, 2023, 2022 and 2021, respectively.

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

	2023	2022	2021
Balance at beginning of the year	₱36,203	₱59,767	₱3,108
Additions	—	—	77,713
Adjustments	148	89	381
Contractual receipts	(26,994)	(25,475)	(24,043)
Interest income	959	1,822	2,608
Balance at end of the year	10,316	36,203	59,767
Current lease receivable	(7,008)	(26,035)	(23,650)
Noncurrent lease receivable	₱3,308	₱10,168	₱36,117

The Parent Company has lease contract with DEARBC that has termination option. This option is negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Parent Company's business needs. Management exercises significant judgement in determining whether the termination option is reasonably certain to be exercised (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, 2023, 2022 and 2021, rent expense related to short-term leases amounted to ₱399,142, ₱457,253 and ₱485,829, 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, 2023, 2022 and 2021 are as follows:

	2023	2022	2021
1 year	₱7,255	₱27,319	₱25,467
more than 1 year to 2 years	325	7,575	26,977
more than 2 years to 3 years	325	645	7,233
more than 3 years to 4 years	325	645	303
more than 4 years to 5 years	325	645	303
more than 5 years	3,897	15,643	4,240
	₱12,452	₱52,472	₱64,523

39. 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 ₱26,907, ₱21,380, and ₱17,824 as of April 2023, April 2022 and 2021 (see Note 20).
- b. Future capital expenditures based on approved budgets and executable contracts are as follows:

	2023	2022	2021
Amounts approved by the Board	₱92,238	₱94,118	₱150,945
Commitments in respect of contracts made	332,287	359,993	580,154
	₱424,525	₱454,111	₱731,099

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

The 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 May 23, 2023, the said petition is pending resolution.

40. 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.

41. Supplemental Disclosure of Cash Flow Information

The changes in liabilities arising from financing activities of the Group for the years ended April 30, 2023, 2022 and 2021 are as follows:

	May 1, 2022	Cash flows		Others*	April 30, 2023
		Proceeds	Payments		
Short-term notes payable	₱8,777,789	₱187,835,701	(₱176,287,259)	₱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 notes payable	2,985,632	—	—	5,722	2,991,354
Bonds payable	6,422,398	—	—	34,034	6,456,432
Lease liabilities	2,871,074	—	(969,408)	533,546	2,435,212
Total liabilities from financing activities	₱21,089,456	₱187,835,701	(₱180,239,440)	₱3,858,413	₱32,544,130

*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	₱108,189,786	(₱107,335,096)	₱34,434	₱8,777,789
Interest payable	31,997	—	(471,727)	472,293	32,563
Dividends payable	—	—	(248,416)	248,416	—
Long-term notes payable	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	₱108,189,786	(₱108,586,311)	₱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.

	May 1, 2020	Cash flows		Others*	April 30, 2021
		Proceeds	Payments		
Short-term notes payable	₱11,442,750	₱146,343,378	(₱149,891,372)	(₱6,091)	₱7,888,665
Interest payable	21,350	—	(435,059)	445,706	31,997
Dividends payable	—	—	(537,953)	537,953	—
Long-term notes payable	3,000,000	1,480,124	(1,500,000)	—	2,980,124
Bonds payable	—	6,373,994	—	15,798	6,389,792
Lease liabilities	2,636,372	—	(490,027)	258,636	2,404,981
Total liabilities from financing activities	₱17,100,472	₱154,197,496	(₱152,854,411)	₱1,252,002	₱19,695,559

*Others include accruals, foreign exchange movement, and recognition and interest accretion of lease liabilities.

Significant Non-Cash Transactions

The Company engaged in the following significant non-cash activities:

- Offsetting of dividends payable to related party balances amounting to ₱1,771,882, ₱1,311,328, and ₱3,777,057, net of final tax, for the years ended 2023, 2022 and 2021 (see Notes 6 and 31);

- b) Offsetting of payables related to the acquisition of trademark to related party balances amounting to nil, nil and ₱2,987,400 for the years ended 2023, 2022 and 2021 (see Note 10); and
- c) Additions to right-of-use assets under property, plant and equipment amounted to ₱353,922 with corresponding increase in lease liabilities of ₱435,097, while in 2022, additions in right-of-use assets of ₱1,030,650 with corresponding increase in lease liabilities of ₱841,456, and in 2021, additions in right-of-use assets and lease liability amounted to ₱959,979 and ₱142,851 (see Note 38).

42. 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:

	2023	2022	2021
Profit attributable to owners of the Parent Company (a)	₱3,708,413	₱4,893,831	₱4,616,184
Weighted average number of common shares issued (b)	2,797,320	2,797,320	2,797,320
Basic Earnings per Common Share attributable to equity holders of the Parent (a/b)	₱1.33	₱1.75	₱1.65

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.

	2023	2022	2021
Weighted average number of common shares outstanding	₱2,797,320	₱2,797,320	₱2,797,320
Convertible preference shares	—	—	—
Weighted average number of common shares outstanding (Diluted)	₱2,797,320	₱2,797,320	₱2,797,320
Diluted Earnings per Common Share attributable to equity holders of the Parent	₱1.33	₱1.75	₱1.65

43. Events after Report Date

The Board of Directors of the Group approved on June 15, 2023 the declaration of cash dividends in the amount of ₱0.04989 per share to all common shareholders of record as of June 29, 2023 payable on July 5, 2023. The source of dividend is the Company's unrestricted earnings as of June 15, 2023.

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.

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

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:

	2023			2022			2021		
	Combined	Elimination	Consolidated	Combined	Elimination	Consolidated	Combined	Elimination	Consolidated
Revenues									
Convenience cooking and dessert	₱12,656,811	₱-	₱12,656,811	₱12,057,162	₱-	₱12,057,162	₱12,257,607	₱-	₱12,257,607
Healthy beverage and snacks	7,531,083	-	7,531,083	6,889,267	-	6,889,267	6,937,487	-	6,937,487
Premium fresh fruit	8,815,294	(577,745)	8,237,549	6,843,981	(257,310)	6,586,671	6,223,168	(419,644)	5,803,524
Packaged fruit and beverages	9,234,739	-	9,234,739	7,639,408	-	7,639,408	6,614,827	-	6,614,827
Others	350,772	(215,200)	135,573	286,064	(198,239)	87,825	118,038	-	118,038
Changes in fair value – PAS 41	3,271,864	-	3,271,864	3,296,124	-	3,296,124	2,733,121	-	2,733,121
Total	41,860,563	(792,945)	41,067,619	₱37,012,006	(₱455,549)	₱36,556,457	₱34,884,248	(₱419,644)	₱34,464,604
Income before interest and taxes*									
Convenience cooking and dessert	₱2,565,877	₱-	₱2,565,877	₱2,831,606	₱-	₱2,831,606	₱3,023,965	₱-	₱3,023,965
Healthy beverage and snacks	446,317	-	446,317	713,494	-	713,494	1,129,523	-	1,129,523
Premium fresh fruit	1,925,649	-	1,925,649	1,931,491	-	1,931,491	1,674,283	-	1,674,283
Packaged fruit and beverages	215,686	-	215,686	679,470	-	679,470	387,892	-	387,892
Others	39,892	-	39,892	31,462	-	31,462	38,724	(44,144)	(5,420)
Changes in fair value – PAS 41	(70,258)	-	(70,258)	12,038	-	12,038	(68,268)	-	(68,268)
Total	₱5,123,163	₱-	₱5,123,163	₱6,199,561	₱-	₱6,199,561	₱6,186,119	(₱44,144)	₱6,141,975
Capital Expenditures									
Convenience cooking and dessert	₱3,379,180	₱-	₱3,379,180	₱3,102,613	₱-	₱3,102,613	₱1,443,685	₱-	₱1,443,685
Healthy beverage and snacks	2,010,687	-	2,010,687	1,772,783	-	1,772,783	1,876,831	-	1,876,831
Premium fresh fruit	2,191,517	-	2,191,517	1,693,267	-	1,693,267	1,418,827	-	1,418,827
Packaged fruit and beverages	2,465,538	-	2,465,538	1,965,813	-	1,965,813	1,876,255	-	1,876,255
Others	36,060	-	36,060	22,657	-	22,657	721	-	721
Total	₱10,082,982	₱-	₱10,082,982	₱8,557,133	₱-	₱8,557,133	₱6,616,319	₱-	₱6,616,319
Depreciation and Amortization									
Convenience cooking and dessert	₱2,664,325	₱-	₱2,664,325	₱2,454,545	₱-	₱2,454,545	₱1,247,442	₱-	₱1,247,442
Healthy beverage and snacks	1,585,383	-	1,585,383	1,402,487	-	1,402,487	1,621,709	-	1,621,709
Premium fresh fruit	1,727,909	-	1,727,909	1,339,581	-	1,339,581	1,225,963	-	1,225,963
Packaged fruit and beverages	1,943,961	-	1,943,961	1,555,198	-	1,555,198	1,621,212	-	1,621,212
Others	28,432	-	28,432	17,924	-	17,924	625	-	625
Total	₱7,949,960	₱-	₱7,949,960	₱6,769,735	₱-	₱6,769,735	₱5,716,951	₱-	₱5,716,951

*Interest does not include bank charges amounting to ₱140,178 in 2023, ₱93,312 in 2022 and ₱79,389 in 2021 (see Note 23).

	2023			2022			2021		
	Combined	Elimination	Consolidated	Combined	Elimination	Consolidated	Combined	Elimination	Consolidated
Segment Assets*									
Convenience cooking and dessert	₱15,122,902	₱-	₱15,122,902	₱12,671,981	₱-	₱12,671,981	₱11,497,514	₱-	₱11,497,514
Healthy beverage and snacks	11,078,934	-	11,078,934	9,205,656	-	9,205,656	9,526,801	-	9,526,801
Premium fresh fruit	13,326,364	(13,564)	13,312,800	9,789,903	(13,622)	9,776,281	6,731,107	(10,000)	6,721,107
Packaged fruit and beverages	13,437,275	(1,256)	13,436,019	9,987,232	(1,234)	9,985,998	8,203,450	-	8,203,450
Others	95,594	(5,464)	90,130	48,709	(5,464)	43,245	69,474	(5,464)	64,010
Total	₱53,061,069	(₱20,284)	₱53,040,785	₱41,703,481	(₱20,320)	₱41,683,161	₱36,028,346	(₱15,464)	₱36,012,882
Segment Liabilities**									
Convenience cooking and dessert	₱13,330,579	₱-	₱13,330,579	₱10,141,344	₱-	₱10,141,344	₱12,671,981	₱-	₱12,671,981
Healthy beverage and snacks	7,973,546	-	7,973,546	5,794,600	-	5,794,600	9,205,656	-	9,205,656
Premium fresh fruit	8,648,963	(3,612)	8,645,351	5,538,313	(3,622)	5,534,691	9,789,903	(13,622)	9,776,281
Packaged fruit and beverages	9,727,594	(1,256)	9,726,338	6,426,781	(1,234)	6,425,547	9,987,232	(1,234)	9,985,998
Others	142,254	-	142,254	74,054	-	74,054	48,709	(5,464)	43,245
Total	₱39,822,936	(₱4,868)	₱39,818,068	₱27,975,092	(₱4,856)	₱27,970,236	₱41,703,481	(₱20,320)	₱41,683,161

*Segment assets excludes deferred tax assets amounting to nil in 2023, nil in 2022 and ₱212 in 2021.

**Segment liabilities exclude deferred tax liabilities amounting to ₱281,652 in 2023, ₱190,989 in 2022 and ₱135,357 in 2021.

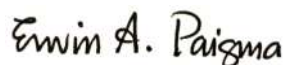
	2023				2022			
	Philippines	Export	Elimination	Total	Philippines	Export	Elimination	Total
Revenues	₱22,267,111	₱19,593,451	(₱792,944)	₱41,067,618	₱20,433,235	₱16,578,771	(₱455,549)	₱36,556,457
Income before interest and income tax	3,098,384	2,024,779	-	5,123,163	3,623,990	2,575,571	-	6,199,561
Capital expenditures	5,544,116	4,538,866	-	10,082,982	4,941,608	3,615,524	-	8,557,132
Depreciation and amortization	4,371,276	3,578,685	-	7,949,960	3,909,414	2,860,321	-	6,769,735
Segment assets	26,201,836	26,859,233	(20,284)	53,040,785	21,877,637	19,825,844	(20,320)	41,683,161
Segment liabilities	21,304,125	18,518,811	(4,868)	39,818,068	15,935,944	12,039,148	(4,856)	27,970,236
	2021							
	Philippines	Export	Elimination	Total				
Revenues	₱19,990,483	₱14,893,765	(₱419,644)	₱34,464,604				
Income before interest and income tax	1,931,146	4,246,829	(36,000)	6,141,975				
Capital expenditures	3,379,641	3,236,678	-	6,616,319				
Depreciation and amortization	2,920,241	2,796,710	-	5,716,951				
Segment assets	21,333,705	14,694,641	(15,464)	36,012,882				
Segment liabilities	15,441,986	9,728,941	-	25,170,927				

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, 2023, 2022 and 2021, and for the years then ended, and have issued our report thereon dated July 5, 2023. 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 (PFRS) 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 PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at April 30, 2023, 2022 and 2021 and for the years then ended and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.



Erwin A. Paigma

Partner

CPA Certificate No. 0118576

Tax Identification No. 944-093-568

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 118576-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-137-2021, November 10, 2021, valid until November 9, 2024

PTR No. 9564677, January 3, 2023, Makati City

July 5, 2023

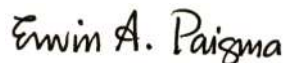


INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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, 2023 and 2022, and for the three years then ended, included in this Form 17-A, and have issued our report thereon dated July 5, 2023. 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.



Erwin A. Paigma

Partner

CPA Certificate No. 0118576

Tax Identification No. 944-093-568

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 118576-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-137-2021, November 10, 2021, valid until November 9, 2024

PTR No. 9564677, January 3, 2023, Makati City

July 5, 2023



DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
Index to the Consolidated Financial Statements and
Supplementary Schedules
April 30, 2023

- 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 paragraph 6D, Part II under Revised SRC Rule 68

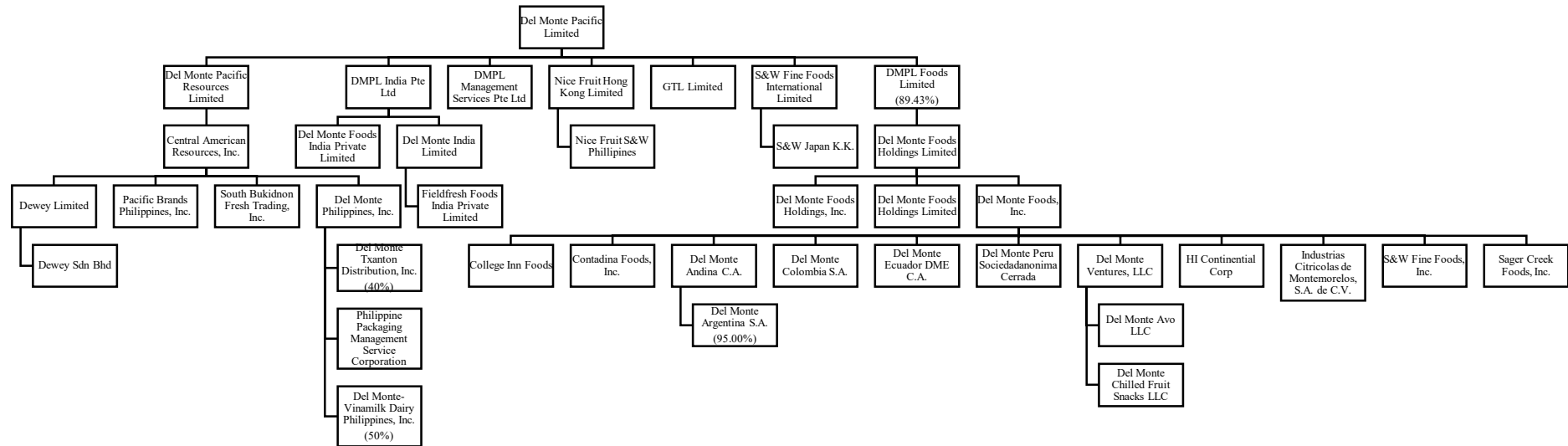
DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND
DECLARATION

Unappropriated Retained Earnings, available for dividend as at April 30, 2020		<u>₱3,855,871</u>
Net income based on the face of the Audited Financial Statements for the period ended April 30, 2021	4,499,293	
Add (less) - net of tax:		
Movement of deferred tax items	(1,415)	
Unrealized gain on fair value of biological assets	13,964	
Net income actually earned/realized for the year ended April 30, 2021		<u>4,511,842</u>
Add (Less):		
Cash dividend declarations during the period – FY21	(2,583,324)	
Cash dividend declarations during the period – Q3 FY21	(2,521,226)	
		<u>(5,104,550)</u>
Unappropriated Retained Earnings, available for dividend as at April 30, 2021		<u>₱3,263,163</u>
Net income based on the face of the Audited Financial Statements for the period ended April 30, 2022	4,742,575	
Add (less) - net of tax:		
Movement of deferred tax items	571	
Unrealized gain on fair value of biological assets	(78,155)	
Net income actually earned/realized for the year ended April 30, 2022		<u>4,664,991</u>
Add (Less):		
Cash dividend declarations during the period		<u>(2,248,107)</u>
Unappropriated Retained Earnings, available for dividend as at April 30, 2022		<u>₱5,680,047</u>
Net income based on the face of the Audited Financial Statements for the period ended April 30, 2023	3,526,833	
Add (less) - net of tax:		
Movement of deferred tax items	52,399	
Unrealized gain on fair value of biological assets	(70,259)	
Net income actually earned/realized for the year ended April 30, 2023		<u>3,649,491</u>
Add (Less):		
Cash dividend declarations during the period		<u>(2,263,421)</u>
Unappropriated Retained Earnings, available for dividend as at April 30, 2023		<u>₱7,066,117</u>

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES

MAP OF RELATIONSHIPS OF THE COMPANIES WITHIN THE GROUP

AS OF APRIL 30, 2023



DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
**SUPPLEMENTARY SCHEDULE ON FINANCIAL SOUNDNESS INDICATORS
AS OF APRIL 30, 2023**

Ratio	Formula	2023	2022	2021
Liquidity Analysis Ratios				
Current Ratio		0.74	1.07	1.09
		2023	2022	2021
	Total current assets	₱25,692	₱17,342	₱14,968
	Divide by: Total current liabilities	34,868	16,035	13,687
	Current ratio	0.74	1.07	1.09
Acid Test Ratio		0.42	0.53	0.52
		2023	2022	2021
	Total current assets less inventories, biological assets and prepaid expenses	₱14,764	₱8,553	₱7,062
	Divide by: Total current liabilities	34,868	16,164	13,687
	Acid Test ratio	0.42	0.53	0.52
Solvency Ratio				
		2023	2022	2021
	Total assets	₱53,041	₱41,683	₱36,013
	Divide by: Total liabilities	40,100	28,161	25,306
	Solvency ratio	1.32	1.48	1.42
Financial Leverage Ratio				
Debt-to-Equity Ratio		3.10	2.08	2.36
		2023	2022	2021
	Total liabilities	₱40,100	₱28,161	₱25,306
	Divide by: Total stockholder's equity	12,941	13,522	10,707
	Debt-to-Equity Ratio	3.10	2.08	2.36

Ratio	Formula	2023	2022	2021
Asset-to-Equity Ratio		4.10	3.08	3.36
		2023	2022	2021
	Total assets	₱53,040	₱41,683	₱36,013
	Divide by: Total stockholder's equity	12,941	13,522	10,707
	Asset-to-Equity Ratio	4.10	3.08	3.36
Interest Rate Coverage Ratio		6.68	11.45	9.85
		2023	2022	2021
	Earnings before interest and taxes (EBIT)	₱5,123	₱6,230	₱6,142
	Divide by: Finance cost (excluding bank charges)	767	544	623
	Interest Rate Coverage Ratio	6.68	11.45	9.85
Profitability Ratios				
Return on equity		28.66%	36.34%	43.11%
		2023	2022	2021
	Net income	₱3,708	₱4,894	₱4,616
	Divide by: Total stockholder's equity	12,941	13,522	10,707
	Return on equity	28.66%	36.34%	43.11%
Return on asset		6.99%	11.74%	12.68%
		2023	2022	2021
	Net Income	₱3,708	₱4,894	₱4,616
	Divide by: Total assets	53,040	41,683	36,013
	Return on asset	6.99%	11.74%	12.68%
Net income margin		9.03%	13.39%	13.39%
		2023	2022	2021
	Net income	₱3,708	₱4,894	₱4,616
	Divide by: Total revenue	41,068	36,556	34,465
	Net income margin	9.03%	13.39%	13.39%

Ratio	Formula	2023	2022	2021
Debt to EBITDA Ratio		2.55	2.14	2.11
		2023	2022	2021
	Total debt*	₱33,286	₱27,849	₱25,079
	Divide by: Earnings before interest, taxes, depreciation and amortization (EBITDA)	13,075	13,000	11,859
	Debt to EBITDA Ratio	2.55	2.14	2.11
Net Debt to Equity Ratio		2.53	2.00	2.25
		2023	2022	2021
	Total debt* less cash	₱32,701	₱26,992	₱24,074
	Divide by: Total stockholder's equity	12,941	13,522	10,707
	Net Debt to Equity Ratio	2.53	2.00	2.25

Note:

* Total debt refers to total liabilities which composed of financial liabilities, trade payables, accrued expenses, and other liabilities.

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES**SCHEDULE A. FINANCIAL ASSETS****AS OF APRIL 30, 2023***(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, 2022	Income received and accrued
Cash and Cash Equivalents	—	₱584,903	₱584,903	₱2,535
Short-term deposit	—	1,000	1,000	—
Receivables	—	14,179,134	14,179,134	239,322
Refundable Deposits	—	111,561	111,561	—
Security Deposits	—	57,969	57,969	—
Financial assets at FVOCI	—	—	—	—
Alabang Country Club	2	34,000	34,000	—
PLDT	45	54	54	—
		₱8,758,854	₱8,758,854	₱241,857

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, 2023***(In Thousands)*

	Receivable balance	Current	1-60 days	61-90days	91-120	Over 120 days
Advances to officers and employees	₱45,132	₱18,628	₱8,258	₱2,528	₱1,175	₱14,543

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, 2023***(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	₱3,009,054	₱3,068,481	(₱57,252)	₱–	₱3,011,229	–	3,011,229

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES

SCHEDULE D. INTANGIBLE ASSETS – OTHER ASSETS

AS OF APRIL 30, 2023

(In Thousands)

Description	Beginning balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending balance
Trademark	₱2,987,400	₱—	₱—	₱—	₱—	₱2,987,400

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES**SCHEDULE E. LONG-TERM DEBT****AS OF APRIL 30, 2023***(In Thousands)*

Title of Issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of Long-term notes payable" in related balance sheet	Amount shown under caption "Long- term notes payable – net of current portion" in related balance sheet
Unsecured Loan availment			
Long-term – Banco de Oro	₱1,500,000	₱–	₱1,500,000
Long-term – Development Bank of the Philippines	1,500,000	–	1,500,000

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES

SCHEDULE F. INDEBTEDNESS TO RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)

AS OF APRIL 30, 2023

(In Thousands)

Name of related party		Balance at end of the year
	NOT APPLICABLE	

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES

SCHEDULE G. GUARANTEES OF SECURITIES AND OTHER ISSUERS

AS OF APRIL 30, 2023

(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 H. CAPITAL STOCK****AS OF APRIL 30, 2023**

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	2,797,320,004	—	—	2,433,668,397	7	—

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

Parag Sachdeva

Contact Person

(088) 855-4312

Company Telephone Number

SEC FORM (1st Quarter FY2024)

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Month

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Day

1	7	-	Q	
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FORM TYPE

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Month

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Day

Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

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

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

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

Yes [] No [/]

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

12. Indicate by check mark whether the registrant:

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

Yes ☐ No ☐

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

Yes ☐ No ☐

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

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

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

None

PART II--OTHER INFORMATION

Not Applicable

SIGNATURES

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

Issuer **Del Monte Philippines, Inc.**

Signature and Title

A handwritten signature in black ink, appearing to read 'P. Sachdeva', with a large, stylized loop at the end.

Parag Sachdeva
Chief Financial Officer and Duly Authorized Officer

Date September 12, 2023

Del Monte Philippines, Inc. and its Subsidiaries

Unaudited Interim Condensed Consolidated
Financial Statements

As at 31 July 2023

and for the Three-month Periods

Ended 31 July 2023 and 2022

(With Comparative Audited Consolidated Statement of
Financial Position as at 30 April 2023 and 2022)

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

	31 July 2023	30 April 2023	30 April 2022
	(Unaudited)	(Audited)	(Audited)
Current assets			
Cash and cash equivalents (Note 5)	P568,466	P584,903	P856,653
Receivables (Note 6, 20 and 23)	12,097,064	14,179,134	7,696,415
Inventories (Note 7)	7,597,191	7,345,733	5,170,899
Biological assets (Note 8)	2,425,444	2,489,173	2,476,150
Prepaid expenses and other current assets (Note 9)	1,281,433	1,093,341	1,142,001
Total Current Assets	23,969,598	25,692,284	17,342,118
Noncurrent assets			
Investment in Joint Venture (Note 10)	—	—	—
Biological assets (Note 8)	174,676	168,588	144,876
Financial assets at fair value through other comprehensive income (FVOCI)	33,059	34,054	15,384
Investment property	163,979	165,524	171,703
Property, plant and equipment (Note 11)	22,084,311	22,075,145	19,261,622
Intangible assets (Note 12)	2,987,400	2,987,400	2,987,400
Receivable – net of current portion (Note 6 and 23)	145,972	145,975	157,627
Net retirement benefits asset	574,248	586,670	512,850
Deferred tax assets - net	—	—	—
Other noncurrent assets (Note 13)	1,106,179	1,185,145	1,089,581
Total Noncurrent Assets	27,269,824	27,348,501	24,341,043
Total Assets	P51,239,422	P53,040,785	P41,683,161
LIABILITIES AND EQUITY			
Current Liabilities			
Short-term notes payable (Notes 14)	18,757,745	P20,472,924	P8,777,789
Accounts payable and accrued expenses (Notes 20)	6,630,277	7,433,190	6,792,153
Current portion of:			
Bonds payable (Note 16)	5,832,560	5,816,019	—
Long-term debt (Note 15)	687,500	687,500	—
Lease liabilities (Note 23)	455,384	429,222	472,454
Income tax payable	73,076	28,955	121,190
Total Current Liabilities	32,436,542	34,867,810	16,163,586
Noncurrent Liabilities			
Long-term debt - net of current portion (Note 15)	2,305,332	2,303,855	2,985,632
Bonds payable - net of current portion (Note 16)	632,673	640,414	6,422,398
Deferred tax liabilities - net	315,923	281,651	190,989
Lease liabilities - net of current portion (Note 23)	2,004,728	2,026,501	2,398,620
Total Noncurrent Liabilities	5,258,656	5,231,910	11,997,639
Total Liabilities	37,695,198	40,099,720	28,161,225
Equity Attributable to Equity Holders of the Parent			
Convertible common stock	—	—	—
Common stock	2,797,320	2,797,320	2,797,320
Other comprehensive income reserves	1,119,390	1,040,601	582,420
Retained earnings:			
Appropriate	2,796,541	2,796,541	2,796,541
Unappropriated	6,822,949	6,298,582	7,337,584
Total Equity Attributable to Equity Holders of the Parent	13,536,200	12,933,044	13,513,865
Non-controlling interest	8,024	8,021	8,071
Total Equity	13,544,224	12,941,065	13,521,936
	P51,239,422	P53,040,785	P41,683,161

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

	31 July 2023	31 July 2022	31 July 2021
REVENUES	₱9,052,614	₱8,911,107	₱8,599,669
COST OF SALES	(6,676,138)	(6,338,025)	(6,010,713)
GROSS INCOME	2,376,476	2,573,082	2,588,956
DISTRIBUTION AND SELLING EXPENSES	(987,112)	(1,028,961)	(773,932)
GENERAL AND ADMINISTRATIVE EXPENSES (Note 18)	(241,277)	(237,336)	(222,494)
FINANCE COST	(436,855)	(202,083)	(186,004)
FOREIGN EXCHANGE GAIN	3,949	101,461	70,172
INTEREST INCOME	99,602	19,466	11,129
LOSS FROM JOINT VENTURE	382	—	—
OTHER INCOME	42,906	188,638	30,435
OTHER EXPENSE	(88,707)	(221,313)	(57,126)
INCOME BEFORE INCOME TAX	769,364	1,192,954	1,461,136
INCOME TAX EXPENSE			
Current	97,558	141,650	218,211
Deferred	7,877	11,621	(7,899)
	105,435	153,271	210,312
NET INCOME	663,929	1,039,683	1,250,824
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that will be reclassified to profit or loss			
Gain on commodity swaps and nondelivery forward contract	79,634	—	—
Items that will never be reclassified to profit or loss			
Unrealized gain (loss) on change in fair value of financial assets at FVOCI	(845)	1891	498
TOTAL COMPREHENSIVE INCOME	₱742,718	₱1,041,289	₱1,251,247
Total net income (loss) attributable to:			
Equity holders of the Company	663,926	₱1,039,681	₱1,250,818
Non-controlling interests	3	2	6
	₱663,929	₱1,039,683	₱1,250,824
Total comprehensive income (loss) attributable to:			
Equity holders of the Company	₱743,516	₱1,041,287	₱1,251,241
Non-controlling interests	2	2	6
	₱742,718	₱1,041,289	₱1,251,247
Attributable to equity holders of the parent			
Basic earnings per share (Note 25)	₱0.24	₱0.37	₱0.45
Diluted earnings per share (Note 25)	₱0.24	₱0.37	₱0.45

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

	Capital Stock			Other Comprehensive Income Reserves	Retained Earnings		Total Equity Attributable to Holders of the Parent	Non-Controlling Interest	Total Equity
	Preferred (Note 18)	Convertible Common (Note 18)	Common (Note 18)		Appropriated	Unappropriated			
As at May 1, 2023	P-	P-	P2,797,320	P1,040,601	P2,796,541	P6,298,582	P12,933,044	P8,021	P12,941,065
Total comprehensive income for the year									
Net income (loss) for the year	-	-	-	-	-	663,926	663,926	3	663,929
Other comprehensive income during the year - net of tax	-	-	-	78,789	-	-	78,789	-	78,789
Total comprehensive income (loss) for the year	-	-	-	78,789	-	663,926	663,926	3	742,718
Cash Dividend	-	-	-	-	-	(139,559)	(139,559)	-	(139,559)
As at July 31, 2023	P-	P-	P2,797,320	P1,119,390	P 2,796,541	P6,822,949	P13,536,200	P8,024	P13,544,224
As at May 1, 2022	P-	P-	P2,797,320	P582,420	P2,796,541	P7,337,584	P13,513,865	P8,071	P13,521,936
Total comprehensive income for the year									
Net income (loss) for the year	-	-	-	-	-	1,039,681	1,039,681	2	1,039,683
Other comprehensive income during the year - net of tax	-	-	-	1,606	-	-	1,606	-	1,606
Total comprehensive income (loss) for the year	-	-	-	1,606	-	1,039,681	1,041,287	2	1,041,289
Cash Dividend	-	-	-	-	-	(2,241,855)	(2,241,855)	-	(2,241,855)
As at July 31, 2022	P-	P-	P2,797,320	P584,026	P2,796,541	P6,135,410	P12,313,297	P8,073	P12,321,370
As at May 1, 2021	P-	P-	P2,797,320	P412,963	P2,796,541	P4,691,860	P10,698,684	P8,126	P10,706,810
Total comprehensive income for the year									
Net income (loss) for the year	-	-	-	-	-	1,250,818	1,250,818	6	1,250,824
Other comprehensive income during the year - net of tax	-	-	-	423	-	-	423	-	423
Total comprehensive income (loss) for the year	-	-	-	423	-	1,250,818	1,251,241	6	1,251,247
Conversion of convertible common shares to RCPS (Note 18)	-	-	-	-	-	-	-	-	-
Cash dividend	-	-	-	-	-	(940,895)	(940,895)	-	(940,895)
As at July 31, 2021	P-	P-	P2,797,320	P413,386	P2,796,541	P5,001,783	P11,009,030	P8,132	P11,017,162

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

	31 July 2023	31 July 2022	31 July 2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	₱769,354	₱1,192,954	₱1,461,136
Adjustments for:			
Depreciation of property, plant and equipment	2,185,870	2,058,032	1,818,238
Finance cost	381,810	170,281	154,399
Net retirement benefit expense	20,920	20,986	29,657
Share in Net Loss of joint venture	(382)	-	-
Unrealized foreign exchange gains (loss) - net	83,911	(292,174)	(54,803)
Interest income	(99,599)	(19,393)	(11,129)
Amortization of debt issue cost	10,278	9,805	12,704
Gain (loss) on disposal of property, plant and equipment	54	(1,337)	(1,408)
	3,352,216	3,139,154	3,408,794
Changes in:			
Trade and other receivables	1,707,204	(2,839,748)	(688,160)
Inventories	(251,458)	(1,881,552)	(275,836)
Biological assets	57,640	100,073	(15,854)
Prepaid and other current assets	(51,533)	(194,724)	(199,464)
Trade and other payables	(1,244,896)	113,135	(284,732)
Operating cash flows	3,569,173	(1,563,662)	1,944,748
Interest received	99,431	19,071	10,597
Net cash flows generated from operating activities	3,668,604	(1,544,591)	1,955,345
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(1,991,445)	(1,960,105)	(1,749,370)
Other noncurrent assets	28,044	9,434	(150,396)
Proceeds from disposal of property, plant and equipment	1,461	2,105	3,299
Investment in joint venture	41,556	-	(9,000)
Net cash flows used in investing activities	(1,920,384)	(1,948,566)	(1,905,467)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	43,112,851	7,051,291	25,643,376
Repayment of borrowings	(44,535,227)	(3,059,712)	(25,557,898)
Interest paid	(159,397)	(92,421)	(128,412)
Payments of lease liability- net of proceeds from lease receivables	(161,809)	(129,086)	(177,128)
Dividends paid	(15,421)	(247,725)	(103,969)
Net cash flows provided by financing activities	(1,759,003)	3,522,347	(324,031)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(5,656)	6,171	3,561
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,439)	35,361	(270,592)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	584,905	856,653	1,004,815
CASH AND CASH EQUIVALENTS AT END OF PERIOD	₱568,466	₱892,014	₱734,223

Selected Notes to the Unaudited Interim Condensed Consolidated Financial Statements

1. Reporting Entity

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

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

The Parent Company’s cannery operation is registered with the Philippine Economic Zone Authority (“PEZA”) at the Philippine Packing Agricultural Export Processing Zone (“PPAEPZ”) as an Ecozone Export Enterprise under Certificate of Registration No. 05-34F which was approved on December 3, 2007. On October 12, 2015, Certificate of Registration No. 07-68 was approved for the registration of its additional activity, particularly the Fresh Fruit Processing Project at the Bukidnon Agro-Resource Export Zone (BAREZ) in Manolo Fortich, Bukidnon.

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

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

Name of subsidiary	Principal Place of Business	Principal Activities	Effective equity held by DMPI		
			July 31, 2023	April 30, 2023	April 30, 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%

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

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

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

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

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

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

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

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

The Board and the stockholders approved the share purchase transaction above and other transaction documents on March 3, 2020, including the conversion of the convertible common shares to RCPS. On August 3, 2020, the SEC approved the amendment of the Parent Company's Articles of Incorporation to reflect the conversion of 335,678,400 convertible common shares to RCPS and the removal of the conversion feature of the remaining convertible common shares.

On October 30, 2020, the Parent Company issued peso-denominated fixed-rate bonds with an aggregate principal amount of ₱6,478,460,000, with the following series of the Bonds: (i) 3.4840% p.a. three-year fixed-rate bonds due 2023 and (ii) 3.7563% p.a. five-year fixed-rate bonds due 2025.

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

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

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

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

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

2.3 Functional and presentation currency

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

2.4 Basis of consolidation

Subsidiaries are entities controlled by the Parent Company. The Parent Company controls an investee if and only if the Parent Company has:

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

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

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

The Parent Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date control is obtained by the Parent Company and cease to be consolidated from the date the Parent Company loses control over the subsidiaries. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Parent Company's accounting policies. All significant intra-Company assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

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

2.5 Loss of control

If the Parent loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate

2.6 Transaction eliminated during consolidation

Intra-company balances and transactions, and any unrealized income or expenses arising from intra-company transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Parent Company's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

2.7 Events after reporting period

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

3. Significant accounting policies

Changes in Accounting Policies and Disclosures

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

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, Interest Rate Benchmark Reform – Phase 2

The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

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

The Company shall also disclose information about:

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

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

4. Seasonality of Operations

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

5. Cash and cash equivalents

	31 July 2023	30 April 2023	30 April 2022
Cash on hand	₱4,214	₱4,400	₱3,300
Cash in banks	562,070	560,503	853,353
Cash Equivalents	2,182	20,000	–
	₱568,466	₱584,903	₱856,653

Certain cash in bank accounts earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 01.10% per annum as of 31 July 2023 (30 April 2023: 0.063% to 0.50% per annum).

6. Receivables

	31 July 2023	30 April 2023	30 April 2022
Trade receivables from third parties	₱3,236,920	₱3,060,941	₱3,137,659
Due from related parties	8,055,476	10,387,221	4,233,001
Nontrade receivables from third parties	142,667	142,667	151,981
Advances to officers and employees	45,104	43,226	45,132
Others	842,898	771,047	378,162
	12,323,065	14,405,102	7,945,935
Less allowance for ECL	80,026	79,993	91,893
	12,243,039	14,325,109	7,854,042
Less noncurrent portion:			
Lease receivable	3,308	3,308	10,168
Receivable from third parties	142,667	142,667	147,459
Noncurrent portion	145,975	145,975	157,627
Current Portion	₱12,097,064	₱14,179,134	₱7,696,415

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

	31 July 2023	30 April 2023	30 April 2022
Trade Receivables			
Balance at beginning of year	₱73,225	₱85,510	₱37,782
Additional provision	(37)	–	47,728
Reversals	–	(12,285)	–
	73,188	73,225	85,510
Nontrade Receivables			
Balance at beginning of year	6,768	6,383	10,242
Additional provision	70	385	–
Reversals	–	–	(3,859)
	6,838	6,768	6,383
Balance at the end of year	₱80,026	₱79,993	₱91,893

Source of estimation uncertainty

The Company maintains an allowance for impairment of accounts receivables at a level considered adequate to provide for potential uncollectible receivables based on the applicable ECL methodology. The level of this allowance is evaluated by the Company on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Company's relationship with debtors, their payment behaviour and known market factors. The Company reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a continuous basis. Additionally, allowance is also determined through a provision matrix based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The amount and timing of recorded expenses for any period would differ if the Company made different judgement or utilised different estimates. An increase in the Company's allowance for impairment would increase the Company's recorded operating expenses and decrease current assets.

7. Inventories

	31 July 2023	30 April 2023	30 April 2022
Cased goods and other merchandise			
At NRV –net	2,511,920	₱1,900,384	₱1,269,502
At cost	989,670	1,247,558	956,754
Production materials and supplies- at NRV	3,194,607	3,284,700	2,260,832
Storeroom supplies- at NRV	900,994	913,091	683,811
	₱7,597,191	₱7,345,733	₱5,170,899

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

	31 July 2023	30 April 2023	30 April 2022
At beginning of the period/year	₱241,377	₱250,906	₱390,938
Allowance for the period/year	118,659	209,765	88,184
Write-off against allowance	(124,362)	(219,294)	(228,216)
At end of the period/year	₱235,674	₱241,377	₱250,906

Source of estimation uncertainty

The Company recognizes allowance on inventory obsolescence when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items. Obsolescence is also established when inventory items are no longer marketable. Obsolete goods when identified are charged to income statement and are written off. In addition to an allowance for specifically identified obsolete inventory, estimation is made on a group basis based on the age of the inventory items. The Company believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Company reviews on a monthly basis the condition of its inventory. The assessment of the condition of the inventory either increases or decreases the expenses or total inventory.

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories expected to be realised. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at the reporting date.

The Company reviews on a continuous basis the product movement, changes in customer demands and introductions of new products to identify inventories which are to be written down to the net realisable values. The write-down of inventories is reviewed periodically to reflect the accurate valuation in the financial records. An increase in write-down of inventories would increase the recorded cost of sales and decrease current assets.

8. Biological assets

	31 July 2023	30 April 2023	30 April 2022
Current -			
Unharvested agricultural produce - at fair value	2,425,444	₱2,489,173	2,476,150
Noncurrent -			
Growing herd - at cost	174,676	168,588	144,876
	₱ 2,600,120	₱2,657,761	₱ 2,621,026

Carrying amounts of the unharvested agricultural produce are as follows:

	31 July 2023	30 April 2023	30 April, 2022
Balance at beginning of year	₱2,489,173	₱2,476,150	₱2,158,274
Additions	181,214	1,033,590	894,050
Harvest	(1,746,496)	(4,292,431)	(3,872,298)
Fair value attributable to price changes, actual harvest and estimated future harvest	1,501,553	3,271,864	3,296,124
Balance at end of year	2,425,444	₱2,489,173	₱2,476,150

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

	31 July 2023	30 April 2023	30 April 2022
Balance at beginning of year	₱168,588	₱144,876	₱129,530
Purchases	17,783	67,737	46,517
Sales and transfers	(11,695)	(44,025)	(31,171)
Balance at end of year	₱174,676	₱168,588	₱144,876

9. Prepaid expenses and other current assets

	31 July 2023	30 April 2023	30 April 2022
Advances to suppliers	₱486,734	₱401,658	₱664,830
Prepaid expenses	187,979	173,634	88,242
Short-term deposit	151,000	1,000	21,172
Derivative Asset	137,189	58,866	–
Prepaid taxes	123,796	141,743	96,844
Input VAT - net	91,827	199,883	162,790
Deferred transportation cost	75,621	92,322	93,166
Prepaid rent	23,928	21,864	13,992
Others	3,359	2,371	966
	₱1,281,433	₱1,093,341	₱1,142,001

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

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

Short-term deposit pertains to a 182-day deposit in Robinsons Bank, with an interest rate of 0.75%, maturing on October 11, 2022 and April 12, 2022, for period as of July 31, 2022 and April 30, 2022, respectively.

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

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

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.

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

Other current assets consist of advances to employees and insurance.

As at July 31, 2023, the Company designated each of its derivative contracts, as a hedge of a highly probable forecasted transaction or of the variability of cash flows to be received or paid related to a recognized asset or liability (“cash flow hedge”). The following fair value of cash flow hedges were outstanding for the Company:

	31 July 2023	30 April 2023	30 April 2023
Commodity contracts	₱8,365	₱58,866	₱–
Foreign currency forward contracts	128,824	(27,856)	–
Total	₱137,189	₱31,010	–
Included in			
Prepaid and other current assets	₱137,189	₱58,866	₱–
Trade and other current liabilities	–	(27,856)	–
Total	₱137,189	31,010	–

As of July 31, 2023, the notional amount of the Company’s commodity contracts are 22,957.80 barrels.

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 July 31, 2023, the notional amount of the Group’s foreign currency forward contracts is 217,000 US dollars.

10. Investment in Joint Venture

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

11. Property, Plant and Equipment

	Buildings, land improvements and leasehold improvements	Machineries and equipment	Construction -in-progress	Bearer Plants	Right of use assets	Land (At revalued amount)	Total
At 1 May 2023	₱4,433,486	₱13,033,408	₱1,836,667	₱19,027,837	₱5,145,219	₱1,037,394	₱44,514,011
Additions	24,171	314	166,070	1,821,172	183,025	-	2,194,752
Transfers /adjustments	20,038	199,171	(219,209)	-	-	-	-
Disposals/write-offs	-	(66,679)	-	(935,759)	(31,937)	-	(1,034,375)
At 1 July 2023	4,477,695	13,166,214	1,783,528	19,913,250	5,296,307	1,037,394	45,674,388

Accumulated Depreciation and Amortization							
At 1 May 2023	₱2,128,558	₱10,166,823	-	₱7,941,792	₱2,201,693	-	₱22,438,866
Depreciation and amortization	70,306	176,302	-	1,725,847	211,870	-	2,184,325
Transfers/Adjustments	(49)	(203)	-	-	-	-	(252)
Disposals	-	(65,166)	-	(935,759)	(31,937)	-	(1,032,862)
At 31 July 2023	₱2,198,815	₱10,277,756	-	₱8,731,880	₱2,381,626	-	₱23,590,077
Carrying Value	₱2,278,880	₱2,888,458	₱1,783,528	₱11,181,370	₱2,914,681	₱1,037,394	₱22,084,311

	Buildings, land improvements and leasehold improvements	Machineries and equipment	Construction -in-progress	Bearer Plants	Right of use assets	Land (At revalued amount)	Total
Gross Carrying Amount							
At 1 May 2022	₱3,356,653	₱12,413,528	₱1,263,267	₱18,463,026	₱4,896,093	₱ 610,232	₱41,002,799
Additions	544,292	245,810	1,175,257	8,071,969	297,465	-	10,334,793
Revaluation	-	-	-	-	-	427,163	427,163
Transfers /adjustments	115,144	486,713	(601,857)	-	-	-	-
Disposals/write-offs	(337)	(112,644)	-	(7,507,158)	(48,339)	-	(7,668,478)
At 31 April 2023	4,015,752	13,033,407	1,836,667	19,027,837	5,145,219	1,037,395	44,096,277

Accumulated Depreciation and Amortization							
At 1 May 2022	₱1,480,968	₱9,570,147	-	₱9,194,783	₱1,495,279	-	₱21,741,177
Depreciation and amortization	230,349	704,511	-	6,254,167	754,754	-	7,943,781
Transfers /adjustments	(194)	(2,185)	-	-	-	-	-2,379
Disposals/write-offs	(299)	(105,650)	-	(7,507,158)	-48,340	-	(7,661,447)
At 31 April 2023	1,710,824	10,166,823	-	7,941,792	2,201,693	-	22,021,132
Carrying Value	₱2,304,928	₱2,866,584	₱1,836,667	₱11,086,045	₱2,943,526	₱1,037,395	₱22,075,145

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

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

12. Intangible asset

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

Management has assessed the trademark as having indefinite useful life as the 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 July 31, 2023, April 30, 2023 and 2022.

13. Other noncurrent assets

	31 July 2023	30 April 2023	30 April 2022
Advance rent	₱835,048	₱815,817	₱632,887
Refundable deposits	103,911	101,740	111,561
Advances to suppliers	96,318	160,834	220,416
Security deposits	53,943	53,943	57,969
Deferred input VAT	2,944	25,988	25,988
Others	14,015	26,823	40,760
	₱ 1,106,179	₱1,185,145	₱1,089,581

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

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

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

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

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

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

14. Short-term notes payable

	31 July 2023	30 April 2023	30 April 2022
Peso-denominated loans	₱9,425,000	₱7,975,000	₱5,880,000
Dollar-denominated loans	9,332,745	12,497,924	2,897,789
	₱18,757,745	₱20,472,924	₱8,777,789

The unsecured peso-denominated loans bear interest at 6.35% to 7.50%, 4.50% to 6.75%, and 2.125% to 2.250% as at July 2023, April 2023, and April 2022 respectively, and usually mature after 30 to 92 days.

As at July 2023, April 2023, April 2022, the balance of dollar-denominated unsecured notes payable in original currency amounted to US\$170,200 or ₱9,332,747, US\$225,200 or ₱12,497,924, and US\$55,370 or ₱2,897,789 respectively. The loans bear an interest at 5.50% to 6.50%, 4.43% to 6.50%, and 1.85% to 2.00% as at July 2023, April 2023, and April 2022 respectively and usually mature after 32 to 91 days.

Total interest expense on short-term loans amounted to ₱267,881, ₱560,266, and ₱206,923 for period ended July 2023, April 2023 and April 2022, respectively.

15. Long-term debt

	31 July 2023	30 April 2023	30 April 2022
Bank and Financial Institutions:			
BDO	₱1,500,000	₱1,500,000	₱1,500,000
DBP	1,500,000	1,500,000	1,500,000
	3,000,000	3,000,000	3,000,000
Less debt issuance cost	7,168	8,645	14,368
	₱2,992,832	2,991,355	2,985,632
Less current portion	687,500	687,500	
	₱2,305,332	₱2,303,855	₱2,985,632

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

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

Interest expense on long-term loans amounted to ₱42,864, ₱126,497, and ₱93,063 for the periods ended July 2023, April 2023, and April 2022, respectively.

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

16. Bonds Payable

	July 2023	April 2023	April 2022
Face Value of Bonds	₱6,478,460	6,478,460	6,478,460
Less: current portion	-	-	-
Less: Discount on Bonds Payable	13,227	22,028	56,062
Carrying Value	6,465,233	6,456,432	6,422,398
Less: current portion	5,832,560	5,816,019	-
	₱632,673	640,414	6,422,398

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 Company to repay its existing short-term and unsecured loans. As of July 31, 2023, ₱5,832,560 three-year fixed-rate and ₱632,673 five-year fixed-rate bonds were issued.

The movement in unamortized debt issuance costs follow:

	31 July 2023	30 April 2023	30 April 2022
Balance at beginning of year	₱22,028	56,062	88,668
Additions	-	-	-
Amortisations	8,801	34,034	32,606
Balance at end of year	₱13,227	22,028	56,062

17. Accounts payable and accrued expenses

	31 July 2023	30 April 2023	30 April 2022
Accounts payable:			
Trade	₱4,412,627	₱5,367,137	₱5,115,778
Nontrade	196,338	122,392	98,919
Due to related parties	46,690	20,265	107,857
Accrued expenses:			
Advertising, promotions, sales returns and discounts	290,541	193,467	309,705
Freight and warehousing	273,527	219,734	173,375
Tinplate and consigned stocks	241,014	204,086	225,434
Interest	232,759	188,208	32,563
Salaries, bonuses and other employee benefits	225,926	158,894	171,352
Professional and outside services	206,692	169,656	105,770
Payable to government agencies	188,567	391,980	184,060
Utilities	81,044	79,634	65,316
Land preparation and rental	106,729	102,098	105,051
Forward Contract	-	27,856	-
Others	127,823	187,783	96,973
	₱6,630,277	7,433,190	6,792,153

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

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

18. General and administrative expenses

This account consists of the following:

	31 July 2023	31 July 2022	31 July 2021
Personnel	₱122,341	₱118,379	₱127,740
Depreciation and amortization	27,047	28,860	28,477
Professional fees	18,551	24,019	16,687
Technology cost	20,123	15,233	12,617
Training and employee activities	14,456	20,332	10,011
Travel and transportation	9,364	6,388	4,663
Rent	5,414	4,271	4,252
Taxes and insurance	7,880	5,148	4,077
Utilities	5,981	3,946	3,803
Supplies	1,854	1,942	3,578
Outside services	3,709	3,217	2,624
Others	4,557	5,601	3,965
	₱241,277	237,336	222,494

19. Common Stock

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

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

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

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

As of and for the year ended July 31, 2023, the Company 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 September 14, 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.

20. Related Party Transactions

Related party transactions

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

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

Category/ Transaction	Period	Amount of the transaction, 31 July	Outstanding balance – receivables/ (payables) as of 31 July 2023, 30 April 2023 and 2023	Terms	Conditions
Ultimate Parent					
▪ Sales	2024	(249)	302	non-interest bearing	no impairment
	2023	833	0		
	2022	611	2,012		
▪ Purchases	2024	1,684	(1,770)	non-interest bearing	no impairment
	2023	(4,308)	(934)		
	2022	(9,363)	(2,743)		
▪ Advances and security deposits	2024	-	-	non-interest bearing	no impairment
	2023	-	-		
	2022	(376)			
▪ Services and other reimbursements	2024	3,900	2,595	non-interest bearing	no impairment
	2023	3,058	3,947		
	2022	10,452	2,298		

Under Common Control					
▪ Sales	2024	1,097,174	6,049,219	non-interest bearing	no impairment
	2023	7,838,344	6,457,055		
	2022	6,056,154	3,564,801		
▪ Purchases and royalties	2024	(17,433)	(50,737)	non-interest bearing	no impairment
	2023	(37,613)	(35,662)		
	2022	(17,553)	(14,155)		
▪ Advances	2024	(1,962,352)	595,233	non-interest bearing	no impairment
	2023	10,993,826	3,158,207		
	2022	3,257,294	0		
▪ Services and other reimbursements	2024	98,964	1,297,388	non-interest bearing	no impairment
	2023	557,253	590,701		
	2022	6,790	46,599		
Other Related Party					
▪ Sales	2024	16,162	107,376	non-interest bearing	no impairment
	2023	305,395	132,687		
	2022	299,775	380,895		
▪ Purchases	2024	(7,822)	(36,687)	non-interest bearing	no impairment
	2023	(273,959)	(16,465)		
	2022	(71,007)	(49,383)		
▪ Rendering of services	2024	(90,046)	55,303	non-interest bearing	no impairment
	2023	(241,717)	87,143		
	2022	199,489	214,674		
▪ Lease receivables	2024	0	3,397	non-interest bearing	no impairment
	2023	(41)	3,426		
	2022	159	3,385		
▪ Rental of office space and common use area	2024	34,628	(12,833)	non-interest bearing	no impairment
	2023	(124,922)	(23,241)		
	2022	(100,207)	(336)		
	2024	₱(825,390.00)	₱8,008,786		
	2023	19,016,149.00	10,356,865		
	2022	9,632,217.50	4,148,047		

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

Except for transactions identified in the previous section as interest-bearing, outstanding balances at financial reporting date are unsecured, interest-free and settlement occurs in cash and are collectible or payable on demand. As at July 31, 2022, April 30, 2022 and April 30, 2021, the Company has not made any provision for doubtful accounts relating to amounts owed by related parties.

21. Accounting classification and fair values

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

	July 31, 2023		April 30, 2023		April 30, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Liabilities						
<i>Measured at amortized cost:</i>						
Long-term notes payable	₱2,992,832	₱2,879,816	₱2,991,355	₱2,906,707	₱2,985,632	₱2,984,270
Bonds payable	6,456,233	6,382,394	6,456,432	6,347,364	6,422,398	6,414,308
	₱9,449,065	₱9,262,210	₱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 Company has determined that carrying amounts of cash and cash equivalents, receivables, short-term deposits and accounts payable and accrued expenses reasonably approximate their fair values because these are mostly short-term in nature.

Security and Refundable Deposits

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

Financial Assets at FVOCI

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

Short-term Notes Payable

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

Long-term Notes Payable

The fair value of interest-bearing floating rate loans, categorized as Level 3 input, is based on discounted value of expected future cash flows using the applicable market rates for similar types of instrument as of reporting date. As at April 31, 2022, the fair value of the long-term loan amounted to ₱2,984,270 using 3.00% average incremental borrowing rate of the Company 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.

22. Determination of fair values

Fair value hierarchy

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

31 July 2023				
	Level 1	Level 2	Level 3	Totals
Financial assets				
Financial Assets at FVOCI	₱33,059	₱—	₱—	₱33,059
Non-financial assets				
Fair value of agricultural produce				
Harvested*	—	—	1,746,496	1,746,496
Unharvested	—	—	2,425,444	2,425,444
Land	—	—	1,037,394	1,037,394
Investment Property	—	—	163,979	163,979

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

30 April 2023				
	Level 1	Level 2	Level 3	Totals
Financial assets				
Financial Assets at FVOCI	₱34,054	₱—	₱—	₱34,054
Non-financial assets				
Fair value of agricultural produce	—	—	3,387,621	3,387,621

Harvested*				
Unharvested	–	–	4,108,988	4,108,988
Land	–	–	610,232	610,232
Investment Property	–	–	165,524	165,524

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

30 April 2022				
	Level 1	Level 2	Level 3	Totals
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 period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

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

Assets	Valuation technique	Significant unobservable inputs
Harvested crops – sold as fresh fruit	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is based on the selling price of fresh fruits as sold in the local and international markets (Level 3).	The unobservable input is the estimated selling price of pineapple per ton specific for fresh products.
Harvested crops – used in processed products	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the processed product (concentrates, pineapple beverages, sliced pineapples, etc.) adjusted for margin and associated costs related to production (Level 3).	The unobservable input is the estimated selling price of pineapple and gross margin per ton specific for processed products.
Unharvested crops – fruits growing on the bearer plants	The growing produce are measured at fair value from the time of maturity of the bearer plant until 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	The unobservable inputs used to determine market value are the net

Assets	Valuation technique	Significant unobservable inputs
	approach to value that considers the sales of similar or substitute properties and related market data and establishes a value estimate by involving comparison.	selling prices, sizes, property location and market values. Other factors considered to determine market value are the desirability, neighborhood, utility, terrain, and the time element involved.
Investment Property	The valuation method used to determine fair value is Sales Comparison Approach and Income Approach for land and buildings, respectively.	The unobservable inputs used to determine market value are the prevailing rental rates and return on investment as at valuation date.

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

Significant increase (decrease) in the estimated future selling price of pineapple, gross margin per ton and estimated volume of harvest would result in higher (lower) fair value of growing produce, while significant increase (decrease) in the future growing costs would result in lower (higher) fair value.

23. Leases

Company as a lessee

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

	31 July 2023	31 July 2022	31 July 2021
Amortization expense of right-of-use assets	₱208,594	338,243	227,901
Interest expense on lease liabilities	45,473	72,304	77,656
Expenses relating to short-term leases	221,208	208,952	237,161
Total amount recognized in statement of income	475,275	619,499	542,718

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

	31 July 2023	30 April 2023	30 April 2022
At the beginning of period/year	₱2,435,212	₱2,871,074	₱2,404,981
Additions	150,967	370,429	841,456
Accretion of interest	45,473	163,173	156,820
Payments	(171,540)	(969,408)	(531,072)
Prepayments	-	(56)	-
Adjustment	-	-	(1,111)
At the end of period/year	2,460,112	2,435,212	2,871,074
Current lease liabilities	(455,384)	(429,222)	(472,454)
Noncurrent lease liabilities	₱2,004,728	₱ 2,005,990	₱ 2,398,620

Company as a lessor

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

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

	31 July 2023	30 April 2023	30 April 2022
At the beginning of period/year	₱10,315	₱36,203	59,767
Adjustments/Transitions	-	148	89
Contractual receipts	(7,008)	(26,994)	(25,475)
Interest income	90	959	1,822
At the end of period/year	3,397	10,315	36,203
Current lease receivable	(126)	(7,008)	(26,035)
Non-current lease receivable	₱3,271	₱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.

24. Commitments and contingencies

- Royalty agreement with S&W Fine Foods International Limited and the Parent Company provides for the payment of royalty computed at 3% of list sales, effective May 1, 2019 and 0.5% of list sales, effective May 1, 2020 for 10 years. Royalty expense recognized under "Cost of Sales" account amounted to ₱8,726, ₱6,166, and ₱4,918 as of July 2023, July 2022 and 2021.
- Future capital expenditures based on approved budgets and executable contracts are as follows:

	31 July 2023	April 2023	April 2022
Amounts approved by the board	₱705,359	₱92,238	₱94,118
Commitments in respect of contracts made	299,706	332,287	359,993
Total capex commitments	₱1,005,065	₱424,525	₱454,111

- There are lawsuits, tax assessments and certain claims arising out of the normal course of business. Management, in consultation with legal counsel, believes that the resolution of these contingencies, other than those already with provision, will not have a material effect on the consolidated financial statements.
- The Company has a pending case for decision of the Court of Tax En Banc (CTA EB) pertaining to deficiency tax assessment covering taxable year 2013 amounting ₱6,796. The Company continues to cooperate with the Court of Tax Appeals by submitting all the requested documents and information explaining how the Assessment Notices for 2013 were rebutted. As of September 14, the case is pending resolution.

25. Earnings (loss) per share

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

	31 July 2023	31 July 2022	31 July 2021
Profit (loss) attributable to owners of the Company (a)	663,929	1,039,681	1,250,818
Weighted average number of common shares issued (b)	2,797,320	2,797,320	2,797,320

Basic Earnings per Common Share attributable to equity holders of the Parent (a/b)	0.23	0.37	0.45
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For the purpose of calculation of the diluted earnings per ordinary share, the weighted average number of common shares is adjusted to take into account the dilutive effect arising the conversion of common shares to RCPS, with the potential ordinary shares weighted for the period outstanding.

	31 July 2023	31 July 2022	31 July 2021
Weighted average number of common shares issued	2,797,320	2,797,320	2,797,320
Convertible preference shares	-	-	-
Weighted average number of common shares issued (diluted) (c)	2,797,320	2,797,320	2,797,320
Diluted Earnings per Common Share attributable to equity holders of the Parent (a/c)	0.24	0.37	0.45

26. Operating segments

Product Segments

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

Convenience Cooking and Dessert

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

Healthy Beverages and Snacks

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

Premium Fresh Fruit

The Company's Premium Fresh Fruit category include sales of S&W-branded premium fresh pineapples in Asia Pacific and private label or non-branded MD2 and C74 fresh pineapples in Asia. The

Company's key product in the Premium Fresh Fruit segment is the MD2 pineapple variant, which is the Company's main export product and sold under the "S&W Sweet 16" brand.

Packaged Fruit and Beverages – Export

This segment includes revenues from sales of packaged fruit and beverage products sold internationally. Packaged fruit in this segment includes fruit products that are packaged in different formats such as can, plastic cup, pouch and aseptic bag, and which are sold under the S&W brand in approximately 30 countries and the Del Monte brand for parties who have the license rights to Del Monte in other markets, as well as under the private labels of non-affiliated parties. A portion of MD2 pineapples that are not exported as fresh fruit are used to produce Nice Fruit frozen pineapple products and not-from-concentrate juices or packaged as a premium version of the Company's Del Monte-branded packaged pineapples, Deluxe Gold. Deluxe Gold products. Beverage products in this segment include 100% Pineapple Juice and juice drinks in various flavors in can and Tetra Pak packaging and pineapple juice concentrate. In addition, this segment also covers not-from-concentrate juices. Not-from-concentrate juice is prepared solely from the juice of whole pineapples at the Company's not-from-concentrate juicing plant and contains no additional ingredients. The Company produces 100% MD2 not-from-concentrate pineapple juice for export to certain countries within Asia for industrial use and for resale to consumers under buyer's own labels.

Others

The Company's cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to animals. This segment also includes culinary products sold internationally. The BOD (Chief Operating Decision Maker) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. The amounts of segment assets and liabilities, and segment profit or loss are based on measurement principles that are similar to those used in measuring the assets, liabilities and profit or loss in the consolidated financial statements, which is in accordance with PFRS.

Information about reportable segments

	Three months ended 31 July 2023			Three months ended 31 July 2022			Three months ended 31 July 2021		
	Combined	Elimination	Consolidated	Combined	Elimination	Consolidated	Combined	Elimination	Consolidated
Revenues									
Convenience Cooking and Desert	₱2,524,758	-	₱2,524,758	₱2,308,878	-	₱2,308,878	₱2,748,406	-	₱2,748,406
Healthy Beverages and Snacks	1,706,130	-	1,706,130	1,705,924	-	1,705,924	1,695,049	-	1,695,049
Premium Fresh Fruit	2,840,699	(166,819)	2,673,880	2,265,852	₱(185,757)	2,080,095	1,666,629	₱(93,827)	1,572,802
Packaged fruit and Beverages	1,491,752		1,491,752	2,124,918		2,124,918	1,729,180	-	1,729,180
Others	75,190	(44,027)	31,163	65,339	(44,052)	21,287	58,813	(41,320)	17,493
Changes in fair value – PAS 41	624,931	-	624,931	670,005	-	670,005	836,739	-	836,739
Total	₱9,263,460	(210,846)	₱9,052,614	₱9,140,916	₱(229,809)	₱8,911,107	₱8,734,816	₱(135,147)	₱8,599,669
Income before interest and tax									
Convenience Cooking and Desert	₱384,987	-	₱384,987	₱544,402	-	₱544,402	₱716,113	-	₱716,113
Healthy Beverages and Snacks	89,544	-	89,544	213,236	-	213,236	286,802	-	286,802
Premium Fresh Fruit	668,262	-	668,262	467,718	-	467,718	466,253	-	466,253
Packaged fruit and Beverages	49,775	-	49,775	169,171	-	169,171	97,318	-	97,318
Others	8,170	-	8,170	5,505	-	5,505	4,908	-	4,908
Changes in fair value – PAS 41	(138,817)	-	(138,817)	(46,384)	-	(46,384)	45,717	-	45,717
Total	₱1,061,921	-	₱1,061,921	₱1,353,648	-	₱1,353,648	₱1,617,111	-	₱1,617,111

a. Events after the Reporting Period

On September 5, 2023, the board approved the declaration of cash dividends in the amount of ₱0.15886 per share to all common shareholders of record as of close of business of September 20, 2023, payable on September 27, 2023. The source of dividend payment is the Company's unrestricted earnings as of September 5, 2023.

b. Other Matters

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

Key Performance Indicators

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

A. Current Ratio

	31-Jul-23	30-Apr-23	30-Apr-22	Benchmark
Current Ratio	0.74	0.74	1.07	Minimum of 1.20

Lower compared to April 2022 due to increase in current liabilities, primarily short-term notes payables.

B. Debt to Equity

	31-Jul-23	30-Apr-23	30-Apr-22	Benchmark
Debt* to Equity	2.78	3.10	2.08	Maximum of 2.50

Lower compared to April 2023 due to lower debt as of July 2023.

C. Net Profit Margin

	31-Jul-23	30-Apr-23	30-Apr-22	Benchmark
Net Profit Margin attributable to owners of the company	7.33%	9.03%	11.92%	Minimum of 3%

Lower net profit compared to April 2023 and April 2022 due to lower gross income.

D. Return on Asset

	31-Jul-23	30-Apr-23	30-Apr-22	Benchmark
Return on Asset	5.21%	6.99%	11.74%	Minimum of 1.21

Lower return on asset compared to April 2023 and April 2022 due to lower net income.

E. Return on Equity

	31-Jul-23	30-Apr-23	30-Apr-22	Benchmark
Return on Equity	19.70%	28.66%	36.19%	Minimum of 8%

Lower return on equity compared to April 2023 and April 2022 due to lower retained earnings during the period.

Causes for any Material Changes in the Financial Statements

A. Receivables

Receivables decreased by ₱2,082.1 million, or 14.7%, from ₱14,179.1 million as of April 30, 2023 to ₱12,097.1 million as of July 31, 2023 due to intercompany collections during the period.

B. Short-term notes payable

Short-term notes decreased by ₱1,715.2 million, or 8.4%, from ₱20,472.9 million as of April 30, 2023 to ₱18,757.7 million as of July 31, 2023 due to payments of loan within the period.

C. Prepaid expenses and other current assets

Prepaid and other current assets decreased by ₱188.1 million, or 17.2%, from ₱1,093.3 million as of April 30, 2023 to ₱1,281.4 million as of July 31, 2023. The increase is due to favourable valuation of forward contracts as of end of July 2023.

D. Accounts payable and accrued expenses

Accounts payable decreased by ₱802.9 million, or 10.8%, from ₱7,433.19 million as of April 30, 2023 to ₱6,630.3 million as of July 31, 2023. The increase is mainly driven by lower purchases and importations during the period, and lower accruals at the end of the period.

Liquidity and Covenant Compliance

Certain unsecured bank loan agreements contain various covenants that are typical of these types of facilities such as financial covenants relating to required debt-to-equity ratio, interest cover, and maximum annual capital expenditure restrictions.

The Company monitors its liquidity risk to ensure that it has sufficient resources to meet its liabilities as they become due, under both normal and stressed circumstances without incurring unacceptable losses or risk to the Company's reputation. The Company maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks and constantly maintains good relations with its banks, such that additional facilities, whether for short or long term requirements, may be made available.

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

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

Ratio	Formula	31 July 2023	30 April 2023	30 April 2022
(i) Liquidity Analysis Ratios:				
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	0.74	0.74	1.07
Quick Ratio	(Current Assets - Inventory - Biological – Prepaid Expenses) / Current Liabilities	0.39	0.42	0.53
(ii) Solvency Ratio	Total Assets / Total Liabilities*	1.36	1.32	1.48
Financial Leverage Ratios:				
Debt Ratio	Total Liabilities*/Total Assets	0.60	0.49	0.51
Debt-to-Equity Ratio	Total Liabilities/Total Stockholders' Equity	2.78	3.10	2.08
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	3.78	4.10	3.08
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT) ** / Interest Charges	3.63	5.07	10.30
(v) Profitability Ratios				
Return on Assets	Net Income*** / Total Assets	5.21%	6.99%	11.74%
Return on Equity	Net Income*** / Total Stockholders' Equity	19.70%	28.66%	36.19%
		31 July 2023	31 July 2022	31 July 2023
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	26.25%	28.87%	30.11%
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Sales	7.33%	11.67%	14.54%
Net Profit Margin	Net Profit / Sales	7.33%	11.67%	14.55%

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

** EBIT =Earnings before interests and taxes

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