# COVER SHEET

S.E.C. Registration Number

DEL MONTE PACIFIC LIMITED

(Company's Full Name)

c/o JY Campos Centre
9th Avenue corner 30th Street
Bonifacio Global City
Taguig City

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

**Antonio E.S. Ungson**

Contact Person

**+65 2 856 2556**

Company Telephone Number

**SEC Form**

| | |
|---|---|
| Month | |
| Day | |
| FORM TYPE | 17-A |
| Annual Meeting Month | 08 |
| Annual Meeting Day | 30 |

*Month* *Day*

FORM TYPE

*Month* *Day*

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes.

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-A, AS AMENDED**

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

1. For the fiscal year ended **30 April 2024**

2. SEC Identification Number **N/A** 3. BIR Tax Identification No. **N/A**

4. Exact name of issuer as specified in its charter **Del Monte Pacific Limited**

5. **British Virgin Islands**
Province, Country or other jurisdiction of incorporation or organization

6. (SEC Use Only)
Industry Classification Code:

7. **Craigmuir Chambers, PO Box 71 Road Town, Tortola, British Virgin Islands**
Address of principal office Postal Code

8. **+65 6324 6822**
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 SRC, or Sec. 4 and 8 of the RSA

| Title of Each Class | Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding |
|---|---|
| **Ordinary Shares** | **1,943,960,024** |

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

Yes [✓] No [ ]

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

**Singapore Exchange Securities Trading Limited – Ordinary Shares**
**Philippine Stock Exchange – Ordinary Shares**

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 [ ]

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

Yes [✓] No [ ]

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant.

**The aggregate market value of the voting stock held by non-affiliates is US$40,837,441 as at June 28, 2024.**

**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.

**Not Applicable**

**DOCUMENTS INCORPORATED BY REFERENCE**

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 AUG 05 2024 on MAKATI CITY.

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 05 2024 affiant(s) exhibiting to me his/their Residence Certificates, as follows:

| NAMES | PASSPORT NO. | DATE/PLACE OF ISSUE |
|---|---|---|
| Joselito D. Campos, Jr. | P7796935B | 7 Oct 2021 / DFA-Manila |
| Luis F. Alejandro | P8267848B | 24 Nov 2021 / DFA-Manila |
| Parag Sachdeva | Z4816522 | 16 May 2018 / Manila |
| Antonio E. S. Ungson | P2425790B | 3 July 2019 / DFA - NCR East |

ATTY. JOEL FERRER FLORES
Notary Public for Makati City
Until December 31, 2024
Appointment No. M-115(2023-2024)
Roll of Attorney No. 77376
MCLE Compliance VIII NO. 0001393-
Jan. 03, 2023 Until Apr. 14, 2028
PTR No.10073915/ Jan.02.2024/Makati City
IBP No.330740/ Jan.02.2024/Pasig City
1107 D Bataan St., Guadalupe Nuevo, Makati City

Doc No. 243
Page No. 50
Book No. 170
Series of 2018.

## TABLE OF CONTENTS

## Part I – BUSINESS AND GENERAL INFORMATION

### Item 1. Business

***Overview***

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

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

The immediate holding company is NutriAsia Pacific Limited ("NAPL"), and the indirect shareholders of which are NutriAsia Inc. ("NAI") and Well Grounded Limited ("WGL"), which at 30 April 2024, 2023 and 2022, each held 57.8% and 42.2% interests in NAPL, respectively, through their intermediary company, NutriAsia Holdings Limited. NAPL, NAI and WGL were incorporated in the British Virgin Islands. The ultimate holding company is HSBC International Trustee Limited.

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

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

***Subsidiaries***

The details of the Company's subsidiaries are as follows:

| **Name of subsidiary** | **Principal activities** | **Place of in-corporation and business** | **Effective equity held by the Group 30 April 2024 %** | **30 April 2023 %** |
|---|---|---|---|---|
| **Held by the Company** | | | | |
| Del Monte Pacific Resources Limited ("DMPRL") [6] | Investment holding | British Virgin Islands | 100.00 | 100.00 |
| DMPL India Pte Ltd ("DMPLI") [3] | Investment holding | Singapore | 100.00 | 100.00 |

| Name of subsidiary | Principal activities | Place of in-corporation and business | Effective equity held by the Group 30 April 2024 % | 30 April 2023 % |
|---|---|---|---|---|
| DMPL Management Services Pte Ltd [3] | Providing administrative support and liaison services to the Group | Singapore | 100.00 | 100.00 |
| GTL Limited [4] | Inactive | Federal Territory of Labuan, Malaysia | 100.00 | 100.00 |
| S&W Fine Foods International Limited ("S&W") [6] | Selling processed food products under the "S&W" trademark; Owner of the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa | British Virgin Islands | 100.00 | 100.00 |
| DMPL Foods Limited ("DMPLFL") [7] [8] | Investment holding | British Virgin Islands | 93.57 | 93.57 |
| **Held by DMPRL** | | | | |
| Central American Resources, Inc. ("CARI")[6] | Investment holding | Panama | 100.00 | 100.00 |
| Dewey Limited ("Dewey") [7] | Mainly investment holding | Bermuda | 100.00 | 100.00 |
| **Held by CARI** | | | | |
| DMPI [1] [2] | Growing, processing and distribution of food products mainly under the brand name "Del Monte" | Philippines | 89.27 | 87.00 |
| South Bukidnon Fresh Trading Inc ("SBFTI") [1] | Inactive | Philippines | 100.00 | 100.00 |
| **Held by DMPI** | | | | |
| Philippine Packing Management Services Corporation ("PPMSC") [1] | Intellectual property holding and licensing, management, logistics and support services | Philippines | 89.27 | 87.00 |
| Jubilant Year Investments Limited [7] [9] | Investment holding | British Virgin Islands | 89.27 | – |

| Name of subsidiary | Principal activities | Place of in-corporation and business | Effective equity held by the Group 30 April 2024 % | 30 April 2023 % |
|---|---|---|---|---|
| Del Monte Txanton Distribution Inc ("DMTDI") [a] [1] [2] | Inactive | Philippines | 35.71 | 34.80 |
| **Held by Dewey** | | | | |
| Dewey Sdn. Bhd. [4] | Inactive | Malaysia | 100.00 | 100.00 |
| **Held by DMPLI** | | | | |
| DMPL India Limited [7] | Investment holding | Mauritius | 95.52 | 95.52 |
| **Held by S&W** | | | | |
| S&W Japan Limited [7] | Support and marketing services | Japan | 100.00 | 100.00 |
| **Held by DMPLFL** | | | | |
| Del Monte Foods Holdings Limited ("DMFHL") [1] [8] | Investment holding | British Virgin Islands | 93.57 | 93.57 |
| **Held by DMFHL** | | | | |
| Del Monte Foods Holdings II, Inc. ("DMFHII") [5] [8] | Investment holding | State of Delaware, U.S.A. | 93.57 | 93.57 |
| **Held by DMFHII** | | | | |
| Del Monte Foods Holdings Inc. ("DMFHI") [5] [8] | Investment holding | State of Delaware, U.S.A. | 93.57 | 93.57 |
| **Held by DMFHI** | | | | |
| Del Monte Foods, Inc. ("DMFI") [5] [8] | Manufacturing, processing and distributing food, beverages and other related products | State of Delaware, U.S.A. | 93.57 | 93.57 |
| **Held by DMFI** | | | | |
| Sager Creek Foods, Inc. (formerly Vegetable Acquisition Corp.) [5] [8] | Real estate holding | State of Delaware, U.S.A. | 93.57 | 93.57 |
| Del Monte Andina C.A. ("Del Monte Andina") [8] | Manufacturing, processing and distributing food, beverages and other related products | Venezuela | – | – |
| Del Monte Colombiana S.A. [4] [8] | Manufacturing, processing and distributing food, beverages and other related products | Colombia | 76.35 | 76.35 |

| Name of subsidiary | Principal activities | Place of in-corporation and business | Effective equity held by the Group 30 April 2024 % | 30 April 2023 % |
|---|---|---|---|---|
| Industrias Citricolas de Montemorelos, S.A. de C.V. ("ICMOSA") [4] [8] | Manufacturing, processing and distributing food, beverages and other related products | Mexico | 93.57 | 93.57 |
| Del Monte Peru S.A.C. [7] [8] | Distribution of food, beverages and other related products | Peru | 93.57 | 93.57 |
| Del Monte Ecuador DME C.A. [7] [8] | Distribution of food, beverages and other related products | Ecuador | 93.57 | 93.57 |
| Hi-Continental Corp. [7] [8] | Distributor of non-Del Monte products | State of California, U.S.A. | 93.57 | 93.57 |
| College Inn Foods [7] [8] | Distributor of College Inn brand products | State of California, U.S.A. | 93.57 | 93.57 |
| Contadina Foods, Inc. [7] [8] | Distributor of Contadina brand products | State of Delaware, U.S.A. | 93.57 | 93.57 |
| S&W Fine Foods, Inc. [7] [8] | Distributor of S&W Fine Foods, Inc, | State of Delaware, U.S.A. | 93.57 | 93.57 |
| Del Monte Ventures, LLC ("DM Ventures") [b] [8] | Holding company | State of Delaware, U.S.A. | 93.57 | 93.57 |
| Joyba, Inc. [5] | Distributor of Joyba brand products | State of California, U.S.A. | 93.57 | 93.57 |
| Kitchen Basics, Inc. [5] | Distributor of Kitchen Basics brand products | State of California, U.S.A. | 93.57 | 93.57 |
| Green Thumb Foods, Inc. [5] | Distributor of Green Thumb Foods brand products | State of California, U.S.A. | 93.57 | 93.57 |
| **Held by DM Ventures** | | | | |
| Del Monte Chilled Fruit Snacks, LLC [b] [8] | Development, production, marketing, sale and distribution of processed refrigerated fruit products | State of Delaware, U.S.A. | 47.72 | 47.72 |
| **Held by Del Monte Andina** | | | | |
| Del Monte Argentina S.A. | Inactive | Argentina | – | – |

[a] DMTDI is consolidated as the Group has de facto control over the entity. Even with less than the majority voting rights, the Group concluded that DMTDI is a subsidiary and that it has power to direct the relevant activities of DMTDI due to DMPI having majority seats in the Board through a shareholders agreement with the other shareholders of DMTDI. The key management personnel (i.e., President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Treasurer and Corporate Secretary) of DMPI also serve in the same positions in DMTDI. In its special meeting held on 22 April 2019, DMTDI's Board approved the dissolution and liquidation of DMTDI by shortening its corporate term. As at 30 April 2024 the application for the dissolution and liquidation is yet to be submitted with the SEC due to certain regulatory and documentary requirements.

[b] The Group incorporated its subsidiary, Del Monte Ventures, LLC on 21 June 2017 which acquired interests in four joint venture entities which were all incorporated in the state of Delaware, USA. These joint ventures will pursue sales of expanded refrigerated offerings across all distribution and sales channels, and will establish a new retail food and beverage concept. These joint ventures will initially focus on the U.S. market, with the potential for expansion into other territories. These joint venture entities are in their pre-operating stages and have no material assets or liabilities as of 30 April 2024 and 2023.

[1] Audited by SyCip Gorres Velayo & Co. ("SGV"), member firm of Ernst & Young Global.

[2] On 20 May 2020, CARI completed the sale of 12% stake in DMPI to SEA Diner. Conditions of the sale were already met as of 30 April 2020, as confirmed by both parties.

On 16 December 2020, CARI sold additional 27,973,200 common shares of DMPI to SEA Diner for US$10.0 million, which increased the ownership of SEA Diner in DMPI to 13%.

On 4 April 2024, DMPI redeemed 71,060,624 shares from SEA Diner for US$37.9 million, and held it as treasury shares. This increased CARI's interest in DMPI to 89.27% (shares owned by CARI of 2,433,668,395 over the new outstanding shares of DMPI amounting to 2,726,259,280 shares).

[3] Audited by Ernst and Young LLP ("EY") Singapore.

[4] Audited by Ernst & Young Global member firms in the respective countries.

[5] Not required to be audited in the country of incorporation. Audited by SGV for the purpose of group reporting.

[6] Not required to be audited in the country of incorporation. Audited by EY Singapore for the purpose of group reporting.

[7] Not required to be audited in the country of incorporation.

[8] On 15 May 2020, DMFHII issued 64.546 shares of capital stock to DMFHL. On the same date, DMFHL issued 0.64546 shares of capital stock to DMPLFL and DMPLFL issued 645.46 shares of capital stock to the Company as full payment of the US$228.4 million loan to finance purchases of the Second Lien Term Loans. Upon issuance of the capital stock to the Company, DMFHL was unconditionally released of all liabilities for principal and interest through 30 April 2020 relating to the purchase of the Second Lien Term Loans.

On 15 May 2020, DMFHL recorded US$229.5 million of additional paid-in capital related to this transaction. In addition, the Company and DMPLFL entered into a supplemental agreement dated 11 August 2020 for the issuance of additional 3.23 ordinary shares by DMPLFL to cover the additional accrued interest through 15 May 2020 which amounted to $1.1 million. On 15 May 2020, DMFHL issued 0.42395 of ordinary shares to DMPLFL and DMPLFL issued 423.95 shares of preferred stock to the Company in exchange for US$150.0 million of additional paid-in capital. As a result, DMFHL recorded US$150.0 million of additional paid-in capital related to this transaction.

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

Information relating to the Group's subsidiaries with shareholder(s) with material non-controlling interests are disclosed in Note 38 to the Audited Consolidated Financial Statements as of 30 April 2024 and 2023.

The Company regularly reassesses whether it controls an investee when facts and circumstances indicate that there are changes to one or more of the three elements of control listed in Note 4. The Company determined that it exercised control on all its subsidiaries as it has all elements of control.

## ***Risk Factors relating to the Business***

### Risk Management Framework

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

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

### Risk Management Approach

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

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

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

**Risk Management and Internal Controls**

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

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

**Financial Authority Limits**

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

**Code of Business Ethics**

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

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

**Whistleblower Policy**

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

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

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

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

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

**Risk Appetite**

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

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

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

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

| Principal Risk | Specific Risk We Face | Mitigation |
|---|---|---|
| **Leverage and Liquidity** | The Group has availed loan facilities, which has resulted in a leveraged balance sheet.<br><br>Risks would arise if the Group is unable to service its interest and principal obligations on time and in full, given its liquidity. This may also impact the Group's performance, cash flow, and may breach the financial covenants set under the relevant loan facility. | ● Improve cash flows through the following:<br><br>– Improve working capital by reducing inventory<br>– Reduce the pack<br>– Monitor production levels, productivity enhancements, operational efficiencies, and sales<br>– Move out prior period overpacked and surplus items<br>– Generate more cash flow<br>– Regularly track working capital and forecast<br>– Delever the balance sheet<br><br>● Work with agent bank to increase the amount available to borrow under the Asset-Based Line of credit<br><br>● Comply with bank covenants<br><br>● Raise equity to pay down debt |
| **Information Technology Strategy, Systems and Processes** | New systems and systems enhancements are complex and resource intensive. Inability to realize a positive return on investment upon implementation of these new systems and / or system enhancements, including security upgrades and change management processes may hamper the Group's digitization and transformation.<br><br>Cybersecurity events, such as data breaches, outages and inability to access systems and data, can disrupt operations. Cyberattacks can exploit weaknesses in network devices and servers, corrupting information and stealing confidential data which can lead to financial losses, among others. | ● Enhance process improvements by "Fixing the Basics" across all functions, include functional goals of several departments and standardize systems<br><br>● Put in place effective and energized leaders in Sales, Operations, IT, Finance and new Plant Managers in most locations to drive results and improvements<br><br>● Build and stabilize a high-performance Information Technology organization and assess systems, processes, risks, and develop people resources<br><br>● IT Steering Committee meets quarterly to provide oversight and input<br><br>● Establish IT Governance to rationalize and prioritize systems enhancements and project demand funnel to focus on business value, protect the overall |

| | | |
|---|---|---|
| | | environment, and simplify and harmonize business processes<br><br>● Maximize IT and SAP functionality to drive process improvements such as measuring and reporting of Procurement variances, line losses, configuring project accounting to automate tracking of marketing spend<br><br>● Use Sophos Endpoint XDR across all DM regions and Sophos Firewalls with HA (High-Availability Always-On) at each site to protect network traffic and access to the network<br><br>● Address and monitor malicious activities identified by tools and routines that have been deployed by a dedicated Security Incident Monitoring and Operations Group<br><br>● Use of Security Information and Event to monitor alerts from applications and network hardware<br><br>● Conduct regular security patching for Windows, Linux servers and computers, monthly Sophos Endpoint updates and use VPN for all remote secure connections<br><br>● Create another layer of security for network traffic and network access<br><br>● Complete staffing of open roles in IT<br><br>● Conduct weekly working sessions with business partners to improve coordination<br><br>● Implement a more rigorous performance review process and performance rating alignment to incentivize and reward results driven employees<br><br>● Include process improvement and/or cost reduction ideas as part of employees' key objectives |
| **Supply Chain Management** | The Group entered into supply agreements with third-party co- | ● Optimize transportation rates through third parties |

| | | |
|---|---|---|
| | manufacturers which are subject to several regulations.<br><br>Unanticipated and unbudgeted cost increases on material, labor factory overheads, transportation, raw produce and tin plate cost exacerbate the risks.<br><br>Lower cost may not be realized due to organization culture, resources and capabilities of co-manufacturers. | ● Maximize rail transportation to realize savings<br><br>● Improve transportation planning and cross functional interaction between departments to optimize ocean freight<br><br>● Establish inventory expectations, rotation and analytics to identify excesses, quality/hold issues, aging, slow moving and damaged inventory for timely decision making and action<br><br>● Conduct monthly meetings with the Waste Task Force to monitor and address inventory issues<br><br>● Monitor line losses, bill of material variances, and recovery yields<br><br>Conduct regular contract review to seek cost saving opportunities and assess creative ways to ensure labor availability during the pack season<br><br>● Put in place a process with clear performance expectations and targets, and benchmarking per plant<br><br>● Improve coordination and align deployment plans |
| **Inventory and Sourcing Management** | The Group's revenue and profitability may be affected by reduced customer inventory levels, private labels merchandising, lower category sales, service issues, and inaccurate forecasting may result in high inventory in the short-term.<br><br>Permanent loss of shelf space and non-acceptance of new products are possible consequences.<br><br>The Group has strategic relationships with several key third parties, including certain large suppliers and trade customers, among others. The frequency and scale of use and sale by the company raises regulatory | ● Implement the inventory management system to reduce weeks supply to target levels and monitor closely surplus inventory<br><br>● Improve raw produce planning by sourcing and harvesting only the required tonnage to support the inventory management system<br><br>● Improve long run demand and supply planning capability<br><br>● Improve weeks of supply to target levels<br><br>● Develop alternate raw product sourcing and implement a global |

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| | expectations as to how organizations manage third-party risks.<br><br>The Group may not have the tools, guidance and time to effectively manage and monitor third-party risks.  Ongoing monitoring, risk assessment and communication may not be effective to elevate third-party risks to the leadership. | sourcing strategy to counter seasonal production<br><br>● Extend the growing season to improve plant capacity and utilization<br><br>• Ensure secondary or back-up suppliers are in place or pursued where business continuity or relationship risks have a material impact to the Group<br><br>• Negotiate a win-win approach for a long-term relationship<br><br>● Conduct regular contract review for opportunities to save on cost<br><br>● Perform a risk assessment of key strategic partners and communicate the risks and action plans<br><br>● Implement a robust due diligence process for new or significant third parties<br><br>● Consider a third-party due diligence vendor for broader and deeper due diligence process<br><br>● Conduct regular benchmarking to measure competitiveness |
| **Commercial Execution** | The Group's results depend highly on the performance of our products in the categories where we compete.  Inability to meet the plan may result in impairment of goodwill and the Group's ability to fund operations, manage obligations, and maintain its reputation.<br><br>Volume loss, product mix variance due to pressures from competition, ineffective channel expansion and lack of promotional and marketing activities, customer service and project execution are market challenges the Group needs to hurdle to deliver the objectives. | ● Monitor and manage price gaps by tracking competitive price points<br><br>● Implement a monthly actual to plan and customer business review with executive management to address challenges<br><br>● Address key variances with customers and reduce trade support where necessary<br><br>● Enhance sales processes to improve forecasting and a new profit mindset to increase gross margin<br><br>● Implement SKU rationalization through brand recognition and quality |

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| | Consumer preferences and purchasing habits have evolved. Dining trends are shifting to fresh, convenient products away from the center of store. Consumers have strong preferences to healthy, nutritious and sustainably grown or produced products, especially the younger generation.<br><br>E-commerce continues to grow even after the COVID-19 pandemic. | to improve profitability and increase market share<br><br>• Analyze periodically and adjust, as needed, price brackets to cover increased transportation costs on smaller truckloads<br><br>• Limit private labels to select strategic customers only in areas of excess capacity<br><br>• Establish new capabilities to expand the Group's presence in growing channels such as e-commerce through online retail sites and convenience stores<br><br>• Enhance relevance of existing portfolio and brands through consumer communication and marketing strategy<br><br>• Increase trade funding to reinstate price gaps<br><br>• Institute quarterly business reviews to address gaps against plan<br><br>• Pursue profitable high-margin bids<br><br>• Identify categories and products that perform well<br><br>• Minimize customer service issues<br><br>• Drive distribution in new channels |
| **People and Talent Turnover** | The Group's capability to retain diverse talents has an impact on the execution of the strategic plan and is critical in enhancing organization success.<br><br>The high turnover rate in the Company's plants in Mexico impacts the facility's ability to fully staff the operation especially during peak seasons. | • Use of technology solution for a wider reach of candidates in addition to the in-house Talent Acquisition teams<br><br>• Redesign the onboarding experience for seasonal employees<br><br>• Explore housing options for seasonal employees instead of providing hotel rooms and monthly stipend |

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| | | • Put in place a retention strategy to address employee experience and create a Great Place to Work culture<br><br>• Improve communication through Town Hall meetings<br><br>• Conduct engagement activities and low-cost recognition programs<br><br>• Implement an onboarding buddy program<br><br>• Collaborate with Talent Acquisition in holding events through various job fairs<br><br>• Provide a structured training program<br><br>• Create a self-funded variable compensation program for rewarding performance achievement that exceeds the Annual Operating Plan volume |
| **Cost Increases and Inflationary Pressures** | Del Monte Pacific Group's subsidiaries have experienced cost increases in raw materials, packaging and other inputs, including tin plate, raw produce, fuel and labor. Geo-political conflict, inflation, and supply chain challenges put pressure on the company's margins and working capital. | • Socialize inflationary cost increases with customers and private labels to mitigate the risk on price actions to address inflation<br><br>• Expand plant direct shipment to minimize freight cost and explore giving incentives for customers who can pick up their orders<br><br>• Explore Customer Pickup allowance increase to incentivize customers and transfer freight increase risks<br><br>• Expand the global sourcing strategy especially for fruits due to cost and supply issues<br><br>• Collaborate value engineering initiatives with cross-functional teams<br><br>• Conduct Risk and Opportunity Analysis to determine the impact of known inflationary price increases and offset with cost reduction initiatives, |

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| | | productivity improvements and price adjustment<br><br>● Renegotiate supplier contracts, vendor bidding and contracts by collaborating with a cross-functional team and prioritize strategic sourcing<br><br>● Rationalize trade spending where gross margins are not in accordance with strategy<br><br>● Reduce conversion cost year-on-year<br><br>● Optimize packaging base weight<br><br>● Minimize increases in overhead spending |
| **Climate Change** | The agriculture sector is very sensitive to weather and climate. It also relies heavily on land, water, and other natural resources.<br><br>The effects of climate change on agriculture will depend on the rate and severity of the change, and how the Company adapts.<br><br>Adverse weather conditions and competing crops could affect food supply and increase prices.<br><br>Produce tonnage brought about by climate change, pests, and plant disease may affect our ability to meet targets.<br><br>Water is a key resource in agriculture. Declining water tables due to changes in weather patterns and increasing weather disturbances, such as extreme heat waves, may affect the quality of produce grown and production yield which may affect the Group's supply. | ● Identify climate risks by location and determine the effects of increasing global temperature<br><br>● Implement plans to mitigate climate change risks and weather disturbances such as El Niño and La Niña<br><br>● Work with growers and to implement sustainable farming practices and ensure stable crop yields<br><br>● Improve plantation yield through ecologically friendly land preparation, use of sustainable planting materials, plant nutrient application, water source and plant disease management<br><br>● Improve agricultural practices by expanding capabilities in imaging, satellite data integration, and digital mapping solutions<br><br>● Use high-resolution weather data to measure the weekly location-specific rainfall events<br><br>● Implement cover cropping<br><br>● Identify alert produce fields<br><br>● Intensify soil conservation measures |

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| | | ● Sustain better root health thru Integrated Pest Management (IPM) Program<br><br>● Install grub traps and fast-track alternative safe chemicals to control pest and disease<br><br>● Identify and implement ways to reduce water use at high water-risk areas |
| **Operations** | As an integrated producer of packaged, frozen and fresh fruit products for the world market, the Group's earnings are inevitably subject to certain other risk factors, which include general economic, market and business conditions, change in business strategy or development plans, international business operations, production efficiencies, input costs and availability, logistics and transportation facilities, obsolescence, litigious counterparties, insurgent activities, virulent disease, and changes in government regulations, including environmental regulations. | ● Execute a long-term strategic plan and Annual Operating Plan with clear targets and accountabilities, supported by a BCP, risk management, and a corporate sustainability program<br><br>● Enhance relevance of existing products across key brands and segments through marketing strategy and consumer communication<br><br>● Implement price adjustments to cover cost inflation<br><br>● Rationalize low-margin products<br><br>● Optimize packing operations, procurement, logistics and transportation cost<br><br>● Pursue productivity-enhancing and efficiency-generating work practices and capital projects<br><br>● Continue to comply with new legislations on the environment, taxation and labor that affect operations and proactively develop strategies to reduce the impact of these regulations<br><br>● Manage security risks in operating units by improving stakeholder relations in local communities and strengthening security measures, as needed |
| **Environmental Risks** | Production output is subject to certain risk factors relating to weather conditions, calamities, | ● The Group develops and executes an Annual Operating Plan and a long- |

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| | crop yields, crop diseases, contract growers and service providers' performance, leasehold arrangements, and changes in regulations.<br><br>There is no assurance that climate change and/or weather disturbances will not materially affect or disrupt the Group's business operations in the future or that the Group is fully capable to deal with these situations with respect to all the damages and economic losses resulting from these risks.<br><br>New regulations in packaging format, recyclability of materials, or packaging taxes may increase product cost. | term strategic plan, supported by risk mitigation measures<br><br>● The Group also has disaster recovery plans and a Business Continuity Plan in place<br><br>● Develop initiatives to mitigate climate change, weather disturbances and changing weather patterns<br><br>● Implement carbon emissions reduction strategies and projects<br><br>– Increase renewable energy projects by implementing solar power<br><br>– Conduct soil conservation initiatives<br><br>– Adopt regenerative, and sustainable farming and manufacturing practices<br><br>– Harness technology to increase farm yields, productivity and safety<br><br>– Reduce practices that could adversely affect the environment and biodiversity<br><br>● The Group has Good Agricultural Practices and Rainforest Alliance certification, and complies with agricultural standards<br><br>● Develop a strategic plan to address possible changes in regulations on sustainable packaging<br><br>● Implement phase-out program for hazardous materials through alternative sustainable materials<br><br>● Conduct safety training drills and chemical handling training which covers earthquake, firefighting , evacuation, medical response and chemical response drills |

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| | | ● Work with insurance brokers to assess the risk exposure and secure adequate insurance coverage, if cost effective |
| **Innovation Challenges** | The Group's branded business in the U.S., the Philippines and the Indian subcontinent through Del Monte and other brands, and in Asia and the Middle East through the S&W brand, is affected by evolving consumer preferences and trends.<br><br>Product innovation is one of the Group's strategic pillars. The success of new product launches is a driver to achieve the Group's long-range plan. | ● Develop new products that capitalize on category trends, especially health and wellness, and generate sales<br><br>● Ensure new product launches and platform criteria are met to improve likelihood of new product success and breakthrough by implementing the following measures:<br><br>– Shift to branded, value-added and packaged products, and limit private label business<br><br>– Leverage brand heritage for growth and position new products that address consumer needs and preferences<br><br>– Fast track innovation projects that have oversight from the Executive Leadership Team<br><br>– Prioritize effective execution and project management to improve margins, profitability and cash flow |
| **Occupational Health and Safety** | Lost work days due to accidents in the workplace can have a huge impact on the business. DMPL may experience loss of productivity, reduction of sales, low staff morale and loss of reputation.<br><br>The effects of medical outbreaks of infectious diseases, such as the coronavirus, could affect business and results of operations. The Group may experience volatility in demand for and supply of our | ● Comply with the Department of Labor and Employment regulation on Occupational Health and Safety of employees by promoting health and safety programs to prevent accidents in the workplace<br><br>– Monitor recordable injuries, work-related illnesses, high-consequence injuries, and fatalities especially those who are considered as high risks |

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| | products due to supply chain challenges, lockdown restrictions, closing of businesses and unemployment, among others.<br><br>Accidents and infectious diseases pose a risk to our employees' health and well-being and may reduce employee productivity due to lost work days, illness and government restrictions. | – Conduct safety training to all workers and ensure safety officers are on site to monitor any incidence of unsafe acts or conditions in the workplace<br><br>– Comply with government regulation in setting-up a properly equipped medical clinic based on the number of employees in a facility<br><br>– Procure the services of a third-party nurse and/or doctor who can provide first-aid and attend to employees' medical emergencies and condition<br><br>– Provide first aid training to key personnel<br><br>● Implement safeguards and protocols to minimize operational disruption due to infectious diseases while adhering to government regulations on health and safety:<br><br>– Implement guidelines of global and national health agencies, including the Department of Health (DOH) and Department of Labor and Employment (DOLE) to protect employees<br><br>– Mandate annual physical examination for all employees<br><br>– Partner with third-party medical providers to conduct health examinations and monitor employee health<br><br>– Monitor new and emerging infectious disease and its health risks<br><br>– In case of medical outbreaks, implement various health and safety protocols as required by the DOH and/or the DOLE |

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| | | – Provide hybrid work arrangement and technology support for employees to have continuous access to the ERP network, videoconferencing facilities, online applications, emails and files<br><br>● Promote health, wellness, and nutrition to employees to provide added health protection, increase resistance and immunity when medical outbreaks occur<br><br>– Conduct learning sessions and training programs for employees to attain a healthy lifestyle<br><br>– Encourage consumption of a healthy and nutritious diet |

**Item 2. Properties**

The list of the Group's properties are as follows:

| Description | Location/Address | Condition | Book Value (In US$ MM) |
|---|---|---|---|
| **Bugo Production and Processing Facility** | | | **51.09** |
| Administrative (Main) Office | Bugo, Cagayan de Oro City | Good | 1.13 |
| Can Plant | Bugo, Cagayan de Oro City | Good | 4.76 |
| Cannery Clothes and Shoes Changing | Bugo, Cagayan de Oro City | Good | 0.02 |
| Central Maintenance | Bugo, Cagayan de Oro City | Good | 1.00 |
| Coal-Fired Boiler Plant | Bugo, Cagayan de Oro City | Good | 1.06 |
| Compound & Yard | Bugo, Cagayan de Oro City | Good | 18.80 |
| Concentrate Plant | Bugo, Cagayan de Oro City | Good | 0.75 |
| DM Bugo Clinic | Bugo, Cagayan de Oro City | Good | 0.05 |
| Engineering & Design | Bugo, Cagayan de Oro City | Good | 0.00 |
| Factory Offices | Bugo, Cagayan de Oro City | Good | 0.06 |
| General Products Plant | Bugo, Cagayan de Oro City | Good | 0.00 |
| GPSL/PCL/GL Plant | Bugo, Cagayan de Oro City | Good | 2.13 |
| Labeling & Warehousing | Bugo, Cagayan de Oro City | Good | 2.04 |
| Machine Shop | Bugo, Cagayan de Oro City | Good | 0.00 |
| Mixed Fruit Plant | Bugo, Cagayan de Oro City | Good | 0.43 |
| Preparation Plant | Bugo, Cagayan de Oro City | Good | 1.79 |
| Processing Plant | Bugo, Cagayan de Oro City | Good | 8.99 |
| Quality Control | Bugo, Cagayan de Oro City | Good | 0.07 |
| Steam & Power Plant | Bugo, Cagayan de Oro City | Good | 1.13 |
| Sugar Recovery Plant | Bugo, Cagayan de Oro City | Good | 0.65 |
| Tetra Plant | Bugo, Cagayan de Oro City | Good | 2.41 |

| Description | Location/Address | Condition | Book Value (In US$ MM) |
|---|---|---|---|
| Waste Water Treatment Plant | Bugo, Cagayan de Oro City | Good | 3.82 |
| **Plantation Operations** | | | **35.72** |
| Baungon | Baungon, Bukidnon | Good | 0.17 |
| Camp 1 (JMC) | Manolo Fortich, Bukidnon | Good | 6.05 |
| Camp 14 | Manolo Fortich, Bukidnon | Good | 0.26 |
| Camp 9 | Manolo Fortich, Bukidnon | Good | 0.55 |
| Camp Fabia | Manolo Fortich, Bukidnon | Good | 0.15 |
| Camp Phillips | Manolo Fortich, Bukidnon | Good | 13.48 |
| Cawayanon | Manolo Fortich, Bukidnon | Good | 0.27 |
| CLAVERIA | Claveria, Misamis Oriental | Good | 0.20 |
| Dalwangan | Malaybalay City, Bukidnon | Good | 0.04 |
| Damilag | Manolo Fortich, Bukidnon | Good | 0.01 |
| DEHYDRO FREEZING PLANT | Manolo Fortich, Bukidnon | Good | 9.60 |
| El Salvador, Mis. Or. | El Salvador, Misamis Oriental | Good | 0.00 |
| FF Packing Shed | Manolo Fortich, Bukidnon | Good | 1.37 |
| HARVESTER SHOP | Manolo Fortich, Bukidnon | Good | 0.00 |
| Hospital | Manolo Fortich, Bukidnon | Good | 0.08 |
| Impasug-ong | Impasug-ong, Bukidnon | Good | 0.21 |
| Kiantig Quezon, Buk. | Quezon, Bukidnon | Good | 0.00 |
| LAND PREPARATION ASSEMBLY AREA | Manolo Fortich, Bukidnon | Good | 0.00 |
| Livestock & Cut-meat | Manolo Fortich, Bukidnon | Good | 0.45 |
| Montemar Industries | Manolo Fortich, Bukidnon | Good | 0.00 |
| PHILLIPS SOCIAL HALL | Manolo Fortich, Bukidnon | Good | 0.00 |
| South Bukidnon | Quezon, Bukidnon | Good | 2.69 |
| Sumilao | Sumilao, Bukidnon | Good | 0.08 |
| Taliwan | Taliwan, Misamis Oriental | Good | 0.02 |
| Lantapan/Midbuk | Lantapan, Bukidnon | Good | 0.04 |
| **Others** | | | **9.00** |
| Customers Area | Various locations | Good | 13.00 |
| Forwarding Warehouses | Various locations | Good | 0.01 |
| Kalawaan Office | Pasig City | Good | 1.60 |
| Las Pinas Warehouse | Las Piñas City | Good | 0.16 |
| NutriAsia Plant (Cabuyao Laguna) | Cabuyao, Laguna | Good | 0.01 |
| PET Plant (Cabuyao, Laguna) | Cabuyao, Laguna | Good | 0.00 |
| Taguig Office | Taguig City | Good | 8.34 |
| Tollpacker - Dairy Zest | Valenzuela City | Good | 2.53 |
| Tollpacker - Innovative Packaging | Valenzuela City | Good | 0.00 |
| Tropical Asset Fruit Corp. (TFAC) | Malolos, Bulacan | Good | 0.03 |
| FG Warehouse-MITIMCO | Baloy, Tablon, Cagayan de Oro | Good | 0.03 |
| MDC | Tagoloan, Misamis Oriental | Good | 0.00 |
| Iloilo Warehouse | Iloilo City | Good | 0.25 |
| **DMFI Facilities** | | | 0.02 |

| **Description** | **Location/Address** | **Condition** | **Book Value (In US$ MM)** |
|---|---|---|---|
| Production facilities | Continental United States and Mexico | Good | **293.36** |
| **Grand Total** | | | **389.17** |

### Item 3. Legal Proceedings

*Legal cases*

The Group is the subject of, or a party to, various suits and pending or threatened litigation. While it is not feasible to predict or determine the ultimate outcome of these matters, the Group believes that none of these legal proceedings will have a material adverse effect on its financial position.

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

Except for the matters taken up during the Annual General Meeting of Stockholders last 29 August 2023, there was no other matter submitted to a vote of security holders during the period covered by this report.

## Part II – OPERATIONAL AND FINANCIAL INFORMATION

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

The Company has been listed on the SGX-ST for over 20 years since 1999. The Company also listed its Ordinary- Shares on the PSE in 2013, making DMPL the first entity to be dual-listed on the SGX-ST and the PSE.

The Company's share price highlights for its Ordinary Shares for the past years are as follows:

| Year | Quarter | PSE (PHP) | | SGX (SGD) | |
|---|---|---|---|---|---|
| | | High | Low | High | Low |
| 2024 | 2Q 2024 | 5.70 | 4.60 | 0.117 | 0.097 |
| | 1Q 2024 | 6.35 | 5.22 | 0.134 | 0.090 |
| 2023 | 1Q 2023 | 14.18 | 11.20 | 0.335 | 0.235 |
| 2022 | 4Q 2022 | 14.20 | 12.10 | 0.345 | 0.280 |
| | 3Q 2022 | 14.80 | 13.24 | 0.380 | 0.310 |
| | 2Q 2022 | 14.78 | 13.00 | 0.385 | 0.345 |
| | 1Q 2022 | 16.16 | 13.52 | 0.420 | 0.345 |
| 2021 | 4Q 2021 | 16.48 | 14.10 | 0.405 | 0.355 |
| | 3Q 2021 | 17.98 | 12.48 | 0.445 | 0.335 |
| | 2Q 2021 | 16.68 | 9.08 | 0.465 | 0.260 |
| | 1Q 2021 | 9.80 | 7.21 | 0.265 | 0.194 |
| 2020 | 4Q 2020 | 8.10 | 4.61 | 0.225 | 0.122 |
| | 3Q 2020 | 6.21 | 4.00 | 0.142 | 0.097 |
| | 2Q 2020 | 4.50 | 3.40 | 0.114 | 0.090 |
| | 1Q 2020 | 5.40 | 2.50 | 0.148 | 0.079 |
| 2019 | 4Q 2019 | 6.05 | 4.82 | 0.144 | 0.121 |
| | 3Q 2019 | 6.40 | 5.40 | 0.157 | 0.129 |
| | 2Q 2019 | 6.18 | 5.30 | 0.15 | 0.12 |
| | 1Q 2019 | 6.85 | 6.00 | 0.15 | 0.12 |
| 2018 | 4Q 2018 | 7.45 | 6.32 | 0.19 | 0.12 |
| | 3Q 2018 | 8.27 | 6.56 | 0.20 | 0.17 |
| | 2Q 2018 | 10.48 | 7.62 | 0.24 | 0.16 |
| | 1Q 2018 | 11.20 | 10.00 | 0.29 | 0.24 |
| 2017 | 4Q 2017 | 11.80 | 10.80 | 0.31 | 0.28 |
| | 3Q 2017 | 12.00 | 11.18 | 0.33 | 0.29 |
| | 2Q 2017 | 12.40 | 11.20 | 0.35 | 0.32 |
| | 1Q 2017 | 12.80 | 11.74 | 0.36 | 0.33 |
| 2016 | 4Q 2016 | 13.18 | 11.74 | 0.37 | 0.33 |
| | 3Q 2016 | 13.04 | 11.46 | 0.38 | 0.34 |
| | 2Q 2016 | 12.50 | 10.60 | 0.37 | 0.29 |
| | 1Q 2016 | 13.40 | 11.00 | 0.40 | 0.30 |
| 2015 | 4Q 2015 | 13.44 | 9.49 | 0.45 | 0.29 |
| | 3Q 2015 | 13.00 | 9.94 | 0.42 | 0.30 |
| | 2Q 2015 | 13.98 | 11.50 | 0.47 | 0.34 |

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| | 1Q 2015 | 15.09 | 11.28 | 0.47 | 0.31 |
| 2014 | 4Q 2014 | 17.60 | 13.80 | 0.55 | 0.46 |
| | 3Q 2014 | 20.75 | 17.40 | 0.56 | 0.51 |
| | 2Q 2014 | 23.70 | 20.50 | 0.63 | 0.52 |
| | 1Q 2014 | 24.00 | 21.75 | 0.65 | 0.59 |
| 2013 | 4Q 2013 | 33.45 | 22.50 | 0.96 | 0.58 |
| | 3Q 2013 | 29.95 | 25.00 | 0.94 | 0.74 |
| | 2Q 2013 | 27.20 | 23.00 | 0.95 | 0.69 |
| | 1Q 2013 | - | - | 0.96 | 0.64 |

On 7 April 2017 and 15 December 2017, the Company listed its Series A-1 and Series A-2 Preference Shares, respectively on the PSE. The Company's share price highlights for its Preference Shares are as follows:

Series A-1 Preference Shares:

| **Year** | **Quarter** | **PSE (USD)** | |
|---|---|---|---|
| | | **High** | **Low** |
| 2022 | 1Q 2022 | 10.20 | 9.40 |
| 2021 | 4Q 2021 | 10.30 | 9.40 |
| | 3Q 2021 | 10.28 | 10.02 |
| | 2Q 2021 | 10.28 | 9.94 |
| | 1Q 2021 | 10.50 | 9.50 |
| 2020 | 4Q 2020 | 10.44 | 9.90 |
| | 3Q 2020 | 10.40 | 9.50 |
| | 2Q 2020 | 10.30 | 9.60 |
| | 1Q 2020 | 10.30 | 10.00 |
| 2019 | 4Q 2019 | 10.40 | 10.00 |
| | 3Q 2019 | 10.40 | 10.10 |
| | 2Q 2019 | 10.40 | 10.00 |
| | 1Q 2019 | 10.40 | 10.00 |
| 2018 | 4Q 2018 | 10.70 | 10.00 |
| | 3Q 2018 | 10.32 | 10.00 |
| | 2Q 2018 | 10.30 | 10.00 |
| | 1Q 2018 | 10.50 | 10.10 |
| 2017 | 4Q 2017 | 11.10 | 10.00 |
| | 3Q 2017 | 11.00 | 10.50 |
| | 2Q 2017 | 10.90 | 10.00 |
| | 1Q 2017 | - | - |

Series A-2 Preference Shares:

| Year | Quarter | PSE (USD) | |
|---|---|---|---|
| | | High | Low |
| 2022 | 4Q 2022 | 10.06 | 9.71 |
| | 3Q 2022 | 10.10 | 10.00 |
| | 2Q 2022 | 10.18 | 9.93 |
| | 1Q 2022 | 10.80 | 9.92 |
| 2021 | 4Q 2021 | 10.30 | 9.95 |
| | 3Q 2021 | 10.50 | 10.00 |
| | 2Q 2021 | 10.50 | 10.02 |
| | 1Q 2021 | 10.60 | 9.95 |
| 2020 | 4Q 2020 | 10.30 | 10.00 |
| | 3Q 2020 | 10.50 | 9.88 |
| | 2Q 2020 | 10.28 | 9.60 |
| | 1Q 2020 | 10.30 | 9.70 |
| 2019 | 4Q 2019 | 10.30 | 9.90 |
| | 3Q 2019 | 10.50 | 10.00 |
| | 2Q 2019 | 10.40 | 10.00 |
| | 1Q 2019 | 10.20 | 10.00 |
| 2018 | 4Q 2018 | 10.26 | 9.70 |
| | 3Q 2018 | 10.26 | 9.80 |
| | 2Q 2018 | 10.28 | 10.00 |
| | 1Q 2018 | 10.40 | 10.00 |
| 2017 | 4Q 2017 | 10.30 | 10.00 |

The Company has an authorized capital stock of US $630.0 million consisting of 3,000,000,000 Ordinary Shares, each with a par value of US $0.01 and 600,000,000 Preference Shares, each with a par value of US $1.00. Out of the authorized capital stock, the Company has (i) 1,943,960,024 Ordinary Shares.

The number of Ordinary Shares outstanding excludes 975,802 Ordinary Shares held by the Company as treasury shares. The Company has a total of 1,944,935,826 issued Ordinary Shares, including treasury shares.

On 7 April 2022, the Company had redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares and on 15 December 2022, all of the outstanding 10,000,000 Series A-2 Preference Shares. The redeemed preferred shares shall be cancelled but shall remain part of the Company's authorized capital and shall be available to be reissued by resolution of the board.

The top 20 shareholders of the Company's Ordinary Shares as of 30 June 2024 are as follows:

| Rank | Name | No. of Shares | % |
|---|---|---|---|
| 1 | Nutriasia Pacific Limited | 1,196,539,958 | 61.55 |
| 2 | Bluebell Group Holdings Limited | 189,736,540 | 9.76 |
| 3 | Lee Pineapple Company Pte Ltd | 106,854,000 | 5.50 |
| 4 | BNP Paribas Noms Spore Pl | 57,979,932 | 2.98 |
| 5 | Raffles Nominees(Pte) Limited | 48,404,636 | 2.49 |
| 6 | DBS Nominees Pte Ltd | 22,951,078 | 1.18 |
| 7 | Government Service Insurance System | 15,957,937 | 0.82 |
| 8 | Citibank Noms Spore Pte Ltd | 14,936,208 | 0.77 |
| 9 | Wee Poh Chan Phyllis | 14,888,500 | 0.77 |
| 10 | BDO Securities Corporation | 10,629,685 | 0.55 |
| 11 | United Overseas Bank Nominees P L | 9,182,680 | 0.47 |
| 12 | Maybank Securities Pte. Ltd. | 7,725,995 | 0.40 |
| 13 | Joselito Jr Dee Campos | 7,621,466 | 0.39 |
| 14 | Phillip Securities Pte Ltd | 7,197,737 | 0.37 |
| 15 | COL Financial Group, Inc. | 6,008,890 | 0.31 |
| 16 | Banco De Oro - Trust Banking Group | 4,845,876 | 0.25 |
| 17 | Tiger Brokers (Singapore) Pte. Ltd. | 4,816,100 | 0.25 |
| 18 | UOB Kay Hian Pte Ltd | 4,699,520 | 0.24 |
| 19 | ABN Amro Clearing Bank N.V. | 4,542,372 | 0.23 |
| 20 | G.D. Tan & Company, Inc. | 4,518,375 | 0.23 |
| | **Subtotal (Top 20 Stockholders)** | 1,740,037,485 | 89.81 |
| | Others | 203,922,539 | 10.49 |
| | **Total Outstanding** | **1,943,960,024** | **100.00** |

**DIVIDENDS**

Under the Company's Articles of Association and the terms of the Company's Preference Shares, the Company may, by a resolution of directors, declare and pay dividends on Ordinary Shares provided there are adequate and available funds for dividends on Preference Shares which have priority over Ordinary Shares.

Dividends shall only be declared and paid out of surplus. No dividends shall be declared and paid, unless the Directors determine that, immediately after the payment of the dividends: (a) the Company will be able to satisfy its liabilities as they become due in the ordinary course of its business; and (b) the realizable value of the assets of the Company will not be less than the sum of its total liabilities, other than its deferred taxes, as shown in its books of accounts, and its capital.

| | 30 April 2024 US$'000 | 30 April 2023 US$'000 | 30 April 2022 US$'000 |
|---|---|---|---|
| **Declared and paid during the financial year:** | | | |
| *Dividends on ordinary shares* | | | |
| 2024 US$0.0013 (2023: US$0.0170; 2022: US$0.0120) | 2,542 | 33,251 | 23,310 |
| | | | |
| *Dividends on preference shares* | | | |
| A-1 preference shares for 2024: nil (2023: nil; 2022: US$0.6625 per share) | - | - | 13,250 |
| A-2 preference shares for 2024: nil (2023: US$0.4478; 2022: US$0.6500 per share) | - | 4,478 | 6,500 |
| | - | 4,478 | 19,750 |
| | | | |
| | - | 37,729 | 43,060 |
| | | | |
| **Proposed but not recognized as a liability as at reporting date:** | | | |
| *Dividends on ordinary shares* | | | |
| 2024: nil (2023: US$0.0013; 2022: US$0.0170) | 2,542 | 2,527 | 33,047 |

*Dividends on Ordinary Shares*

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

On 20 June 2023, the Company declared dividends of US$0.0013 per share to ordinary shareholders on record as at 11 July 2023. The special dividend was paid on 25 July 2023.

On 23 June 2022, the Company declared dividends of US$0.0170 per share to ordinary shareholders on record as at 13 July 2022. The special dividend was paid on 27 July 2022.

On 23 June 2021, the Company declared dividends of US$0.0120 per share to ordinary shareholders on record as at 13 July 2021. The special dividend was paid on 27 July 2021.

*Dividends on Preference Shares*

On 15 December 2022, the redemption date of the Series A-2 Preference Shares, the Company paid the accrued cash dividends at the fixed rate of 6.5% per annum, or equivalent to US$0.12278 per Series A-2 Preference Share for the period from 8 October 2022 to 15 December 2022.

On 9 September 2022, the Company declared dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per Series A-2 Preference Share for the six-month period from 8 April 2022 to 7 October 2022. The final dividends were paid on 7 October 2022.

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

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

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

The cumulative undeclared dividends on the preference shares amounted to US$0.4 million as of 30 April 2022. None as of 30 April 2023 and 2024 as all preference shares were already redeemed.

The retained earnings were restricted for the payment of dividends representing the accumulated equity in net earnings of the subsidiaries amounting to US$247.3 million as at 30 April 2024 (2023: US$243.5 million). The accumulated equity in net earnings of the subsidiaries will be available for dividend distribution upon receipt of dividends from the subsidiaries. As of 30 April 2024 and 2023, the Group’s investment in joint ventures have no undistributed net earnings.

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

***<u>As of the fiscal year ended 30 April 2024</u>***

The financial statements of the Group as of 30 April 2024 are attached and incorporated herein by reference.

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION**

***<u>Review of Operating Performance for FY2024 vs FY2023</u>***

**Summary**

For the year ended FY2024, DMPL generated stable sales of US$2.4 billion on higher sales in the U.S. and higher exports of fresh pineapples to China, South Korea and Singapore, offset by lower exports of packaged products. Sales from the Philippines were in line with prior year.

However, gross profit and EBITDA were lower by 31% and 60% to US$419.6 million and US$130.5 million, respectively, on higher inflationary and operational costs brought about by higher inventory in the U.S. and lower pineapple supply and productivity in the Philippines.

DMPL incurred a net loss of US$129.2 million versus the prior year period's net profit of US$16.9 million. This year included one-off expenses of US$13.3 million in DMFI primarily consisting of severance cost, IPO-related cost and professional fees. DMFI's IPO had been postponed.

**Sales**

**USA**

The Group's U.S. subsidiary, Del Monte Foods, Inc., (DMFI), generated sales of US$1.7 billion or about 72% of Group sales. Sales were marginally higher by 0.6% driven by pricing actions in FY2023 and FY2024, incremental volume from foodservice and e-commerce, as well as higher broth and stock sales from College Inn and Kitchen Basics, and higher Joyba bubble tea sales, which offset lower volume from strategic exit from the lower margin co-pack business (packing for other manufacturers), category headwinds across canned products and increased trade spend to sustain and grow market share.

DMFI continues to pursue its innovation efforts and expand on new product offerings. In February, DMFI received Product of the Year awards in two categories: first in the healthy snack category for one of its newest innovations, Del Monte Fruit Refreshers and another in the meal ingredient category for Take Root Organics. Product of the Year award is the world's largest consumervoted award for product innovation. Winners are determined by the votes of 40,000 consumers in a nationally representative survey conducted by research partner Kantar, a global leader in consumer research. This year marked 16 years of the award in the U.S. and more than 30 years globally.

DMFI's Joyba Bubble Tea was named by the Refrigerated and Frozen Food Awards as one of the Best New Retail Products for 2023. Retailer reception to Joyba's national launch has been extremely strong, and it is performing better than the category. In the three years since its launch, Joyba has become the number 1 bubble tea in USA in dollar sales and strongest velocities.

New products sales reached US$138.4 million during the year and contributed 7.7% to DMFI's total sales in FY2024.

DMFI grew its market shares in canned vegetable, fruit, tomato and fruit cup snacks. Vegetable had an exceptionally strong Holiday especially at Walmart where the Company participated in their Holiday Meal Train merchandizing platform. DMFI cemented its leading market share position across its core business.

| Market Position in Key Categories in the USA | | | | |
|---|---|---|---|---|
| **Products** | **Market Position** | **Market Share** | **Change vs. prior year** | **Brands** |
| Canned Vegetable | #1 | 22.9% | +0.9 ppt | |
| Canned Fruit | #1 | 19.9% | +0.5 ppt | |
| Fruit Cup Snacks | #2 | 26.7% | +0.1 ppt | |
| Canned Tomato | #3 | 6.0%[1] | +0.1 ppt | |
| Broth | #2 | 9.2%[2] | -0.1 ppt | |

Market position is for branded only, ex-private label
1 Combined share for Del Monte, S&W, Contadina and Take Root Organic brands
2 Combined share for College Inn and Kitchen Basics brands
Source: Circana OmniMarket Core Outlets, DMFI Custom DBs, Equivalent Volume share, Total US MULO, 12 months ending 28 April 2024

Foodservice sales in the U.S. improved by 19% to US$117.7 million bringing it to 6.8% of total DMFI sales. In the past year, DMFI had focused on growing within the non-commercial/group purchasing organization segment with special attention on healthcare and college and universities. DMFI has successfully grown its core fruit and vegetable categories through account conversions and menu development. DMFI also continues to expand into new school districts and states providing nutritious fruit and vegetable that are "Buy American Compliant" and meet the K12 School Nutrition dietary policies.

**Philippines**

Sales in the Philippines of US$360.0 million in FY2024 were in line with prior year's sales both in peso and U.S. dollar terms. Robust doubledigit growth in convenience store and foodservice, as well as strong e-commerce sales which more than doubled, offset the decline in general trade. Moden trade sales were relatively flat against prior year.

Sales of culinary products were higher while packaged fruit and beverage were flat. Del Monte Philippines continued with compelling strategic campaigns and value bundles. Campaigns included Saucy Weekends promoting more members of the family enjoying the saucy dish made with Del Monte Tomato Sauce. Del Monte Spaghetti Sauce also started the Birthday campaign in its bid to own the most frequent occasion when pasta is served at home with fully-integrated advertising and the Limited-Edition Birthday Collectibles sold in stores. These resonated well with consumers as these reinforced Del Monte's value amidst the inflationary environment.

Del Monte Philippines introduced the Blueberry flavor to its Mr. Milk yogurt drink line which is now the fastest growing flavor. To increase its presence in snacks and offer young consumers their preferred flavors, Del Monte launched the Sour Cream and Barbecue variants to its Del Monte Potato Crisp range.

To participate in the ready-to-drink PET juice's growth, the Company launched its latest innovation, Del Monte Fruity Zing, a competitively priced juice at Php25. It is uniquely positioned as an on-the-go dual flavor refreshment for the Gen Z's. Del Monte Fruity Zing had been placed in 8,000 supermarkets and convenience stores. Del Monte strengthened its market leadership in key product categories, including packaged pineapple, mixed fruits, tomato sauce and spaghetti sauce behind programs driving occasion-based messaging, versatile recipe usage and value bundles. Canned mixed fruit and spaghetti sauce had notable increases of 2 percentage points each. Canned mixed fruit's share grew due to lowerpriced flanker brand, Today's, with key competitors declining double-digit. Spaghetti Sauce increased share due to Del Monte and Today's brands maintaining their strength from the peak Christmas season demand, and value packs' growth across regions and mainly supermarkets. However, RTD juices lost share to low-priced competitors which the Company had addressed with the introduction of Fruity Zing

**Market Leader in Various Categories in the Philippines**

| Products | Market Position | Market Share | Change vs. prior year | Brands |
|---|---|---|---|---|
| Packaged Pineapple | #1 | 95.7% | +0.4 ppt | Del Monte |
| Canned Mixed Fruit[1] | #1 | 76.8% | +2.1 ppts | Del Monte, Today's |
| RTD Juices ex-foil pouches | #1 | 40.2% | -1.3 ppts | Del Monte |
| Tomato Sauce | #1 | 84.9% | +0.8 ppt | Del Monte |
| Spaghetti Sauce[2] | #1 | 41.8% | +2.0 ppts | Del Monte, Today's, Contadina |

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

Foodservice and convenience store channels continued their growth momentum with sales up 13% and 19%, respectively, on new accounts, outlets and menu ideas. Del Monte products are now part of the ingredient in additional 210 dishes of strategic customers and it executed menu ideation in 29 major accounts. The Company also placed 10 products – 5 Tetra Pak juices, 1 canned pineapple orange juice, 2 Del Monte Vinamilk IQ Smart milk and 2 Fruity Zing juices - in convenience stores.

Consistent to owning the Christmas season, Del Monte Pineapple Sliced and Tidbits were highlighted in holiday offerings of big chain accounts like Bonchon, Kenny Rogers Roasters and Kuya J.

**International/Exports**

International markets, composed of fresh produce and packaged goods, generated sales of US$303.8 million, down 12%. Fresh sales which accounted for US$160.7 million were up 8%; however, packaged sales which accounted for US$143.1 million were lower by 26% due to lower sales to DMFI. S&W branded business achieved robust sales growth of 20% to US$156.0 million.

Fresh sales rose driven by stronger demand in China, South Korea and Singapore, as well as favorable mix with increased volume of the higher-margin premium S&W Deluxe pineapple, and better pricing. S&W, along with its major distributor partner, held the first ever S&W Pineapple Festival in China covering more than 300 retail stores and 9 wholesale markets to communicate S&W's strong commitment to the Chinese market and showcase its innovative products. S&W Deluxe fresh pineapple was also launched for the first time in select retail outlets in Metro Manila.

The Group's high quality, premium MD2 pineapple makes it the largest fresh pineapple exporter to China with a 55% share and one of the three biggest exporters to Japan and South Korea.

With the rising global trend on healthy snacks, the Group's Nice Fruit frozen pineapple spears and chunks healthy snack/dessert has gained traction, now sold in more foodservice channels such as KFC in the UK, 7-Eleven in Japan and McDonald's in the Middle East, Balkans and Canada. In FY2024, frozen Pineapple Chunks were launched in Ireland by the Group's customer, Green Isle, as one of the latest additions to their perfect-for-lunchbox and on-the-go fruit snacks range. These are now available in all major retail stores in Ireland. S&W Frozen Pineapple Stick for consumption as a popsicle was also launched in 7-Eleven Taiwan.

Packaged sales decreased with lower sales in USA due to DMFI's inventory correction process; however, S&W sales of packaged pineapple in North Asia, Southeast Asia and the Middle East were slightly higher.

In the foodservice segment, McDonald's China and McDonald's Hong Kong launched Chinese New Year promotions featuring S&W Pineapple Slices in their burgers and S&W Fiesta Fruit Cocktail in their yuzu drink. In addition, KFC launched a special NBA-themed Pineapple Beef Burger in their menu, featuring grilled S&W Pineapple Slice.

S&W is also riding on the fruit tea trend in China having introduced its pineapples in fruit tea chains Cha Bai Dao, Goodme and Heytea.

**India**

Sales at our joint venture Del Monte Foods Private Limited in India (formerly FieldFresh Foods), which are equity accounted and not consolidated, were US$65.5 million, 1% lower versus prior year in U.S. dollar terms but up 2% in rupee terms. There was sustained growth from its retail business primarily in traditional trade.

Given the Company's strength and equity in premium edible oils, and as one of the leaders in olive oil in India, it launched canola oil in 1- and 5-liter. Canola is fast emerging as an equally healthy yet far more affordable option to olive oil in India considering the significant price increase that olive oil has seen globally over the last couple of years. Del Monte India also expanded its mayonnaise portfolio by introducing a range of salad dressings, an emerging category as consumers switch or upgrade to condiment options that they perceive to be healthier.

Del Monte India's new factory in Punjab started operations in October 2023. It manufactures tomato-based sauces as well as mayonnaise and its derivatives.

Operating profit of US$1.4 million improved by 46% with margin improvements from strategic raw material sourcing and counter inflationary price increases.

However, DMPL's share in India was a US$0.1 million loss from a US$0.1 million profit in the prior year mainly due to a catch-up accounting adjustment in prior year.

## GROSS PROFIT AND MARGIN

DMPL's gross profit decreased by 31% to US$419.6 million while gross margin declined to 17.3% from 25.1% on higher inflationary and operational costs brought about by higher inventory in the U.S. and lower pineapple supply and productivity in the Philippines.

DMFI reported a gross profit of US$245.1 million, lower by 39% versus last year's US$400.3 million. Gross margin declined to 14.1% from 23.1% driven by higher variable product cost, sale of high-cost FY2023 pack inventory (with high metal, raw produce and logistics cost), higher waste from aged inventories and discontinued products, and higher warehousing costs from higher inventory levels. Additionally, margins were impacted by increased trade spend because of strong promotional activities to gain market share in declining categories. This was partly offset by price increases last year and early this year.

DMFI closed two vegetable plants in Wisconsin and Washington, and consolidated its green beans volume from Wisconsin into another plant, which should lower fixed costs going forward.

DMPL ex-DMFI delivered gross profit of US$172.1 million, lower by 14.5% than the US$201.4 million last year. Gross margin decreased to 24.2% from 26.3% on higher product costs brought about by lower pineapple supply and yield which resulted in lower cannery tonnage and under absorption of fixed cost as most growing costs are fixed in nature. This was partly mitigated by price increases to manage inflation, and favorable sales mix from higher sales of the high margin S&W Deluxe fresh pineapples.

## ONE-OFF EXPENSES

| DMFI One-Off Expenses (in US$m) | FY2024 | FY2023 | Booked Under |
|---|---|---|---|
| Severance | 7.6 | - | G&A |
| IPO-related* cost | 4.8 | - | G&A |
| Professional fees | 4.6 | - | Other Income/Expense |
| Settlement of legal claims | 2.0 | 2.5 | Other Income/Expense |
| Excess of net realizable value over inventory cost related to the Kitchen Basics acquisition | 1.6 | 5.0 | Other Income/Expense |
| Plant closure | (1.4) | - | Other Income/Expense |
| Early redemption fee for US$500m Notes | - | 45.5 | Interest Expense |
| Write-off of deferred financing costs (non-cash) | - | 26.3 | Interest Expense |
| Total (pre-tax) | **19.1** | **79.3** | |
| Tax impact | (4.9) | (20.3) | |
| Non-controlling interest | (0.9) | (3.8) | |
| **Total (post tax and NCI)** | **13.3** | **55.2** | |

**postponed*

## EBITDA AND NET PROFIT

The Group generated an EBITDA of US$130.5 million, 60% lower than prior year's US$329.7 million due to the unfavorable operating results of both DMFI and DMPL ex-DMFI. DMFI reported an EBITDA of US$22.9 million, down from US$206.0 million driven by higher costs as discussed above, partly offset by price increases. DMPL ex-DMFI generated an EBITDA of US$105.3 million, down 11% due to higher operating costs, partly offset by lower variable distribution and deliberate cuts on administrative cost.

The Group incurred a net loss of US$129.2 million versus the prior year period's net profit of US$16.9 million. This year included one-off expenses at DMFI of US$13.3 million primarily consisting of severance cost, IPO related cost, and professional fees. DMFI's net loss was US$111.0 million from last year's net loss of US$2.8 million, while DMPL ex-DMFI had a net profit of US$12.2 million, lower versus last year's US$44.1 million.

## INVENTORIES

DMPL's inventories had stabilized at US$1.04 billion as at 30 April 2024 from US$1.08 billion last year. There was a deliberate reduction of DMFI's high inventory level, and de-stocking of DMPL ex. DMFI's inventories.

## CAPEX

Capital expenditures were US$187.6 million in FY2024, lower than the US$237.9 million in FY2023. DMFI accounted for US$43.1 million of Group capex in FY2024, lower than the US$55.4 million in FY2023 due to lower additions in CIP. DMPL ex-DMFI's capex accounted for US$144.5 million in FY2024, lower than the US$182.5 million in FY2023 due to lower additions in Bearer plants, CIP and leasehold improvements. DMPL ex-DMFI capex was comprised mostly of additions to bearer plants at US$125.4 million, with the balance of US$19.1 million for building, CIP, machinery and equipment.

## CASH FLOW AND DEBT

The Group's working capital decreased to US$39.6 million net liability in FY2024 from US$252.9million in the prior year. The decrease in working capital was due to the shift to current from non-current liability for long-term loans maturing in the next 12 months.

DMPL believes that it will be able to pay or refinance its liabilities as and when they fall due, considering that the Group continues to find new sources of funding and improve cash management:

- The Group continues to get incremental short-term lines from partner banks for meeting its short-term obligations that will provide sufficient working capital financing to meet its objectives and future financial obligations.

- The Group has new proposals from reputed financial institutions for new long-term loans.

In addition:

- US$500 million of current liabilities pertains to certain obligations of the Company maturing in less than a year in respect of which discussions have been progressing with the partner banks for extension and refinancing for up to three years.

Management remains vigilant in managing its costs and is focused on restoring gross margin both in the U.S. and the rest of DMPL.

Despite incurring a loss, the Group generated positive cash flow from operations amounting to US$369.3 million, which was a turnaround from the cash outflow of US$2.8 million last year mainly driven by better working capital management, in particular, inventory.

The Group's net debt (borrowings less cash and bank balances) amounted to US$2.28 billion as at 30 April 2024, almost similar to the US$2.25 billion as at 30 April 2023. Out of the total net debt of US$2.28 billion, DMFI accounted for US$1.16 billion while DMPL ex-DMFI accounted for US$1.12 billion.

However, the Group's net debt/ adjusted EBITDA increased to 15.3x from 6.7x, and gearing to 9.0x from 5.8x. While overall debt level was stable, the much lower EBITDA and net income reduced total equity resulting in higher gearing ratios.

## REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

| ***% of Turnover*** | **For the year ended 30 April** | | |
|---|---|---|---|
| | **FY2024** | **FY2023** | **Explanatory Notes** |
| Cost of Goods Sold | **82.7** | 74.9 | Lower plantation yield resulting to higher cost in the Philippines. Higher variable cost for the US, as well as higher waste and inventory write-off |
| Distribution and Selling Expenses | **9.3** | 9.5 | Lower freight cost in DMPI, partly driven by volumes and also lower rates |
| G&A Expenses | **5.8** | 5.0 | Higher personnel and professional and contracted services in DMFI |
| Other Operating Expenses (Income) | **0.3** | 0.5 | Lower other operating expenses this year driven by gain on disposal of fixed assets in DMFI |

## REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

| ***In US$'000*** | **For the year ended 30 April** | | | |
|---|---|---|---|---|
| | **FY2024** | **FY2023** | **%** | **Explanatory Notes** |
| Depreciation and amortization | **(200,914)** | (194,378) | (3.4) | Higher depreciation of bearer plants |
| Reversal/ (Provision) for inventory obsolescence | **(18,783)** | (9,542) | (96.9) | Higher obsolescence in the US due to aged inventory |
| Reversal/ (Provision) for doubtful debts | **-** | 181 | (100.0) | Last year was driven by reversal of bad debts for trade receivables |
| Net gain/(loss) on disposal of fixed assets | **1,754** | (759) | 331.1 | Driven by equipment disposal in DMFI |
| Foreign exchange gain/(loss)- net | **4,348** | 4,772 | (8.9) | Lower forex gain from ICMOSA than last year |
| Interest income | **1,068** | 912 | 17.1 | Higher interest income on rental advances |
| Interest expense | **(199,813)** | (207,252) | 3.6 | Lower interest this year as last year's interest includes one-off redemption cost and write-off of deferred financing cost related to high yield loan refinancing |
| Share in net loss of JV | **(1,062)** | (1,486) | 28.5 | Lower net loss in JV than last year driven by favorable results from JV operations |
| Taxation benefit (expense) | **18,508** | (17,167) | 207.8 | Tax benefit was driven by net loss in the US |

## REVIEW OF GROUP ASSETS AND LIABILITIES

| Balance Sheet | April 2024 (Audited) | April 2023 (Audited) Restated | % Variance vs April 2023 | Explanatory Notes |
|---|---|---|---|---|
| ***In US$'000*** | | | | |
| ***ASSETS*** | | | | |
| Property, plant and equipment - net | **670,344** | 658,991 | 1.7 | nm |
| Right-of-use (ROU) assets | **91,268** | 100,566 | (9.2) | Mainly driven by amortization |
| Investment in joint ventures | **19,669** | 20,161 | (2.4) | nm |
| Intangible assets and goodwill | **746,807** | 753,841 | (0.9) | nm |
| Other noncurrent assets | **41,911** | 42,863 | (2.2) | Driven by additional investment in Nice Tech |
| Deferred tax assets - net | **146,705** | 118,060 | 24.3 | Higher deferred tax asset due to DMFI's net loss position |
| Pension assets | **7,800** | 10,630 | (26.6) | Reduction in pension fund in DMPI due to overfunding. |
| Biological assets | **51,990** | 47,859 | 8.6 | nm |
| Inventories | **1,043,843** | 1,076,772 | (3.1) | nm |
| Trade and other receivables | **218,154** | 231,036 | (5.6) | Mainly due to timing of collections |
| Prepaid expenses and other current assets | **61,274** | 59,054 | 3.8 | Driven by higher prepaid input vat |
| Cash and cash equivalents | **13,123** | 19,836 | (33.8) | Mainly due to timing |
| ***EQUITY*** | | | | |
| Share capital | **19,449** | 19,449 | 0.0 | nm |
| Share premium | **208,339** | 208,339 | 0.0 | nm |
| Retained earnings | **(73,233)** | 119,540 | (161.3) | Driven by net loss during the year and redemption of DMPI shares from Sea Diner |
| Reserves | **(24,707)** | (28,511) | 13.3 | Driven by remeasurement of retirement plan |
| Non-controlling interest | **123,303** | 66,941 | 84.2 | Issuance of perpetual shares by Jubilant Year Investments Limited, a new subsidiary of DMPI |
| ***LIABILITIES*** | | | | |
| Loans and borrowings | **2,296,043** | 2,273,353 | 1.0 | nm |
| Lease liabilities | **91,419** | 100,096 | (8.7) | Decrease due to renewal of office building and land lease |
| Other noncurrent liabilities | **38,877** | 16,826 | 131.1 | Driven by long-term payables related to capital expenditures |
| Employee benefits | **39,677** | 45,574 | (12.9) | nm |
| Environmental remediation liabilities | **-** | - | 0.0 | nm |
| Deferred tax liabilities - net | **11,473** | 11,630 | (1.3) | nm |
| Trade and other current liabilities | **380,918** | 304,940 | 24.9 | Driven by higher trade payables in the US |
| Current tax liabilities | **1,330** | 1,492 | (10.9) | Timing of tax payment for DMPI |

**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 the Securities and Exchange Commission of the Philippines (the "**SEC**").

**A. Current Ratio**

| | 30-Apr-24 | 30-Apr-23 (Restated) | Benchmark |
|---|---|---|---|
| Current Ratio | 1.0295 | 1.2146 | Minimum of 1.2 |

Lower current ratio driven by higher current liabilities from reclassification of current portion of long-term loans maturing next year.

**B. Debt to Equity Ratio**

| | 30-Apr-24 | 30-Apr-23 | Benchmark |
|---|---|---|---|
| Total Debt/Total Stockholders' Equity | 11.2966 | 7.1390 | Maximum of 2.5 |

Higher gearing driven by redemption of A-2 preference shares, financed by new loans.

**C. Net Profit Margin**

| | 30-Apr-24 | 30-Apr-23 | Benchmark |
|---|---|---|---|
| Net Profit/(Loss) Margin attributable to owners of the company | -5.32% | 0.70% | Minimum of 3% |

s

Lower net profit margin driven by one-off costs incurred to redeem the high-yielding senior notes of DMFI.

**D. Return on Asset**

| | 30-Apr-24 | 30-Apr-23 | Benchmark |
|---|---|---|---|
| Return on Asset | -4.24% | 0.81% | Minimum of 1.21 |

Lower net profit margin driven by one-off costs incurred to redeem the high-yielding senior notes of DMFI.

**E. Return on Equity**

| | 30-Apr-24 | 30-Apr-23 | Benchmark |
|---|---|---|---|
| Return on Equity | -52.12% | 6.58% | Minimum of 8% |

Lower net profit margin driven by one-off costs incurred to redeem the high-yielding senior notes of DMFI.

**Material Changes in Accounts**

**A. Deferred Tax Asset**
Higher deferred tax asset due to DMFI's net loss position

**B. Inventories**
Deliberate reduction/de-stocking in DMFI and DMPI

**C. Lease Liabilities**
Driven by higher prepaid trade and prepaid parts and supplies from DMFI.

**D. Other noncurrent assets**
Driven by by long-term equipment financing in the US.

**E. Trade and other current liabilities**
Higher trade payables in the US

**F. Non-controlling interest**
Issuance of Senior Perpetual Capital Securities

***Review of Operating Performance for FY2023 vs FY2022***

**Summary**

For the year ended FY2023 DMPL grew sales by  to US$2.4 billion on higher USA and international sales. However, gross profit and EBITDA were lower by 3% and 6% to US$607.0m and US$329.7 million, respectively, on higher costs.
Net income declined to US$16.9 million from US$100.0 million largely due to one-off costs of US$55.2 million as DMFI refinanced its loan earlier with a long-term credit facility that has lower interest rates. Without these one-off costs, DMPL EBITDA and net income would have been US$337.2 million and US$72.2 million, lower by 4% and 28%, respectively.

**Sales**

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

**USA**

The Group's U.S. subsidiary, Del Monte Foods, Inc, (DMFI), generated US$1.7 billion of sales or about 72% of Group sales, higher by 5% driven by sustained growth across almost all categories, attributed to pricing adjustments to mitigate inflation, distribution gains for vegetable club and Joyba bubble tea, increased sales of fruit cups, as well as incremental sales of US$35.1 million from Kitchen Basics.
Branded retail which accounted for 75% of DMFI's sales grew by 8%. Other channels of mass merchandizers, e-commerce and foodservice also expanded. Latin America which generated sales of US$49.7 million was also up 12%.

In August 2022, DMFI acquired the intellectual property of the Kitchen Basics brand and its extensive inventory of conventional and organic stocks and broths from McCormick & Company for US$99.0 million (of which US$17 million was inventory with market value of US$25-27 million). The consideration was established through an auction process and negotiations between the parties. The acquisition was financed through available credit facilities. No property, plant and/or equipment were acquired.

Kitchen Basics products are distributed nationally in the United States. The brand was founded in 1996 as the pioneer in liquid stock and remains an industry leader in the U.S. today. The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics complements DMFI's College Inn broth business and creates an immediate national footprint within the broth and stock category.

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

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

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

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

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

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

**Philippines**

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

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

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

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

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

Del Monte continues to enjoy strong market share leadership across all its major categories, with higher shares in packaged pineapple behind consumption-building efforts. Del Monte spaghetti sauce also grew share by staying ahead of competition amidst a declining category.

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

**Market Leader in Various Categories in the Philippines**

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

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

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

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

**International/Exports**

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

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

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

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

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

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

**India**

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

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

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

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

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

**Gross Profit and Margin**

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

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

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

**DEL MONTE FOODS REFINANCING**

In May 2022, DMFI raised US$600 million through a 7-year Term Loan B facility maturing in 2029 at Adjusted Secured Overnight Financing Rate (SOFR), with a floor of 0.5% plus 4.25% p.a. Proceeds were used to primarily redeem the US$500 million Senior Secured Notes plus redemption fees and accrued interest. The said Notes had an interest rate of 11.875% p.a. and were due to mature in 2025. The new Term Loan B had a hedged interest rate of 8.1% as of end April 2023. The early redemption of the Notes incurred a one-off cost of US$71.9 million or US$50.2 million post tax and non-controlling interest. US$26.3 million of the US$71.9 million was non-cash.

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

**REDEMPTION OF PREFERENCE SHARES**

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

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

There are no more outstanding Preference Shares as at 30 April 2023.

**EBITDA and Net Profit**

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

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

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

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

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

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

**INVENTORIES**

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

**CAPEX**

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

## CASH FLOW AND DEBT

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

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

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

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

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

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

## REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

| *% of Turnover* | For the year ended 30 April | | |
|---|---|---|---|
| | **FY2023** | **FY2022** | **Explanatory Notes** |
| Cost of Goods Sold | **74.9** | 73.4 | Increase in sales was more than offset by higher production cost. |
| Distribution and Selling Expenses | **9.5** | 9.5 | Higher transfer and ocean freight cost in DMFI and DMPI offset by lower advertising costs |
| G&A Expenses | **5.0** | 5.5 | Driven by lower people cost from DMFI |
| Other Operating Expenses (Income) | **0.5** | 0.2 | Other expense this quarter was mainly from write-off of excess of NRV over cost of inventory of the newly acquired KB brand and cleanup/transition costs of Modesto DC |

## REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

| *In US$'000* | For the year ended 30 April | | | |
|---|---|---|---|---|
| | **FY2023** | **FY2022** | **%** | **Explanatory Notes** |
| Depreciation and amortization | **(194,378)** | (193,499) | (0.5) | Higher depreciation of bearer plants from DMPI due to higher harvested tons |
| Reversal/ (Provision) for inventory obsolescence | **(2,998)** | 97 | n.m. | Driven by higher obsolescence on DMPI's finished goods |
| Reversal/ (Provision) for doubtful debts | **214** | (1,059) | 120.2 | Reversal of bad debt provision for trade receivables |
| Net gain/(loss) on disposal of fixed assets | **(161)** | (789) | 79.6 | Gain on disposal of DMFI's capital assets |
| Foreign exchange gain/(loss)-net | **4,772** | 1,523 | 213.3 | Driven by forex gain from ICMOSA |
| Interest income | **912** | 771 | 18.3 | Driven by DMPI, higher interest income from lease advances |
| Interest expense | **(207,252)** | (109,800) | (88.8) | Driven by redemption cost and write-off of deferrred financing cost related to refinancing as well as redemption of preferred shares which incurred interest this year (vs dividend payout last year) |
| Share in net loss of JV | **(1,486)** | (4,954) | 70.0 | Same as 4Q |
| Taxation benefit (expense) | **(17,167)** | (39,300) | 56.3 | Lower taxable income from DMPI and DMFI (due to one-off refinancing costs) |

## REVIEW OF GROUP ASSETS AND LIABILITIES

| Balance Sheet | April 2023 (Audited) | April 2022 (Audited) | % Variance vs April FY22 | Explanatory Notes |
|---|---|---|---|---|
| ***In US$'000*** | | | | |
| ***ASSETS*** | | | | |
| Property, plant and equipment - net | **658,991** | 577,647 | 14.1 | Due to freehold land revaluation from DMPI and DMFI |
| Right-of-use (ROU) assets | **100,566** | 123,539 | (18.6) | Mainly due to amortizations on ROU assets |
| Investment in joint ventures | **20,161** | 17,172 | 17.4 | Additional investments during the period |
| Intangible assets and goodwill | **753,841** | 688,047 | 9.6 | Increase driven by acquistion of Kitchen Basics Brand |
| Other noncurrent assets | **42,250** | 30,411 | 38.9 | Driven by new equity investment to NTH and reclass of the noncurrent portion of derivative assets |
| Deferred tax assets - net | **118,060** | 116,745 | 1.1 | nm |
| Pension assets | **10,630** | 9,799 | 8.5 | Driven by remeasurement gain |
| Biological assets | **47,859** | 50,081 | (4.4) | nm |
| Inventories | **1,076,772** | 685,958 | 57.0 | Mainly driven by higher volume and higher cost of production |
| Trade and other receivables | **231,036** | 214,553 | 7.7 | Timing of collection of sales |
| Prepaid expenses and other current assets | **59,667** | 49,052 | 21.6 | Driven by higher prepaid trade and prepaid parts and supplies from DMFI |
| Cash and cash equivalents | **19,836** | 21,853 | (9.2) | Timing of cash flow from operating activities |
| ***EQUITY*** | | | | |
| Share capital | **19,449** | 29,449 | (34.0) | Redemption of A-2 preference shares |
| Share premium | **208,339** | 298,339 | (30.2) | Redemption of A-2 preference shares |
| Retained earnings | **119,540** | 140,320 | (14.8) | Driven by dividend distribution |
| Reserves | **(28,511)** | (42,541) | 33.0 | Driven by revaluation gain on freehold land |
| Non-controlling interest | **66,941** | 69,138 | (3.2) | nm |
| ***LIABILITIES*** | | | | |
| Loans and borrowings | **2,273,353** | 1,567,366 | 45.0 | Driven by DMFI refinancing, refinancing of preference capital and higher short term loans for working capital requirements |
| Lease liabilities | **100,096** | 121,320 | (17.5) | Driven by lease payments |
| Other noncurrent liabilities | **16,826** | 23,023 | (26.9) | Driven by lower derivative liabilities from DMFI |
| Employee benefits | **45,574** | 61,300 | (25.7) | Driven by DMFI due to payout of benefits |
| Environmental remediation liabilities | **-** | 203 | (100.0) | Settlement of enviornmental remediation liabilities |
| Deferred tax liabilities - net | **11,630** | 12,421 | (6.4) | Higher deferred tax liabilties on revaluation of freehold land |
| Trade and other current liabilities | **304,940** | 302,833 | 0.7 | nm |
| Current tax liabilities | **1,492** | 1,686 | (11.5) | Timing of tax payment for DMPI |

**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 the Securities and Exchange Commission of the Philippines (the "**SEC**").

**A. Current Ratio**

| | 30-Apr-23 | 30-Apr-22 | Benchmark |
|---|---|---|---|
| **Current Ratio** | **0.8746** | **1.1980** | **Minimum of 1.2** |

Lower current ratio driven by higher current liabilities from reclassification of current portion of long-term loans maturing next year.

**B. Debt to Equity Ratio**

| | 30-Apr-23 | 30-Apr-22 | Benchmark |
|---|---|---|---|
| **Total Debt/Total Stockholders' Equity** | **7.1390** | **4.2250** | **Maximum of 2.5** |

Higher gearing driven by redemption of A-2 preference shares, financed by new loans.

**C. Net Profit Margin**

| | 30-Apr-23 | 30-Apr-22 | Benchmark |
|---|---|---|---|
| **Net Profit/(Loss) Margin attributable to owners of the company** | **0.70%** | **4.27%** | **Minimum of 3%** |

Lower net profit margin driven by one-off costs incurred to redeem the high-yielding senior notes of DMFI.

**D. Return on Asset**

| | 30-Apr-23 | 30-Apr-22 | Benchmark |
|---|---|---|---|
| **Return on Asset** | **0.81%** | **4.47%** | **Minimum of 1.21** |

Lower return driven by one-off costs incurred to redeem the high-yielding senior notes of DMFI.

**E. Return on Equity**

| | 30-Apr-23 | 30-Apr-22 | Benchmark |
|---|---|---|---|
| **Return on Equity** | **6.58%** | **23.35%** | **Minimum of 8%** |

Lower return driven by one-off costs incurred to redeem the high-yielding senior notes of DMFI.

**Material Changes in Accounts**

**A. Inventories**
Primarily due to DMFI driven by the inflationary impact on overall cost of inventories, increase in certain segments to support customer service levels and higher growth projections for FY2024, and Kitchen Basics acquisition

**B. Property, plant and equipment**
Driven mainly by DMFI's higher additions to CIP for various process and improvements and Base Business' higher additions to biological assets.

**C. Prepaid expenses and other current assets**
Driven by higher prepaid trade and prepaid parts and supplies from DMFI.

**D. Other noncurrent assets**
Driven by new equity investment to NTH and reclass of the noncurrent portion of derivative assets.

**E. Loans and borrowings**
Driven by DMFI refinancing, refinancing of preference capital and higher short-term loans for working capital requirements.

**F. Share Capital and Share Premium**
Redemption of A-2 preference shares.

## Financial Ratios

**Supplementary Schedule of Financial Soundness Indicator**

| Ratio | Formula | 30 April 2024 | 30 April 2023 | 30 April 2022 |
|---|---|---|---|---|
| (i) Liquidity Analysis Ratios: | | | | |
| Current Ratio or Working Capital Ratio | Current Assets / Current Liabilities | 1.0 | 1.2* | 1.2 |
| Quick Ratio | (Current Assets - Inventories - Prepaid expenses and other current assets - Biological Assets – Noncurrent assets held for sale) / Current Liabilities | 0.2 | 0.3* | 0.3 |
| (ii) Solvency Ratio | Total Assets / Total Liabilities | 1.1 | 1.1 | 1.2 |
| Financial Leverage Ratios: | | | | |
| Debt Ratio | Total Debt/Total Assets | 0.9 | 0.9 | 0.8 |
| Debt-to-Equity Ratio | Total Debt/Total Stockholders' Equity | 9.1 | 5.1* | 4.2 |
| (iii) Asset to Equity Ratio | Total Assets / Total Stockholders' Equity | 12.3 | 8.1 | 5.2 |
| (iv) Interest Coverage | Earnings Before Interest and Taxes (EBIT) / Interest Charges | 0.2 | 1.2* | 3.0 |
| (v) Debt/EBITDA Ratios | Total Debt/ Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) | 21.9 | 8.4 | 5.9 |
| (vi) Profitability Ratios | | | | |
| Gross Profit Margin | Revenue - Cost of Sales / Revenue | 17.28% | 25.07% | 26.59% |
| Net Profit Margin attributable to owners of the company | Net Profit attributable to owners / Revenue | -5.23% | 0.70% | 4.27% |
| Net Profit Margin | Net Profit / Revenue | -5.44% | 1.05% | 4.93% |
| Return on Assets | Net Profit / Total Assets | -4.24% | 0.81% | 4.47% |
| Return on Equity | Net Profit / Total Stockholders' Equity | -52.12% | 6.58% | 23.35% |

**based on restated amounts* 

**BUSINESS OUTLOOK**

In FY2025, the Group's main priorities will be as follows:

1) Plans are underway for the selective sale of assets and injection of equity through strategic partnerships.

2) A task force has been formed to restore gross margins both in the US and rest of DMPL from the second half of FY2025 as the Group will still be carrying over high inflationary costs from FY2024 in the first half, particularly in the US. Measures will include:

   - Continuation of plans in the US to reduce inventory
   - Reduction of waste and inventory write offs across the Group
   - Reduction of warehousing and distribution costs in the US
   - Consolidation of manufacturing footprint in the US
   - Improve planning through digitization and clear organization accountability across the Group
   - Restoration of productivity for processed pineapple variety (C74) in the next 12 to 24 months

3) Right size workforce and reduce fixed costs.

4) Continued focused growth for innovation such as Joyba bubble tea in the US and dairy business in the Philippines.

5) Further invest in the growth of Fresh business in North Asia and other export markets.

The Group will pursue all these initiatives in FY2025 but the results will only be fully reflected in FY2026. The Group expects to incur a net loss in FY2025 although at a reduced amount.

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

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

Index to Supplementary Schedules

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

**Item 8. Independent Public Accountant and External Audit Fees**

(a) The external auditor of the Company for the most recently completed fiscal year was Ernst and Young LLP ("EY Singapore"), which is the same accounting firm tabled for reappointment for the current fiscal year at the AGM of shareholders. Sycip Gorres Velayo & Co. ("EY Philippines"), the Group's auditors in the Philippines for the most recently completed fiscal year, is likewise tabled for reappointment for the current fiscal year at the AGM.

(b) Mr. Alvin Phua is the partner-in-charge from EY Singapore for the audited financial statements of the Company and the Group for the fiscal year ended 30 April 2024. Representatives of EY Singapore are expected to be present during the AGM. The representatives may make statements, if they desire to do so, and will be available to respond to appropriate questions raised by the shareholders at the AGM. Mr. Johnny F. Ang is the partner-in-charge from EY Philippines.

(c) The aggregate annual external audit fees billed for each of the last two (2) fiscal years for the audit of the Group and the Company's annual financial statements or services that are normally provided by the external auditor are as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **FY2024 U.S.$** | **FY2023 U.S.$** | **FY2024 U.S.$** | **FY2023 U.S.$** |
| 1. Audit Fees | | | | |
| EY Singapore | 204 | 172 | 165 | 136 |
| SGV | 1,133 | 1,438 | 222 | 251 |
| Affiliates of auditors of the Company | 50 | 50 | – | – |
| Other auditor | 44 | 6 | – | – |
| 2. Non-Audit Fees | | | | |
| EY Singapore | 30 | – | 30 | – |
| SGV | 729 | 160 | 30 | 111 |
| Other auditors | 84 | 80 | – | 2 |

During the Company's two (2) most recent fiscal years or any subsequent interim period:

1) No independent accountant who was previously engaged as the principal accountant to audit the Group's financial statements, or an independent accountant on whom the principal accountant expressed reliance in its report regarding a significant subsidiary, has resigned or was dismissed; and

2) There were no disagreements with the former accountant on any matter of accounting principles or policies, financial disclosures, or auditing procedure.

(d) EY Singapore was appointed as the external auditors of the Group at the AGM of the Company held on 23 August 2021. EY Philippines was also appointed at the said AGM as the Group's auditors in the Philippines. They were the auditors of the Group for the most recently completed fiscal year.

(e) The Audit and Risk Committee (the "**ARC**") reviews the scope and results of the audit and its cost effectiveness. It also ensures the independence and objectivity of the external auditors. Likewise, it reviews the non-audit services provided by the Company's external auditors. In the year in review, the ARC had reviewed the audit and non-audit services of the external auditors and was satisfied that the auditors continue to be independent.

**Part III – CONTROL AND COMPENSATION INFORMATION**
**Item 9. Directors and Executive Officers of the Registrant**

<u>Board of Directors and Senior Management</u>

The following comprises the Company's Board of Directors:

| Name | Age | Citizenship | Position |
|---|---|---|---|
| Rolando C. Gapud | 82 | Filipino | Executive Chairman |
| Joselito D. Campos, Jr. | 73 | Filipino | Managing Director & CEO |
| Jeanette Beatrice Naughton | 48 | Filipino-American | Alternate Director to Mr. Campos |
| Edgardo M. Cruz, Jr. | 69 | Filipino | Executive Director |
| Benedict Kwek Gim Song | 77 | Singaporean | Lead Independent Director |
| Godfrey E. Scotchbrook | 78 | British | Independent Director |
| Emil Q. Javier | 83 | Filipino | Independent Director |
| Yvonne Goh | 71 | Singaporean | Independent Director |

The following comprises the Group's Senior Management:

| Name | Age | Citizenship | Position |
|---|---|---|---|
| Joselito D. Campos, Jr. | 73 | Filipino | Managing Director and CEO |
| Luis F. Alejandro | 70 | Filipino | Chief Operating Officer |
| Ignacio C. O. Sison | 60 | Filipino | Chief Corporate Officer |
| Parag Sachdeva | 54 | Indian | Chief Financial Officer |
| Antonio E. S. Ungson | 52 | Filipino | Chief Legal Counsel and Chief Compliance Officer; Company Secretary |
| Ruiz G. Salazar | 60 | Filipino | Chief Human Resource Officer |

The following is a brief description of the business experience of the Company's Board of Directors and Senior Management for the past five (5) years.

***Mr Rolando C Gapud***
**Executive Chairman, 82**
Appointed on 20 January 2006 and last re-elected on 17 September 2020

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

***Mr Joselito D Campos, Jr***
**Executive Director, 73**
Appointed on 20 January 2006 and last elected on 28 April 2006

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

***Ms Jeanette Beatrice Campos Naughton***
**Alternate Director to Mr. Campos, 48**
Ms. Jeanette Beatrice Campos Naughton is Vice President, Strategic Planning of the Company's U.S. subsidiary, Del Monte Foods, Inc. ("DMFI"), and alternate director to Mr. Joselito D.Campos, Jr. She is the daughter of Mr. Campos, the company's Managing Director and CEO, and DMFI's Vice Chairman and Director.

***Mr Edgardo M Cruz, Jr***
**Executive Director, 70**
Appointed on 2 May 2006 and last re-elected on 27 August 2021
Mr Edgardo M Cruz, Jr is a member of the Board of the NutriAsia Group of Companies. Mr Cruz is a Director of Del Monte Foods, Inc, DMPL's US subsidiary, and an Executive Director of Del Monte Philippines, Inc, DMPL's Philippine subsidiary. He is the Chairman of the Board of Bonifacio Gas Corporation, Bonifacio Water Corporation, Bonifacio Transport Corporation and Crescent West Development Corporation. He is a member of the Board of Evergreen Holdings Inc, Fort Bonifacio Development Corporation 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.

***Mr Benedict Kwek Gim Song***
**Lead Independent Director, 77**
Appointed on 30 April 2007 and last re-appointed on 17 September 2020
Appointed as Lead Independent Director on 11 September 2013

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

Bachelor of Social Science (Economics) degree from the then University of Singapore and attended a management development programme at Columbia University in the United States.

***Mr Godfrey E Scotchbrook***
**Independent Director, 78**
Appointed on 28 December 2000 and last re-appointed on 27 August 2021

Mr Godfrey E Scotchbrook is an independent practitioner in corporate communications, issues management and investor relations with more than 40 years of experience in Asia. In 1990, he founded Scotchbrook Communications and his prior appointments included being an executive director of the then publicly listed Shui On Group. A proponent of good corporate governance, he is an Independent Director of Boustead Singapore Ltd and a Non-Executive Director of Hong Kong-listed Convenience Retail Asia. He is a Fellow of the Hong Kong Management Association and also of the British Chartered Institute of Public Relations. He is also a Director of Del Monte Foods, Inc, DMPL’s US subsidiary. Mr Scotchbrook earned his DipCam PR having studied Media and Communications at City University, London.

***Dr Emil Q Javier***
**Independent Director, 83**
Appointed on 30 April 2007 and last re-appointed on 28 August 2019

Dr Emil Q Javier is a Filipino agronomist with a broad understanding of developing country agriculture. He was the first and only developing country scientist to Chair the Technical Advisory Committee of the prestigious Consultative Group for International Agricultural Research (CGIAR), a global consortium led by the World Bank and the Food and Agriculture Organization of the United Nations (FAO). He was Director General of the Asian Vegetable Research and Development Center (AVRDC) based in Taiwan and has served as Chairman of the Board of International Rice Research Institute (IRRI), and as Chairman and Acting Director of the Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA). In the Philippines at various periods, he had been President of the University of the Philippines, Minister for Science and Technology and President of the National Academy of Science and Technology, Philippines (NAST PHL). In May 2019, he was elected by his peers in NAST as a National Scientist, the highest honour conferred by the President of the Philippines to a Filipino in the field of science and technology. Dr Javier is an Independent Director of Del Monte Foods, Inc, DMPL’s US subsidiary, and of Del Monte Philippines, Inc, DMPL’s Philippine subsidiary, and is an Independent Director of Philippine-listed Centro Escolar University. He holds doctorate and master’s degrees in plant breeding and agronomy from Cornell University and University of Illinois at Urbana-Champaign, respectively. He completed his bachelor’s degree in agriculture at the University of the Philippines Los Baños.

***Mrs Yvonne Goh***
**Independent Director, 71**
Appointed on 4 September 2015 and last re-appointed on 28 August 2019

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

***Luis F. Alejandro***
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 Chief Operating Officer. He then became President and Chief Operating Officer of ABS-CBN Broadcasting Corporation, a leading media conglomerate in the Philippines. Mr Alejandro is a Director of Del Monte Foods, Inc, DMPL's US subsidiary, and Del Monte Philippines, Inc, DMPL's Philippine 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 Bachelor's degree in Economics from the Ateneo de Manila University and an MBA from the Asian Institute of Management.

***Ignacio C. O. Sison***
Chief Corporate Officer

Mr Ignacio C O Sison is DMPL's Chief Corporate Officer responsible for strategic planning, sustainability, risk management and investor relations. He has been with DMPL since 1999 and was the group's Chief Financial Officer for nine years. Mr Sison has nearly 30 years of experience spanning corporate and strategic planning, financial planning, treasury, controllership, corporate sustainability, risk management and investor relations. Before joining Del Monte Pacific, he was CFO of Macondray and Company, Inc, then DMPL's parent company, for three years. Amongst others, he also worked for Pepsi-Cola Products Philippines and SGV & Co, the largest audit firm in the 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 of the Pacific in Canada. In 2010, Mr Sison received the Best CFO award from the Singapore Corporate Awards.

***Parag Sachdeva***
Chief Financial Officer

Mr Parag Sachdeva has 25 years of management and finance experience spanning planning and controllership, performance management, mergers and acquisitions, treasury, IT and human resources. Before joining DMPL, he was with Carlsberg Asia for more than a year and supported efficiency and effectiveness programmes across the Asian and African regions. Prior to Carlsberg, he was with HJ Heinz for 20 years and held leadership positions in Asia Pacific regions in finance, IT and human resources. Mr Sachdeva graduated from the Aligarh Muslim University in India, Major in Accounting and Commerce. He also has an MBA degree, Major in Finance from the same university.

***Antonio E. S. Ungson***
Chief Legal Counsel, Chief Compliance Officer, and Company Secretary

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

University of the Philippines College of Law and his undergraduate degree in Economics, cum laude and with a Departmental award at the Ateneo de Manila University.

***Ruiz G. Salazar***
Chief Human Resource Officer

Mr Ruiz G Salazar is a Human Resources and Organisation 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, organisation 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 Organisation 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.

Directorships in Other Listed Companies

The table below sets forth the directorships in other listed companies, both current and in the past three (3) years:

| Name | Position | Company | Date |
|---|---|---|---|
| Joselito D Campos, Jr | Director | San Miguel Corporation | 2010 – Present |
| Emil Q Javier | Independent Director | Centro Escolar University | 2002 – Present |
| Godfrey E Scotchbrook | Non-Executive Director | Convenience Retail Asia (HK) | 2002 – Present |

None of the Company's Directors are Chairman in other listed companies.

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.

Family Relationships

Other than as provided below, there are no other family relationships known to the Company:

Ms. Jeanette Beatrice Campos Naughton is Vice President, Strategic Planning of the Company's U.S. subsidiary, Del Monte Foods, Inc ("**DMFI**"). She is the daughter of Mr. Joselito D Campos, Jr., the Company's Managing Director and CEO, and DMFI's Vice Chairman and Director.

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 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 Group's 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 eight years ago as co-accused in his capacity as then President and Chief Operating Officer of ABS-CBN Broadcasting Corp.

*As to the Company and its Subsidiaries:*

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.

**Item 10. Compensation of Directors and Executive Officers**

The aggregate compensation paid or incurred during the last two fiscal years and estimated to be paid in the ensuing fiscal year to the CEO and senior executive officers of the Company are as follows:

| **Name and principal position** | **Year** | **Salary (in PhP)** | **Bonus (in PhP)** |
|---|---|---|---|
| A. Chief Executive Officer and most highly compensated executive officers* | FY 2024 | | |
| | FY 2023 (Est) | 263,486,948 | 278,052,973 |
| | FY 2022 | 235,016,197 | 227,880,942 |
| | | | |
| B. All other officers and directors as a group unnamed | FY 2024 | | |
| | FY 2023 (Est) | 173,220,007 | 49,840,446 |
| | FY 2022 | 170,666,567 | 46,120,954 |

**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

The Directors receive a fixed remuneration annually based on the following fee structure:

a. Board Chairman: US$99,000 per annum;
b. Directors: US$54,000 per annum;
c. ARC Chairman: US$24,750 per annum;
d. RSOC Chairman: US$12,375 per annum;
e. NGC Chairman: US$12,375 per annum;
f. ARC Members: US$13,500 per annum;
g. RSOC Members: US$6,750 per annum; and
h. NGC Members: US$6,750 per annum.

The Directors do not receive any allowance for attending Board or Board committee meetings.

*Other Arrangements*

Dr. Emil Q. Javier has a consultancy agreement with the Company to act as a consultant, amongst other things, to provide guidance and support to the 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 by any executive officer 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 Key Management Personnel.

**Share Options**

There are no outstanding share options as of 30 April 2024. All unexercised options which were granted pursuant to the Del Monte Pacific Executive Stock Option Plan 1999 had already lapsed on 6 March 2018.

**Share Awards**

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

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

**Item 11. Security Ownership of Certain 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 | No. of Common Shares Held | % of Total Outstanding Shares |
|---|---|---|---|---|---|
| Ordinary Shares | NutriAsia Pacific Limited ("**NAPL**")<br><br>Trident Chambers Road Town, Tortola, British Virgin Islands<br><br>Shareholder | NAPL is the beneficial and record owner of the shares indicated.* | British Virgin Islands | 1,196,539,958 Ordinary Shares | 61.55% |
| Ordinary Shares | HSBC (Singapore) Nom's Pte. Ltd. ("**HSBC**")<br><br>21 Collyer Quay #13-01 HSBC Building Singapore 049320<br><br>Shareholder | Bluebell Group Holdings Limited ("**Bluebell**") is the beneficial owner of the shares indicated.*<br><br>The shares are held in nominee by HSBC. | British Virgin Islands | 189,736,540 Ordinary Shares | 9.76% |
| Ordinary Shares | Lee Pineapple Company Pte. Ltd. ("**Lee**")<br><br>65 Chulia St, #44-01 OCBC Centre Singapore 049513<br><br>Shareholder | Lee is the beneficial and record owner of the shares indicated.** | Singapore | 106,854,000 Ordinary Shares | 5.50% |

*Notes:*
** NAPL and Bluebell are beneficially owned by Mr. Joselito D. Campos, Jr. and the Campos family of the Philippines.*
*** Lee is beneficially owned by the Lee Family of Malaysia.*

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 Beneficial Owner | Amount and Nature of Beneficial Ownership | | Citizenship | Percent of Class |
|---|---|---|---|---|---|
| Ordinary | Joselito D. Campos, Jr. | 7,621,466 | Direct | Filipino | 0.39% |
| Ordinary | Rolando C. Gapud | 2,651,203 | Direct | Filipino | 0.14% |
| Ordinary | Edgardo M. Cruz, Jr. | 2,984,632 | Direct | Filipino | 0.15% |
| Ordinary | Emil Q. Javier | 611,828 | Direct | Filipino | 0.03% |
| Ordinary | Benedict Kwek Gim Song | 117,092 | Direct | Singaporean | 0.01% |
| Ordinary | Godfrey E. Scotchbrook | 117,092 | Direct | British | 0.01% |
| Ordinary | Luis F. Alejandro | 3,381,000 | Indirect | Filipino | 0.19% |
| | | 299,400 | Direct | | |
| Ordinary | Ignacio C. O. Sison | 1,079,736 | Direct | Filipino | 0.06% |
| Ordinary | Antonio E. S. Ungson | 597,864 | Direct | Filipino | 0.03% |

iii) 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.

iv) 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.

**Item 12. Certain Relationships and Related Transactions**

The Company and its subsidiaries, in the ordinary course of business, engage in transactions with affiliates. The Company's policy with respect to related transactions is to ensure that these transactions are entered into on terms comparable to those available from unrelated third parties.

The Company and its subsidiaries (the "**Group**") have the following major transactions with related parties.

For purposes of this section, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

| Related Party Transaction | Relationship | Nature | FY2024 US$'000 | FY2023 US$'000 | FY2022 US$'000 |
|---|---|---|---|---|---|
| Del Monte Philippines, Inc (DMPI Retirement Fund) | Retirement fund of the Company's subsidiary | Rental to DMPI Retirement Fund | 1,915 | 1,851 | 1,837 |
| | | Security Deposit to DMPI Retirement Fund | - | 18 | - |

| | | | | | |
|---|---|---|---|---|---|
| | | Management fees from DMPI Retirement Fund | (4) | (4) | (4) |
| Del Monte Philippines, Inc (DMPI Provident Fund) | Retirement fund of the Company's subsidiary | Rental to DMPI Provident Fund | - | 6 | 7 |
| NutriAsia Inc (NAI) | Affiliate of the Company | Rental to NAI Retirement Fund | 651 | 629 | 652 |
| | | Security deposit to NAI Retirement Fund | - | 7 | 7 |
| | | Purchases of Production Materials | 49 | 78 | 25 |
| | | Toll Pack Fees | - | - | 12 |
| | | Utilities / Parking Space Rental | 289 | 42 | 97 |
| | | Recharge of Inventory Count Shortage | (38) | - | - |
| | | Management fee | - | - | (49) |
| | | Shared IT & Other Services from NAI | (109) | (98) | (112) |
| | | Sale of other Raw Materials with NAI | - | - | 48 |
| | | Sale of apple juice concentrate with NAI | (81) | (15) | (12) |
| | | Cash Advances | (5,996) | - | - |
| NAPL | Affiliate of the Company | Cash Advances | - | - | (1,261) |
| Bluebell Holdings Ltd. | Affiliate of the Company | Cash Advances | (19,000) | - | - |
| Aviemore Ltd. | Affiliate of the Company | Cash Advances | (12,639) | - | - |
| **TOTAL** | | | **(34,963)** | **2,514** | **1,247** |

## Part IV – CORPORATE GOVERNANCE

### Item 13. Annual Corporate Governance

Please refer to the 2023 Integrated Annual Corporate Governance Report (SEC Form i-ACGR) of DMPL, which was filed with the SEC and PSE, and posted in the Company's website www.delmontepacific.com, in compliance with SEC Memorandum Circular No. 15, Series of 2017.

NC0O6C0F0Z

# 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

and **VERIFY** that this is the **STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS DATED 7TH AUGUST, 2024 RELATING TO DEL MONTE PACIFIC LIMITED AND ITS SUBSIDIARIES** electronically signed by **ROLAND C. GAPUD** (Executive Chairman) produced to and examined by me.

IN FAITH AND TESTIMONY whereof I the said notary have subscribed my name and set and affixed my seal of office at Singapore, this 16th day of August 2024.

**NOTARY PUBLIC**
**SINGAPORE**

NOTARY PUBLIC
Tan Mary
NP2024/0202
1 Apr 2024 – 31 Mar 2025
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: 06605805**

| | |
|---|---|
| 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:** | 20th August 2024 |
| 7. **By:** | Melissa Goh, Director, Trust Services, SAL |
| 8. **No.:** | AC0O6H02JG |
| 9. **Seal/Stamp:** | 10. **Signature:** Melissa |

SINGAPORE ACADEMY OF LAW
CERTIFICATION SEAL

# STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of **Del Monte Pacific Limited and its Subsidiaries** (collectively referred to as the "**Company**") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at April 30, 2024, and 2023 and for each of the three years in the period ended April 30, 2024, 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 Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going-concern basis of accounting, unless management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

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

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

SyCip Gorres Velayo & Co., the independent auditor 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.

Signed by:
B8355EFCA388420...

Signature________________________________________
**Rolando C. Gapud, Executive Chairman**

Certified and verified.

Signature________________________________________
**Joselito D. Campos, Jr., Managing Director & Chief Executive Officer**

NOTARY PUBLIC
Tan Mary
NP2024/0202
1 Apr 2024 – 31 Mar 2025
SINGAPORE

Signature________________________________________
**Parag Sachdeva, Chief Financial Officer**

16th August, 2024

Signed on the 7th day of August 2024.

REPUBLIC OF SINGAPORE
NOTARY PUBLIC

**STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS**

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Signature______________________________________
**Rolando C. Gapud, Executive Chairman**

Signature______________________________________
**Joselito D. Campos, Jr., Managing Director & Chief Executive Officer**

Signature______________________________________
**Parag Sachdeva, Chief Financial Officer**

Signed on the 7th day of Aug 2024.

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES )
CITY OF LAS PINAS, METRO MANILA ) S.S.

I certify that on this date before me, a notary public duly authorized in the city named above to take acknowledgements, personally appeared:

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

who were identified by me through competent evidence of identity to be the same persons described in the foregoing instrument, who acknowledged before me that their respective signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and who declared to me that they have executed the instrument as their free and voluntary act and deed, and that they have the authority to sign on behalf of their principal.

WITNESS MY HAND AND SEAL this AUG 12 2024 in Las Pinas City, Philippines.

JUANITO H. VINCULADO
Notary Public Until Dec. 31, 2025
22 Avocado Drive Agro Homes 1 Talon 5, LPC
CP No. 0916-420-3253 Landline 8806-2957
PTR 12653485 J Las Piñas City 1/02/2024
IBP 405174 1/06/2024 PPLM Roll No. 41092
MCLE VII-0021842 Valid until 4.14.25
RTC LPC Notarial Appt. dated 11/30/2023 LP-23-045

Doc. No: 316;

Page No: 65;

Book No: 4;

Series of 2024.

# C O V E R   S H E E T

**for**

**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | | |

**C O M P A N Y   N A M E**

DEL MONTE PACIFIC LIMITED AND ITS SUBSIDIARIES

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

CRAIGMUIR CHAMBERS, PO BOX 71 ROAD TOWN, TORTOLA BRITISH VIRGIN ISLANDS

| Form Type | Department requiring the report | Secondary License Type, If Applicable |
|---|---|---|
| AAFS | CRMD | – |

**C O M P A N Y   I N F O R M A T I O N**

| Company's Email Address | Company's Telephone Number | Mobile Number |
|---|---|---|
| www.delmontepacific.com | **+65 6324 6822** | **–** |

| No. of Stockholders | Annual Meeting (Month / Day) | Fiscal Year (Month / Day) |
|---|---|---|
| **7,286** | **August 27** | **April 30** |

**CONTACT PERSON INFORMATION**

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

| Name of Contact Person | Email Address | Telephone Number/s | Mobile Number |
|---|---|---|---|
| **Antonio E.S. Ungson** | **UngsonAES@delmonte-phil.com** | **(02) 8856-2888** | **–** |

**CONTACT PERSON's ADDRESS**

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

***NOTE1 :*** *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 the 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.*

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
sgv.ph

# INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors
Del Monte Pacific Limited and its Subsidiaries
Craigmuir Chambers
PO Box 71 Road Town, Tortola
British Virgin Islands

## Opinion

We have audited the accompanying consolidated financial statements of Del Monte Pacific Limited and its Subsidiaries (the Group) and the separate financial statements of Del Monte Pacific Limited (the Company), which comprise the statements of financial position as at 30 April 2024 and 2023, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended 30 April 2024, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Group and the Company present fairly, in all material respects, the financial position of the Group and the Company as at 30 April 2024 and 2023, and their financial performance, their changes in equity, and their cash flows for each of the three years in the period ended 30 April 2024 in accordance with International Financial Reporting Standards (IFRSs).

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

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

*Applicable to the audit of the consolidated financial statements of the Group*

Fair value of agricultural produce

| Why significant | How our audit addressed the matter |
|---|---|
| As at 30 April 2024, the Group has agricultural produce amounting to US$48.6 million that is carried as part of biological assets account in the statement of financial position, which is contributed by Del Monte Philippines, Inc, a subsidiary in the Philippines.<br><br>The valuation of agricultural produce was significant to our audit as the estimation process is complex, involves significant management estimate, and is based on assumptions that could be affected by natural phenomena. The key assumptions in determining the fair value of harvested produce include expected selling prices and gross margins. The key assumptions for the fair value of unharvested produce include its expected selling prices, gross margin, estimated tonnage of harvests and future growing costs.<br><br>The Group's disclosures relating to biological assets, in particular agricultural produce, and sources of estimation uncertainty are included in Notes 11 and 34 to the financial statements. | We obtained an understanding of management's fair value measurement methodology and its process in valuing the agricultural produce. We assessed the appropriateness of the methodology used in estimating the fair value. We tested the key assumptions used in the valuation of harvested produce which include expected selling prices and gross margin, and unharvested produce its expected selling prices, gross margin, estimated tonnage of harvests and future growing costs, against management plans, historical data, and external data such as selling prices in the principal market.<br><br>We also reviewed Group's disclosures in Notes 11 and 34 to the financial statements, relating to biological assets and sources of estimation uncertainty. |

Impairment assessment of goodwill and indefinite life trademarks

| Why significant | How our audit addressed the matter |
| --- | --- |
| As at 30 April 2024, the Group carries goodwill of US$203.4 million and indefinite life trademarks of US$472.4 million, of which US$203.4 million and US$458.3 million, respectively, are attributable to a subsidiary in the Unites States of America, Del Monte Foods, Inc. and its subsidiaries (collectively, DMFI). | |
| *(a) Goodwill* | |
| DMFI's goodwill is allocated to three Cash Generating Units ("CGUs") namely: Healthy Snacking, Flavor and Meal Enhancer, and Beyond Retail with carrying value of US$43.8 million, US$117.1 million, and US$42.5 million, respectively. The Group used the value in use calculation to estimate the recoverable amount of the CGUs for purposes of assessing whether there is any impairment to be recognized.<br><br>The annual impairment test is significant to our audit because the assessment process is complex, involves significant management judgment and is dependent on certain key estimates such as the discount rate based on weighted average cost of capital ("WACC"), long-term earnings before interest, taxation, depreciation and amortization ("EBITDA") margin and terminal growth rate of the CGUs.<br><br>The Group's disclosures relating to the goodwill and indefinite life America trademarks allocated to DMFI, sources of estimation uncertainty and sensitivity of the recoverable amounts are included in Note 8 to the financial statements. | We obtained an understanding of the Group's impairment assessment process and the related controls. We tested the reasonableness of the key assumptions, which include the WACC, long-term EBITDA margin, and terminal growth rate against management plans, historical data and available market information in light of current market and economic conditions. We also performed sensitivity analysis on the key assumptions to consider the extent of reasonable change in these assumptions that individually or collectively would result in the impairment of these assets. We involved our internal specialist in evaluating certain key assumptions and methodology used.<br><br>We also reviewed the Group's disclosures in Note 8 to the financial statements, about those assumptions to which the outcome of the impairment test were most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of the CGU. |

| Why significant | How our audit addressed the matter |
|---|---|
| *(b) Americas trademarks* | |
| As at 30 April 2024, the indefinite life trademarks coming from Americas, comprise "Del Monte", "College Inn", and "Kitchen Basics" amounting to US$458.3 million.<br><br>The Group used the Relief from Royalty methodology in valuing its trademarks. The annual impairment test is significant to our audit because the assessment process is complex, involves significant management judgment and is dependent on certain estimates such as the discount rate based on WACC, revenue growth rate, terminal growth rate, and royalty rates observed in the market that can be affected by future market and economic conditions.<br><br>The Group's disclosures relating to its Americas indefinite life trademarks, sources of estimation uncertainty and sensitivity of the recoverable amounts are included in Note 8 to the financial statements. | We tested the reasonableness of the key assumptions, which include the WACC, revenue growth rate, terminal growth rate, and royalty rates, against management plans, historical data and available market information in light of current market and economic conditions. We also performed sensitivity analysis on the key assumptions to consider the extent of reasonable change in these assumptions that individually or collectively would result in the impairment of these assets. We involved our internal specialist in evaluating certain key assumptions and methodology used.<br><br>We also reviewed the Group's disclosures in Note 8 to the financial statements, about those assumptions to which the outcomes of the impairment tests were most sensitive, that is, those that have the most significant effect on the determination of the recoverable amounts of the CGUs. |

Recognition of deferred tax assets

| Why significant | How our audit addressed the matter |
| --- | --- |
| As at 30 April 2024, the Group has recognized deferred tax assets of US$146.7 million, of which US$146.5 million was attributable to DMFI.<br><br>The recognition of the deferred tax asset was significant to our audit because it entails estimation of the future taxable income which involves significant management judgment and is based on assumptions that are affected by future market or economic conditions. The key assumptions in the taxable income forecast include revenue growth rate, EBITDA margin and long-term growth rate.<br><br>The Group's disclosures relating to deferred tax and sources of estimation uncertainty are included in Note 9 to the financial statements. | We assessed the reasonableness of deferred tax assets recognized by comparing it to the taxable income forecast that were approved by the Board of Directors. We assessed the reasonableness of the key assumptions in estimating the taxable income forecast such as revenue growth rate, EBITDA margin and long-term grow rate against historical data, management's support for the current estimates and projections, available market information, industry and market outlook in light of current market and economic conditions, and performed sensitivity analyses over the key assumptions. We also evaluated the reasonableness of the timing of the reversal of future taxable and deductible temporary differences by considering the taxable income forecast and current tax laws.<br><br>We reviewed management's forecasting process by comparing the actual results of DMFI against its prior year forecast.<br><br>We involved our internal tax specialist in reviewing the deductibility of the temporary differences.<br><br>We also reviewed Group's disclosures in Note 9 to the financial statements, relating to deferred tax and sources of estimation uncertainty. |

**Other Information**

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended 30 April 2024 but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended 30 April 2024 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

In preparing the financial statements, management is responsible for assessing the Group's 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with 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 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 Johnny F. Ang.

SYCIP GORRES VELAYO & CO.

Johnny F. Ang
Partner
CPA Certificate No. 0108257
Tax Identification No. 221-717-423
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-101-2021, October 1, 2021, valid until September 30, 2024
PTR No. 10079896, January 5, 2024, Makati City

7 August 2024

## Del Monte Pacific Limited and its Subsidiaries

## Statements of financial position
## As at 30 April 2024 and 2023

| | Note | Group 30 April 2024 (US$'000) | Group 30 April 2023 (US$'000) Restated | Company 30 April 2024 (US$'000) | Company 30 April 2023 (US$'000) |
|---|---|---|---|---|---|
| **Noncurrent assets** | | | | | |
| Property, plant and equipment - net | 5 | **670,344** | 658,991 | **–** | – |
| Right-of-use assets | 23 | **91,268** | 100,566 | **–** | 77 |
| Investments in subsidiaries | 6 | **–** | – | **818,675** | 967,159 |
| Investments in joint ventures | 7 | **19,669** | 20,161 | **2,255** | 2,623 |
| Intangible assets and goodwill | 8 | **746,807** | 753,841 | **–** | – |
| Deferred tax assets - net | 9 | **146,705** | 118,060 | **110** | – |
| Biological assets | 11 | **3,413** | 3,007 | **–** | – |
| Pension assets - net | 20 | **7,800** | 10,630 | **–** | 60 |
| Other noncurrent assets | 10 | **41,911** | 42,863 | **10,561** | 5,023 |
| | | **1,727,917** | 1,708,119 | **831,601** | 974,942 |
| **Current assets** | | | | | |
| Biological assets | 11 | **48,577** | 44,852 | **–** | – |
| Inventories | 12 | **1,043,843** | 1,076,772 | **–** | – |
| Trade and other receivables | 13 | **218,154** | 231,036 | **27,421** | 26,406 |
| Prepaid expenses and other current assets | 14 | **61,274** | 59,054 | **39** | 94 |
| Cash and cash equivalents | 15 | **13,123** | 19,836 | **470** | 554 |
| | | **1,384,971** | 1,431,550 | **27,930** | 27,054 |
| **Total assets** | | **3,112,888** | 3,139,669 | **859,531** | 1,001,996 |
| **Equity** | | | | | |
| Share capital | 16 | **19,449** | 19,449 | **19,449** | 19,449 |
| Share premium | 17 | **208,339** | 208,339 | **208,478** | 208,478 |
| Retained earnings | 17 | **(73,233)** | 119,540 | **(73,233)** | 119,540 |
| Reserves | 17 | **(24,707)** | (28,511) | **(24,707)** | (28,511) |
| **Equity attributable to owners of the Company** | 38 | **129,848** | 318,817 | **129,987** | 318,956 |
| Non-controlling interests | 38 | **123,303** | 66,941 | **–** | – |
| **Total equity** | | **253,151** | 385,758 | **129,987** | 318,956 |
| **Noncurrent liabilities** | | | | | |
| Loans and borrowings | 18 | **1,377,315** | 1,453,300 | **43,726** | 241,959 |
| Employee benefits | 20 | **15,778** | 21,294 | **112** | – |
| Environmental remediation liabilities | 21 | **–** | – | **–** | – |
| Lease liabilities | 23 | **70,949** | 72,204 | **–** | – |
| Deferred tax liabilities - net | 9 | **11,473** | 11,630 | **–** | 49 |
| Other noncurrent liabilities | 19 | **38,877** | 16,826 | **–** | – |
| | | **1,514,392** | 1,575,254 | **43,838** | 242,008 |
| **Current liabilities** | | | | | |
| Loans and borrowings | 18 | **918,728** | 820,053 | **491,012** | 324,898 |
| Employee benefits | 20 | **23,899** | 24,280 | **–** | – |
| Trade payables and other current liabilities | 22 | **380,918** | 304,940 | **194,661** | 116,134 |
| Lease liabilities | 23 | **20,470** | 27,892 | **–** | – |
| Current tax liabilities | | **1,330** | 1,492 | **33** | – |
| | | **1,345,345** | 1,178,657 | **685,706** | 441,032 |
| **Total liabilities** | | **2,859,737** | 2,753,911 | **729,544** | 683,040 |
| **Total equity and liabilities** | | **3,112,888** | 3,139,669 | **859,531** | 1,001,996 |

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

## Del Monte Pacific Limited and its Subsidiaries

## Income statements
## For financial years ended 30 April 2024, 2023 and 2022

| | Note | <------------------ Group ------------------> | | | <--------------- Company --------------> | | |
|---|---|---|---|---|---|---|---|
| | | **Year ended 30 April 2024** (US$'000) | **Year ended 30 April 2023** (US$'000) | **Year ended 30 April 2022** (US$'000) | **Year ended 30 April 2024** (US$'000) | **Year ended 30 April 2023** (US$'000) | **Year ended 30 April 2022** (US$'000) |
| Revenue | 24, 29 | **2,427,730** | 2,421,313 | 2,342,086 | **–** | – | – |
| Cost of sales | | **(2,008,171)** | (1,814,320) | (1,719,429) | **–** | – | – |
| **Gross profit** | | **419,559** | 606,993 | 622,657 | **–** | – | – |
| Distribution and selling expenses | | **(225,348)** | (229,272) | (221,798) | **–** | – | – |
| General and administrative | | **(141,021)** | (120,334) | (129,311) | **(11,502)** | (13,980) | (12,983) |
| Other (expenses) income expenses - net | | **(8,188)** | (11,789) | (4,258) | **2,527** | 1,836 | 1,674 |
| **Results from operating activities** | | **45,002** | 245,598 | 267,290 | **(8,975)** | (12,144) | (11,309) |
| Finance income | 26 | **13,173** | 14,293 | 5,201 | **72** | 177 | 145 |
| Finance expense | 26 | **(207,570)** | (215,861) | (112,707) | **(47,527)** | (32,337) | (13,238) |
| Net finance expense | | **(194,397)** | (201,568) | (107,506) | **(47,455)** | (32,160) | (13,093) |
| Share in net (loss) income of joint ventures and subsidiaries | 6, 7 | **(1,062)** | (1,486) | (4,954) | **(72,671)** | 61,304 | 124,437 |
| **(Loss) profit before taxation** | 25 | **(150,457)** | 42,544 | 154,830 | **(129,101)** | 17,000 | 100,035 |
| Tax expense - net | 27 | **18,508** | (17,167) | (39,300) | **(56)** | (51) | (4) |
| **(Loss) profit for the year** | | **(131,949)** | 25,377 | 115,530 | **(129,157)** | 16,949 | 100,031 |
| **(Loss) profit attributable to:** | | | | | | | |
| Owners of the Company | 28 | **(129,157)** | 16,949 | 100,031 | **(129,157)** | 16,949 | 100,031 |
| Non-controlling interests | | **(2,792)** | 8,428 | 15,499 | **–** | – | – |
| | | **(131,949)** | 25,377 | 115,530 | **(129,157)** | 16,949 | 100,031 |
| **Earnings per share** | | | | | | | |
| Basic earnings per share (US cents) | 28 | **(6.64)** | 0.66 | 4.17 | **–** | – | – |
| Diluted earnings per share (US cents) | 28 | **(6.64)** | 0.66 | 4.17 | **–** | – | – |

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

**Del Monte Pacific Limited and its Subsidiaries**

**Statements of comprehensive income**
**For financial years ended 30 April 2024, 2023 and 2022**

| | Note | Year ended 30 April 2024 (US$'000) | Year ended 30 April 2023 (US$'000) | Year ended 30 April 2022 (US$'000) |
|---|---|---|---|---|
| **Group** | | | | |
| **(Loss) profit for the year** | | **(131,949)** | 25,377 | 115,530 |
| **Other comprehensive (loss) income** | | | | |
| **Items that will or may be reclassified subsequently to profit or loss:** | | | | |
| Currency translation difference | | **(7,400)** | (11,146) | (15,302) |
| Effective portion of changes in fair value of cash flow hedges | | **6,718** | 9,095 | (8,805) |
| Tax impact on share in cash flow hedges | | **(1,680)** | (2,274) | 2,193 |
| | | **(2,362)** | (4,325) | (21,914) |
| **Items that will not be reclassified to profit or loss:** | | | | |
| Remeasurement of retirement plans | | **8,780** | 3,416 | 12,760 |
| Tax impact on remeasurement of retirement plans | 9 | **(2,175)** | (821) | (3,255) |
| Gain on property revaluation | 5 | **–** | 22,121 | – |
| Tax impact on revaluation reserve | 9 | **–** | (5,828) | – |
| | | **6,605** | 18,888 | 9,505 |
| **Other comprehensive income (loss) for the year, net of tax** | | **4,243** | 14,563 | (12,409) |
| **Total comprehensive (loss) income for the year** | | **(127,706)** | 39,940 | 103,121 |
| **Total comprehensive (loss) income attributable to:** | | | | |
| Owners of the Company | | **(125,353)** | 30,979 | 89,196 |
| Non-controlling interests | | **(2,353)** | 8,961 | 13,925 |
| | | **(127,706)** | 39,940 | 103,121 |

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

**Del Monte Pacific Limited and its Subsidiaries**

**Statements of comprehensive income**
**For financial years ended 30 April 2024, 2023 and 2022**

| | Year ended 30 April 2024 (US$'000) | Year ended 30 April 2023 (US$'000) | Year ended 30 April 2022 (US$'000) |
|---|---|---|---|
| **Company** | | | |
| **(Loss) profit for the year** | **(129,157)** | 16,949 | 100,031 |
| **Other comprehensive (loss) income** | | | |
| **Items that will or may be reclassified subsequently to profit or loss:** | | | |
| Currency translation difference | **(6,948)** | (9,698) | (13,351) |
| Effective portion of changes in fair value of cash flow hedges | **6,001** | 8,471 | (8,239) |
| Tax impact on share in cash flow hedges | **(1,500)** | (2,118) | 2,052 |
| | **(2,447)** | (3,345) | (19,538) |
| **Items that will not be reclassified to profit or loss:** | | | |
| Remeasurement of retirement plans | **8,307** | 3,027 | 11,685 |
| Tax impact on remeasurement of retirement plans | **(2,056)** | (728) | (2,982) |
| Gain on property revaluation | **–** | 20,493 | – |
| Tax impact on revaluation reserve | **–** | (5,417) | – |
| | **6,251** | 17,375 | 8,703 |
| **Other comprehensive income (loss) for the year, net of tax** | **3,804** | 14,030 | (10,835) |
| **Total comprehensive (loss) income for the year** | **(125,353)** | 30,979 | 89,196 |

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

**Del Monte Pacific Limited and its Subsidiaries**

## Statement of changes in equity
## For financial years ended 30 April 2024, 2023 and 2022

| | Note | <------ Attributable to owners of the Company ------> | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Share capital** (US$'000) | **Share premium** (US$'000) | **Translation reserve** (US$'000) | **Revaluation reserve** (US$'000) | **Remeasure-ment retirement plans** (US$'000) | **Hedging reserve** (US$'000) | **Reserve for own shares** (US$'000) | **Retained earnings** (US$'000) | **Total** (US$'000) | **Non-controlling interests** (US$'000) | **Total equity** (US$'000) |
| **Group** | | | | | | | | | | | | |
| **2024** | | | | | | | | | | | | |
| At 30 April 2023 | | 19,449 | 208,339 | (105,020) | 29,354 | 46,051 | 1,390 | (286) | 119,540 | 318,817 | 66,941 | 385,758 |
| **Total comprehensive loss for the year** | | | | | | | | | | | | |
| Loss for the year | | – | – | – | – | – | – | – | (129,157) | (129,157) | (2,792) | (131,949) |
| **Other comprehensive (loss) income** | | | | | | | | | | | | |
| Currency translation differences | | – | – | (6,948) | – | – | – | – | – | (6,948) | (452) | (7,400) |
| Remeasurement of retirement plans, net of tax | 20 | – | – | – | – | 6,251 | – | – | – | 6,251 | 354 | 6,605 |
| Effective portion of changes in fair value of cash flow hedges, net of tax | | – | – | – | – | – | 4,501 | – | – | 4,501 | 537 | 5,038 |
| **Total other comprehensive (loss) income** | | – | – | (6,948) | – | 6,251 | 4,501 | – | – | 3,804 | 439 | 4,243 |
| **Total comprehensive (loss) income for the year** | | – | – | (6,948) | – | 6,251 | 4,501 | – | (129,157) | (125,353) | (2,353) | (127,706) |
| **Transactions with owners of the Company recognized directly in equity** | | | | | | | | | | | | |
| **Contributions by and distributions to owners of the Company** | | | | | | | | | | | | |
| Redemption of shares by subsidiary | 6 | – | – | – | – | – | – | – | (61,074) | (61,074) | (6,638) | (67,712) |
| Issuance of senior perpetual securities | | – | – | – | – | – | – | – | – | – | 67,637 | 67,637 |
| Dividends | 17 | – | – | – | – | – | – | – | (2,542) | (2,542) | (2,284) | (4,826) |
| **Total contributions by and distributions to Owners** | | – | – | – | – | – | –– | – | (63,616) | (63,616) | 58,715 | (4,901) |
| **At 30 April 2024** | 16, 17 | **19,449** | **208,339** | **(111,968)** | **29,354** | **52,302** | **5,891** | **(286)** | **(73,233)** | **129,848** | **123,303** | **253,151** |

## Del Monte Pacific Limited and its Subsidiaries

## Statement of changes in equity
## For financial years ended 30 April 2024, 2023 and 2022

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

## Del Monte Pacific Limited and its Subsidiaries

## Statement of changes in equity
## For financial years ended 30 April 2024, 2023 and 2022

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

## Del Monte Pacific Limited and its Subsidiaries

## Statement of changes in equity
## For financial years ended 30 April 2024, 2023 and 2022

| | Note | Share capital (US$'000) | Share premium (US$'000) | Share in translation reserve of subsidiaries (US$'000) | Share in revaluation reserve of subsidiaries (US$'000) | Share in remeasure-ment of retirement plans of subsidiaries (US$'000) | Share in hedging reserve of a subsidiary (US$'000) | Reserve for own shares (US$'000) | Retained earnings (US$'000) | Total (US$'000) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Company** | | | | | | | | | | |
| **2024** | | | | | | | | | | |
| At 30 April 2023 | | 19,449 | 208,478 | (105,020) | 29,354 | 46,051 | 1,390 | (286) | 119,540 | 318,956 |
| **Total comprehensive loss for the year** | | | | | | | | | | |
| Loss for the year | | | | | | | | | (129,157) | (129,157) |
| **Other comprehensive (loss) income** | | | | | | | | | | |
| Currency translation differences | | – | – | (6,948) | – | – | – | – | – | (6,948) |
| Remeasurement of retirement plans, net of tax | 20 | – | – | – | – | 6,251 | – | – | – | 6,251 |
| Effective portion of changes in fair value of cash flow hedges, net of tax | | – | – | – | – | – | 4,501 | – | – | 4,501 |
| **Total other comprehensive (loss) income** | | – | – | (6,948) | – | 6,251 | 4,501 | – | – | 3,804 |
| **Total comprehensive (loss) income for the year** | | – | – | (6,948) | – | 6,251 | 4,501 | – | (129,157) | (125,353) |
| **Transactions with owners of the Company recognized directly in equity** | | | | | | | | | | |
| **Contributions by and distributions to owners of the Company** | | | | | | | | | | |
| Redemption of shares by subsidiary | 16 | – | – | – | – | – | – | – | (61,074) | (61,074) |
| Dividends | 17 | – | – | – | – | – | – | – | (2,542) | (2,542) |
| **Total contributions by and distributions to owners** | | – | – | – | – | – | – | – | (63,616) | (63,616) |
| **At 30 April 2024** | 16, 17 | **19,449** | **208,478** | **(111,968)** | **29,354** | **52,302** | **5,891** | **(286)** | **(73,233)** | **129,987** |

## Del Monte Pacific Limited and its Subsidiaries

## Statement of changes in equity
## For financial years ended 30 April 2024, 2023 and 2022

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

**Del Monte Pacific Limited and its Subsidiaries**

## Statement of changes in equity
## For financial years ended 30 April 2024, 2023 and 2022

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

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

## Del Monte Pacific Limited and its Subsidiaries

## Statements of cash flows
## For financial years ended 30 April 2024, 2023 and 2022

| | Note | <-------- Group | -------- | --------> | <-------- Company | -------- | --------> |
|---|---|---|---|---|---|---|---|
| | | Year ended 30 April 2024 (US$'000) | Year ended 30 April 2023 (US$'000) | Year ended 30 April 2022 (US$'000) | Year ended 30 April 2024 (US$'000) | Year ended 30 April 2023 (US$'000) | Year ended 30 April 2022 (US$'000) |
| **Cash flows from operating Activities** | | | | | | | |
| (Loss) profit for the year | | **(131,949)** | 25,377 | 115,530 | **(129,157)** | 16,949 | 100,031 |
| Adjustments to reconcile profit for the year to net cash flows: | | | | | | | |
| Finance expense | 26 | **201,730** | 211,353 | 111,986 | **47,525** | 32,229 | 12,977 |
| Depreciation of property, plant and equipment | 25 | **161,297** | 154,439 | 146,480 | **–** | – | – |
| Amortization of right-of-use assets | 23 | **32,582** | 32,972 | 39,292 | **31** | 93 | 93 |
| Tax credit – deferred | 9, 27 | **(32,511)** | (9,592) | 18,695 | **(107)** | (19) | (18) |
| Allowance for inventory obsolescence | 12 | **18,700** | 9,542 | 4,135 | **–** | – | – |
| Tax expense – current | 27 | **14,003** | 26,759 | 20,605 | **163** | 71 | 22 |
| Amortization of intangible assets | 8 | **7,034** | 6,967 | 6,650 | **–** | – | – |
| Finance income | 26 | **(4,828)** | (13,751) | (2,629) | **–** | (177) | (11) |
| Unrealized foreign exchange loss (gain) | | **(2,505)** | 3,966 | (1,851) | **(70)** | 108 | 127 |
| (Gain) loss on disposal of property, plant and equipment | 25 | **(1,754)** | 759 | 789 | **–** | – | – |
| Net gain on derivatives financial instrument | | **(1,322)** | – | – | **–** | – | – |
| Share in losses (earnings) of joint ventures and subsidiaries | 7 | **1,062** | 1,486 | 4,954 | **72,671** | (61,304) | (124,437) |
| Impairment (reversal) of trade and nontrade receivables | 13 | **272** | (181) | 1,060 | **–** | – | – |
| Impairment loss in joint ventures | 7 | **–** | – | 2,000 | **–** | – | – |
| Equity-settled share-based payment transactions | | **–** | – | (1,960) | **–** | – | – |
| | | **261,811** | 450,096 | 465,736 | **(8,944)** | (12,050) | (11,216) |
| Changes in: | | | | | | | |
| Biological assets | | **(5,864)** | (632) | (6,311) | **–** | – | – |
| Inventories | | **14,558** | (396,413) | (137,944) | **–** | – | – |
| Trade and other receivables | | **15,954** | (18,002) | (40,020) | **7,058** | (5,023) | 1 |
| Prepaid expenses and other current assets | | **(1,998)** | (13,456) | (9,334) | **(54)** | 920 | (110) |
| Other assets | | **9,335** | (7,813) | (9,039) | **45** | – | (49) |
| Trade payables and other current liabilities | | **75,069** | 20,695 | 31,757 | **138** | (725) | (494) |
| Employee benefits | | **4,952** | (15,902) | 1,809 | **126** | 107 | 192 |
| Operating cash flows | | **373,817** | 18,573 | 296,654 | **(1,631)** | (16,771) | (11,676) |
| Taxes paid | | **(4,519)** | (21,336) | (15,916) | – | – | (6) |
| **Net cash flows generated from (used in) operating activities** | | **369,298** | (2,763) | 280,738 | **(1,631)** | (16,771) | (11,682) |

## Del Monte Pacific Limited and its Subsidiaries

## Statements of cash flows
## For financial years ended 30 April 2024, 2023 and 2022

| | Note | <------------------ Group | ------------------> | | <--------------- Company | --------------> | |
|---|---|---|---|---|---|---|---|
| | | **Year ended 30 April 2024** | **Year ended 30 April 2023** | **Year ended 30 April 2022** | **Year ended 30 April 2024** | **Year ended 30 April 2023** | **Year ended 30 April 2022** |
| | | (US$'000) | (US$'000) | (US$'000) | (US$'000) | (US$'000) | (US$'000) |
| **Cash flows from investing Activities** | | | | | | | |
| Acquisitions of property, plant and equipment | | **(187,606)** | (237,922) | (202,659) | **–** | – | – |
| Proceeds from disposal of property, plant and equipment | | **6,445** | 210 | 231 | **–** | – | – |
| Additions to investments in joint ventures | 7 | **(1,028)** | (4,090) | (1,001) | **–** | – | – |
| Interest received | | **703** | 4,434 | 1,169 | **–** | 8 | 11 |
| Additional advances to joint ventures | | **–** | (185) | (595) | **–** | (185) | (595) |
| Acquisition of intangible assets, net of transaction costs | 8 | **–** | (71,761) | – | **–** | – | – |
| Advances to related company | | **–** | – | – | **(10,401)** | (110,384) | (67,874) |
| Dividend received | | **–** | – | – | **18,994** | 88,503 | 33,519 |
| **Net cash flows (used in) generated from investing activities** | | **(181,486)** | (309,314) | (202,855) | **8,593** | (22,058) | (34,939) |
| **Cash flows from financing activities** | | | | | | | |
| Proceeds from borrowings | 39 | **4,761,967** | 4,746,953 | 2,848,113 | **266,600** | 128,500 | 333,000 |
| Repayment of borrowings | 39 | **(4,720,243)** | (4,032,573) | (2,547,034) | **(299,538)** | (168,071) | (89,810) |
| Redemption of preference share capital | 16 | **–** | (100,000) | (200,000) | **–** | (100,000) | (200,000) |
| Interest paid | | **(190,705)** | (144,006) | (89,359) | **(40,850)** | (29,165) | (11,004) |
| Issuance of senior perpetual shares | | **67,637** | – | – | **–** | – | – |
| Payments of lease liability | 23 | **(38,242)** | (42,685) | (38,870) | **–** | – | (52) |
| Redemption of shares of subsidiary | 6 | **(37,857)** | – | – | **–** | – | – |
| Derivative settlement | | **(29,856)** | – | – | **–** | – | – |
| Payment of debt related costs | 18 | **(4,764)** | (20,295) | (2,383) | **(389)** | (218) | (2,383) |
| Dividends paid to equity holders of the parent | 17 | **(2,542)** | (37,729) | (43,060) | **(2,542)** | (37,729) | (43,060) |
| Dividends paid to non-controlling interests | | **(2,284)** | (11,158) | (5,892) | **–** | – | – |
| Redemption cost on senior secured notes | 26 | **–** | (44,530) | – | **–** | – | – |
| Net (repayments) collections of advances from related companies | | **–** | – | – | **(239,291)** | 38,412 | 20,941 |
| Advances from related companies | | **–** | – | – | **308,968** | 205,697 | 39,034 |
| **Net cash flows (used in) generated from financing activities** | | **(196,889)** | 313,977 | (78,485) | **(7,042)** | 37,426 | 46,666 |

## Statements of cash flows
## For financial years ended 30 April 2024, 2023 and 2022

| | Note | <----------------- Group ----------------> | | | <-------------- Company -------------> | | |
|---|---|---|---|---|---|---|---|
| | | Year ended 30 April 2024 (US$'000) | Year ended 30 April 2023 (US$'000) | Year ended 30 April 2022 (US$'000) | Year ended 30 April 2024 (US$'000) | Year ended 30 April 2023 (US$'000) | Year ended 30 April 2022 (US$'000) |
| **Net (decrease) increase in cash and cash equivalents** | | **(9,077)** | 1,900 | (602) | **(80)** | (1,403) | 45 |
| Effect of exchange rate changes on cash and cash equivalents held in foreign currency | | **2,364** | (3,917) | (6,980) | **(4)** | (172) | (20) |
| Cash and cash equivalents at beginning of year | | **19,836** | 21,853 | 29,435 | **554** | 2,129 | 2,104 |
| Cash and cash equivalents at end of year | 15 | **13,123** | 19,836 | 21,853 | **470** | 554 | 2,129 |

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

These notes form an integral part of the financial statements.

The accompanying financial statements were approved and authorized for issuance by the Board of Directors (the "Board") on 7 August 2024.

## 1. Domicile and activities

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

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

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

The immediate holding company is NutriAsia Pacific Limited ("NAPL"), and the indirect shareholders of which are NutriAsia Inc. ("NAI") and Well Grounded Limited ("WGL"), which at 30 April 2024, 2023 and 2022, each held 57.8% and 42.2% interests in NAPL, respectively, through their intermediary company, NutriAsia Holdings Limited. NAPL, NAI and WGL were incorporated in the British Virgin Islands. The ultimate holding company is HSBC International Trustee Limited.

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

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

The financial statements of the Group as at 30 April 2024 and 2023 and for the three financial years ended 30 April 2024, 2023 and 2022 comprise the Company and its subsidiaries (collectively referred to as the "Group", and individually as "Group entities"), and the Group's interests in joint ventures.

## 2. Going concern

As of 30 April 2024, the Company's current liabilities exceeded its current assets by US$657.8 million (2023: US$414.0 million). This is mainly driven by maturing term loans and revolving credit facility of the Company that will be due within the next 12 months and subject to on-going refinancing discussion with creditor banks.

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

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

    1. The Group has new proposals from reputed financial institutions for new long-term loans.

    2. The Group continues to get incremental short-term lines from partner banks for meeting its short-term obligations that will provide sufficient working capital financing for it to meet its objectives and future financial obligations.

    3. Despite incurring a loss in FY2024, the Group generated positive cash flow from operations for the year amounting to US$369.3 million, which was a turnaround from the cash outflow last year of US$2.8 million mainly driven by better management of working capital particularly inventory. The Group expects to see further improvement in the US subsidiary following its decision to reduce pack for most of the product categories.

    4. Management remains vigilant in managing its costs and is focused to restore gross margins both in the US and rest of DMPL. The Group will focus on the following priorities in FY2025, among others:

        - Continuation of plans in the US to reduce inventory level
        - Reduction of waste and inventory write offs across the Group
        - Reduction of warehousing and distribution costs in the US
        - Consolidation of manufacturing footprint in the US
        - Improve planning through digitization and clear organization accountability across the Group
        - Restoration of productivity for processed pineapple variety (C74) in the next 12 to 24 months
        - Right size workforce and reduce fixed costs.

    5. The Group further plans to lower leverage by approximately US$300.0 million via selective sale of assets and injecting equity subject to market conditions.

    6. The Company had continued to receive dividend payments from its subsidiaries and expects the same in the next 12 months.

## 3. Basis of preparation

### *3.1 Statement of compliance*

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

### *3.2 Basis of measurement*

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

### *3.3 Functional and presentation currency*

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

### *3.4 Use of estimates and judgments*

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

***Judgments***

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

Note 6 – Equity classification
Note 6 – Determination of control over subsidiaries
Note 7 – Determination of joint control and the type of joint arrangement
Note 8 – Assessment of the appropriateness of the indefinite useful lives of certain intangible assets
Note 23 – Determination of lease term of contracts with renewal options

## 3. Basis of preparation (cont'd)

### *3.4 Use of estimates and judgments (cont'd)*

***Estimates and underlying assumptions***

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

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

| | |
|---|---|
| Note 5 | – Useful lives of property, plant and equipment, revaluation of freehold land, estimate of harvest for bearer plant's depreciation |
| Note 6 | – Obligation to purchase excess shares or sell shortfall shares |
| Note 6 | – Fair value of derivative liability on the call option |
| Note 6 | – Recoverability of investments in subsidiaries |
| Note 7 | – Recoverability of investments in joint ventures |
| Note 8 | – Impairment of goodwill and intangible assets |
| Note 8 | – Useful lives of intangible assets |
| Note 9 | – Recognition of deferred tax assets |
| Note 11 | – Fair value of harvested agricultural produce |
| Note 11 | – Future tonnage of harvests |
| Note 11 | – Fair value of unharvested agricultural produce |
| Note 12 | – Allowance for inventory obsolescence and net realizable value |
| Note 13 | – Impairment of trade and nontrade receivables |
| Note 20 | – Measurement of employee benefit obligations |
| Note 20 | – Actuarial estimates and assumptions used |
| Note 22 | – Estimation of trade promotion accruals |
| Note 23 | – Determination of incremental borrowing rate for lease liabilities |
| Note 27 | – Measurement of income tax |
| Note 34 | – Determination of fair values |
| Note 36 | – Contingencies |

## 3. Basis of preparation (cont'd)

### *3.5 Measurement of fair value*

The Group measures or discloses the fair value of certain assets and liabilities at each reporting date. Fair value is the estimated price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
(iii) Level 3: unobservable inputs for the asset or liability.

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

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

## 3. Basis of preparation (cont'd)

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

The accounting policies adopted are consistent with those of the previous fiscal year, except that the Group has adopted the following new accounting pronouncements starting 1 May 2023. Adoption of these new standards did not have any significant impact on the Group's consolidated financial statements.

- Amendments to International Accounting Standard ("IAS") 1 and IFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

  The amendments to the Practice Statement provide non-mandatory guidance.

  As a result of the adoption of these amendments, the Group has only disclosed the material accounting policy information.

- Amendments to IAS 8, *Definition of Accounting Estimates*

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

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

  The amendments narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

## 3. Basis of preparation (cont'd)

### *3.6 Adoption of New or Revised Standards, Amendments to Standards and Interpretations (cont'd)*

- IFRS 17, *Insurance Contracts*

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

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

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

The Group has early adopted the amendments to IAS 1, *Classification of Liabilities as Current or Non-current* which is effective for annual reporting periods beginning on or after 1 January 2024. 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 noncurrent.
- 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 Group has retroactively adopted the amendment beginning 1 May 2022. As a result, the Group has reclassified its loan under the asset-based lending ("ABL") Credit Agreement where the Group has the right to defer settlement beyond 12 months from current to noncurrent liabilities amounting to $465.3 million and $458.8 million as of 30 April 2024 and 2023, respectively. The adoption did not have impact to the Group's statement of comprehensive income and statements of cash flows.

## 4. Material accounting policy information

The material accounting policy information set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by Group entities, except as explained in Note 3.6, which addresses the changes in accounting policies.

## 4. Material accounting policy information (cont'd)

### *4.1 Basis of consolidation*

(i) Business combination

Business combinations are accounted for using the acquisition method in accordance with IFRS 3, *Business Combinations,* as at the acquisition date, which is the date on which control is transferred to the Group.

The Group's goodwill is initially measured at cost. Goodwill is measured at the acquisition date as:

- the fair value of consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree
- Over the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in the income statement.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other components of non-controlling interests are measured at acquisition-date fair value unless another measurement is required by another standard.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognized in the income statement. Adjustments to non-controlling interests arising from transactions that do not involve the loss of control are based on a proportionate amount of the net assets of the subsidiary.

If the assets acquired is not a business, the Group shall account for the transaction or other event as an asset acquisition. The cost to the Group is allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. These transactions or events do not give rise to goodwill.

(ii) Acquisition under common control

The formation of the Group in 1999 was accounted for as a reorganization of companies under common control using merger accounting. The financial statements therefore reflect the combined financial statements of all companies that form the Group as if they were a Group for all periods presented. The assets and liabilities of Del Monte Pacific Resources Limited and its subsidiaries (collectively "DMPRL") contributed to the Company have been reflected at predecessor cost in these financial statements.

## 4. Material accounting policy information (cont'd)

### *4.1 Basis of consolidation (cont'd)*

(iii) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets and goodwill. For the measurement of goodwill on initial recognition, see Note 8.

*Subsequent measurement*

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

Impairment of goodwill is discussed in Note 4.9.

(iv) Investments in joint ventures

Investments in joint ventures are accounted for using the equity method. They are recognized initially at cost, which includes capitalizable transaction costs.

Impairment of investments in joint ventures is discussed in Note 4.9.

(v) Investments in subsidiaries and joint ventures in the separate financial statements

Interest in subsidiaries and joint ventures are accounted for using the equity method.

When the Company's share of losses exceeds its interest in subsidiaries and joint ventures, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Company has an obligation to fund the investee's operations or has made payments on behalf of the investee.

### *4.2 Foreign currency*

(i) Foreign currency transactions

The consolidated financial statements are presented in US Dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currencies of the Group's foreign operations are Philippine Peso (PHP) for Del Monte Philippines, Inc. ("DMPI"), Singaporean Dollar (SGD) for DMPL Management Services ("DMS") and Japanese Yen (JPY) for S&W Japan Limited.

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

## 4. Material accounting policy information (cont'd)

### *4.2 Foreign currency (cont'd)*

(i) Foreign currency transactions (cont'd)

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

Foreign currency differences arising on translation are recognized in the income statement, except for differences which are recognized in Other Comprehensive Income ("OCI") arising on the retranslation of qualifying cash flow hedges to the extent the hedge is effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to US Dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to US Dollars using monthly average exchange rates.

Foreign currency differences are recognized in OCI and presented in the foreign currency translation reserve ("translation reserve") in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of, such that control, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the income statement.

When the settlement of a monetary item that is a receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognized in OCI, and presented in the translation reserve in equity.

### *4.3 Intangible assets*

(i) Indefinite useful life intangible assets

Intangible assets are measured at cost less accumulated impairment losses.

The Group assesses intangible assets as having indefinite useful life if there is no foreseeable limit to the period over which the assets are expected to generate cash inflows for the entity.

**4. Material accounting policy information (cont'd)**

***4.3 Intangible assets (cont'd)***

(i) Indefinite useful life intangible assets (cont'd)

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses.

(iii) Subsequent expenditure

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

(iv) Amortization

Amortization of intangible assets with finite lives is calculated based on the cost of the asset.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of these assets, other than goodwill and, from the date that they are available for use. The estimated useful lives for the current period and comparative years are as follows:

| | |
|---|---|
| Trademarks | - 10 to 20 years |
| Customer relationships | - 20 years |

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

***4.4 Financial instruments***

- Classification and subsequent measurement

*Financial assets*

The Group has the following financial assets:

*Financial Assets at Amortized Cost*. This category is the most relevant to the Group. Financial assets at amortized cost comprise cash in banks and cash equivalents, trade and other receivables, due from a subsidiary, refundable deposits and note receivables recognized under other noncurrent assets (Note 10).

*Financial Assets designated at Fair Value through Other Comprehensive Income ("FVOCI") (equity instruments)*. The Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under IAS 32, Financial Instruments: Presentation, and are not held for trading. The Group has investments in unquoted equity instruments and club shares that are classified and measured at FVOCI.

*Financial Assets at Fair Value through Profit or Loss ("FVTPL").* This category includes derivative instruments which the Group had not irrevocably elected to classify at FVOCI.

## 4. Material accounting policy information (cont'd)

### *4.4 Financial instruments (cont'd)*

- Classification and subsequent measurement (cont'd)

*Financial liabilities*

The Group has financial liabilities at amortized cost comprising of bank loans, trade and other payables. The Group has derivative instruments which are carried at FVTPL.

*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.

*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.

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.

## 4. Material accounting policy information (cont'd)

### *4.4 Financial instruments (cont'd)*

- Classification and subsequent measurement (cont'd)

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

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

*Cash flow hedges*

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the income statement.

The amount accumulated in equity is retained in OCI and reclassified to the consolidated income statement in the same period or periods during which the hedged item affects the income statement, except when a hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, in which case the amount retained in OCI is included directly in the initial cost of the non-financial item when it is recognized.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in OCI remains in equity until, for hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period or periods as the hedged expected future cash flows affect the income statement. If a hedged forecast transaction is no longer expected to occur, then the amount accumulated in equity is immediately reclassified to the income statement.

### *4.5 Property, plant and equipment*

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses except for freehold land, which are stated at its revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated impairment losses. Revaluation is carried out by independent professional values regularly such that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

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

## 4. Material accounting policy information (cont'd)

### *4.5 Property, plant and equipment (cont'd)*

(i) Recognition and measurement (cont'd)

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

## 4. Material accounting policy information (cont'd)

### *4.5 Property, plant and equipment (cont'd)*

(iii) Depreciation (cont'd)

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

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

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

Bearer plants are depreciated based on the ratio of actual quantity of harvest over the estimated yield for both plant crop and ratoon crop harvests. Plant crop harvest usually occurs within 16 to 18 months after planting while ratoon crop harvest occurs within 32 to 34 months after planting. Depreciation is determined on a per field basis.

### *4.6 Biological assets*

The Group's biological assets include: (a) agricultural produce consisting of pineapple and papaya; (b) breeding and dairy herd; (c) growing herd; and (d) cattle for slaughter. Agricultural produce include: (a) harvested and unharvested pineapple and papaya fruits from the Group's bearer plants; and (b) cut meat from the cattle for slaughter.

The Group's biological assets are accounted for as follows:

*Breeding and Dairy Herd*

The breeding and dairy herd are measured at cost. The breeding and dairy herd have useful lives of 3 ½ to 6 years. The cost method was used since fair value cannot be measured reliably. The breeding and dairy herd have no active markets and no similar assets are available in the relevant markets. In addition, existing sector benchmarks are irrelevant and estimates necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result in a reliable basis for determining the fair value. Breeding and dairy herd are classified as noncurrent assets in the statement of financial position of the Group.

*Growing Herd*

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

## 4. Material accounting policy information (cont'd)

### *4.6 Biological assets (cont'd)*

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

*Agricultural Produce*

The Group's growing or unharvested 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 cost and adjusted for margin related to production. The fair value is multiplied to the estimated tonnage of harvested pineapple fruit at the end of the period based on the age of the crops after planting date. The Group's harvested produce are measured at fair value at the point of harvest based on the estimated selling prices reduced by cost to sell and adjusted for margin related to production. The fair value is multiplied to actual harvest for the period. Gains and losses arising from changes in fair values are included in profit or loss under "Changes in fair values of biological assets" in revenue for the period in which they arise.

*Cutmeat*

Cutmeat is measured at each reporting date at their fair value less cost to sell. Gains and losses arising from changes in fair values are included in profit or loss under "changes in fair value of biological assets" in revenue for the period in which they arise.

### *4.7 Leases*

Right-of-use assets and lease liabilities are presented separately in the consolidated statement of financial position.

*Group as a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liability to make lease payments and right-of-use asset representing the right to use the underlying asset.

*Right-of-use Assets*

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The right-of-use assets were measured at an amount equal to the lease liability, adjusted for initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

## 4. Material accounting policy information (cont'd)

### *4.7 Leases (cont'd)*

*Right-of-use Assets (cont'd)*

The estimated useful lives are as follows:

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

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

*Lease liabilities*

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

In calculating the present value of lease payments, the Group uses the incremental borrowing rate ("IBR"). After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

*Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the leases of low-value assets recognition exemption to leases that are considered of low value (i.e., personal computers). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

*Sale and Leaseback*

When the Group sells or transfers an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, the Group account for the sale or transfer contract and the lease by applying the requirements of IFRS 16 *Leases*. The Group first applies the requirements for determining when a performance obligation is satisfied in IFRS 15 *Revenue from Contracts with Customers* to determine whether the sale or transfer of an asset is accounted for as a sale of that asset.

## 4. Material accounting policy information (cont'd)

### *4.7 Leases (cont'd)*

*Sale and Leaseback (cont'd)*

For sale or transfer of an asset that satisfies the requirements of IFRS 15 *Revenue from Contracts with Customers* to be accounted for as a sale of the asset, the Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the Group. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

If the sale or transfer of an asset does not satisfy the requirements of IFRS 15 *Revenue from Contracts with Customers* to be accounted for as a sale of the asset, the Group continues to recognize the transferred asset and recognizes a financial liability equal to the proceeds from the sale or transfer. The Group accounts for the financial liability in accordance with the requirements of IFRS 9 *Financial Instruments*.

*Sublease arrangements*

At the inception date, if the sublease qualifies as finance lease, the Group derecognizes the right-of-use asset on the head lease and continues to account for the original lease liability. The Group as a sublessor, recognizes a net investment in sublease and evaluate it for impairment. If classified as operating lease, the Group continues to account for the lease liability and right-of-use asset on the head lease like any other lease.

### *4.8 Inventories*

Inventories are measured at the lower of cost and net realizable value.

The cost of raw materials, packaging materials, traded goods, cost of production materials and storeroom items is based on the First-in, First-out ("FIFO") method. Cost of processed inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of conversion include costs directly related to the units of production, and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.

The allocation of fixed production overheads is based on the normal capacity of the production facilities. Normal capacity is the production expected to be achieved on average for the periods or seasons under normal circumstances, taking into account the seasonal business cycle of the Group.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The cost of growing crops transferred from biological assets is its fair value less cost to sell at the date of harvest.

## 4. Material accounting policy information (cont'd)

### *4.9 Impairment*

(i) Non-derivative financial assets

The Group recognizes loss allowances for expected credit losses ("ECLs") on financial assets measured at amortized cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for debt securities that are determined to have low credit risk at the reporting date and other debt securities, non-trade and other receivables and bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Impairment loss allowances for trade receivables without a significant financing component are measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held), or when the financial asset is more than 90 days past due.

At each reporting date, the Group assesses whether financial assets at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired may include significant financial difficulty of the debtor, a breach of contract such as a default, the restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that the debtor or issuer will enter bankruptcy or other financial reorganization, the disappearance of an active market for that financial asset because of financial difficulties, adverse changes in the payment status of borrowers or issuers, or economic conditions that correlate with defaults.

Impairment loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets in the statement of financial position. The gross carrying amount of a financial asset is written-off when the Group has no realistic prospects of recovery of the asset.

## 4. Material accounting policy information (cont'd)

### *4.9 Impairment (cont'd)*

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated each year at the same time.

An impairment loss is recognized if the carrying amount of an asset or its related cash-generating unit ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value-in-use ("VIU") and its fair value less costs to sell. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in the income statement. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

*Investments in subsidiaries and joint ventures*

An impairment loss in respect of investment in subsidiaries and joint ventures is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in the income statement. An impairment loss is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

*Goodwill*

Goodwill that forms part of the carrying amount of an investment in a joint venture is not recognized separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in a joint venture is tested for impairment as a single asset when there is objective evidence that the investment in a joint venture may be impaired.

When conducting the annual impairment test for goodwill, the Group compares the estimated fair value of the CGU containing goodwill to its recoverable amount.

## 4. Material accounting policy information (cont'd)

### *4.9 Impairment (cont'd)*

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

*Goodwill (cont'd)*

Goodwill is allocated to a CGU or group of CGUs that represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The recoverable amount is computed using two approaches: the VIU approach, which is the present value of expected cash flows, discounted at a risk adjusted weighted average cost of capital; and the fair value less cost to sell approach, which is based on the Income Approach, which indicates the recoverable amount of an asset based on the value of the cash flows that the asset can be expected to generate in the future.

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss in respect of goodwill attributable to acquisition of a subsidiary is not reversed.

### *4.10 Employee benefits*

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

(ii) Defined benefit pension plan

A defined benefit pension plan requires contributions to be made to separately administered funds. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

## 4. Material accounting policy information (cont'd)

### *4.10 Employee benefits*

(ii) Defined benefit pension plan (cont'd)

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognizes them immediately in other comprehensive income and all expenses related to defined benefit plans in staff cost in profit or loss. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in the income statement.

When the plan amendment or curtailment occurs, the Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement.

*Multi-employer plans*

The Group participates in several multi-employer pension plans, which provide defined benefits to certain union employees. The Group accounts for its proportionate share of the defined benefit obligation, plan assets and cost associated with the plan in the same way as a defined contribution plan. For certain union employee related retirement plans where sufficient information is not available to use defined benefit accounting, the Group accounts for these plans as if they were defined contribution plans.

(iii) Other plans

The Group has various other non-qualified retirement plans and supplemental retirement plans for executives, designed to provide benefits in excess of those otherwise permitted under the Group's qualified retirement plans. These plans are unfunded and comply with Internal Revenue Service (IRS) rules for non-qualified plans.

## 4. Material accounting policy information (cont'd)

### *4.10 Employee benefits (cont'd)*

(iv) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The calculation is performed using the projected unit credit method. Any actuarial gains and losses are recognized in the income statement in the period in which they arise. Other long-term employee benefits include the Group's long-term executive cash incentive awards (Note 31).

(v) Termination benefits

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

(vi) Short-term employee benefits

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

(vii) Share-based payment transactions

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

*Share awards*

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

*Share options*

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

## 4. Material accounting policy information (cont'd)

### *4.11 Provisions*

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(i) Environment remediation liabilities

In accordance with the Group's environment policy and applicable legal requirements, a provision for environmental remediation obligations and the related expense is recognized when such losses are probable, and the amounts of such losses can be estimated reliably. Accruals for estimated losses for environmental remediation obligations are recognized no later than the completion of the remedial feasibility study. These accruals are adjusted as further information develops or circumstances change.

(ii) Retained insurance liabilities

The Group accrues for retained insurance risks associated with the deductible portion of any potential liabilities that might arise out of claims of employees, customers or other third parties for personal injury or property damage occurring in the course of the Group's operations.

A third-party actuary is engaged to assist the Group in estimating the ultimate cost of certain retained insurance risks. Additionally, the Group's estimate of retained insurance liabilities is subject to change as new events or circumstances develop which might materially impact the ultimate cost to settle these losses.

### *4.12 Revenue recognition*

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognized:

(i) Sales of goods

Revenue from the sale of goods is recognized at a point in time when control of the asset is transferred to the customer, generally on delivery and acceptance of the promised goods.

Each contract with a customer specifies minimum quantity, fixed prices and effective period and is not subject to change for the contractual period unless mutually agreed by the parties.

## 4. Material accounting policy information (cont'd)

### *4.12 Revenue recognition (cont'd)*

(i) Sales of goods (cont'd)

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

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

(ii) Sales returns

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

(iii) 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.

## 4. Material accounting policy information (cont'd)

### *4.12 Revenue recognition (cont'd)*

(iii) Bill-and-hold arrangements (cont'd)

Custodial services provided to the customers are identified as a separate performance obligation. A portion of the contract price should be allocated to the custodial services and separately recognized over the period of time the product is being held by the Group, along with the related costs of storing the product. Penalty on the late payment of the invoices affects the estimate of the transaction price.

### *4.13 Tax*

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Group to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

### *4.14 New standards and interpretations issued but not yet effective*

Pronouncements issued but not yet effective are listed below. The Group intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Group's consolidated financial statements.

*Effective beginning on or after 1 January 2024*

- Amendments to IFRS 16*, Lease liability in a Sale and Leaseback*

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

  The amendments are effective for annual reporting beginning on or after 1 January 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed. The amendments are not expected to have a material impact on the Group.

## 5. Property, plant and equipment - net

| | <-- At cost | | | --> | At appraised value | |
|---|---|---|---|---|---|---|
| | **Buildings, land improvements and leasehold improvements** | **Machineries and equipment** | **Construction -in-progress ("CIP")** | **Bearer plants** | **Freehold land** | **Total** |
| | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 |
| **Group** | | | | | | |
| **Cost/Valuation** | | | | | | |
| At 1 May 2022 | 229,900 | 602,399 | 57,384 | 382,782 | 61,878 | 1,334,343 |
| Additions | 9,808 | 6,843 | 72,688 | 147,028 | – | 236,367 |
| Disposals | (80) | (3,527) | – | – | – | (3,607) |
| Write off - closed fields | – | – | – | (136,468) | – | (136,468) |
| Reclassifications from CIP | 5,235 | 30,710 | (35,945) | – | – | – |
| Revaluation | – | – | – | – | 22,121 | 22,121 |
| Currency realignment | (4,198) | (13,180) | (1,378) | (21,782) | (1,000) | (41,538) |
| At 30 April 2023 and 1 May 2023 | 240,665 | 623,245 | 92,749 | 371,560 | 82,999 | 1,411,218 |
| Additions | 2,903 | 4,068 | 57,604 | 129,301 | – | 193,876 |
| Disposals | (1,736) | (14,144) | (62) | – | – | (15,942) |
| Write off - closed fields | – | – | – | (68,818) | – | (68,818) |
| Reclassifications from CIP | 6,896 | 109,352 | (116,248) | – | – | – |
| Currency realignment | (2,448) | (8,301) | (1,328) | (17,364) | (723) | (30,164) |
| At 30 April 2024 | 246,280 | 714,220 | 32,715 | 414,679 | 82,276 | 1,490,170 |
| **Accumulated depreciation and impairment losses** | | | | | | |
| At 1 May 2022 | 117,622 | 424,819 | – | 205,719 | 8,536 | 756,696 |
| Charge for the year | 10,090 | 34,152 | – | 113,571 | – | 157,813 |
| Disposals | (37) | (2,621) | – | – | – | (2,658) |
| Write off - closed fields | – | – | – | (136,468) | – | (136,468) |
| Currency realignment | (2,095) | (10,191) | – | (10,870) | – | (23,156) |
| At 30 April 2023 and 1 May 2023 | 125,580 | 446,159 | – | 171,952 | 8,536 | 752,227 |
| Charge for the year | 10,739 | 38,306 | – | 118,677 | – | 167,722 |
| Disposals | (1,319) | (9,360) | – | – | – | (10,679) |
| Write off - closed fields | – | – | – | (68,818) | – | (68,818) |
| Currency realignment | (2,039) | (7,528) | – | (11,059) | – | (20,626) |
| At 30 April 2024 | 132,961 | 467,577 | – | 210,752 | 8,536 | 819,826 |
| **Carrying amounts** | | | | | | |
| At 30 April 2023 | 115,085 | 177,086 | 92,749 | 199,608 | 74,463 | 658,991 |
| At 30 April 2024 | 113,319 | 246,643 | 32,715 | 203,927 | 73,740 | 670,344 |

## 5. Property, plant and equipment – net (cont'd)

Depreciation recognized in the consolidated statements of cash flows is net of the amount capitalized in inventories of US$6.4 million (2023: US$3.4 million).

The Group has property, plant and equipment ("PPE") acquisitions of US$2.3 million as of 30 April 2024 (2023: US$3.9 million) that are unpaid as at year-end and included under "Accrued operating expenses" in "Trade and other current liabilities" (Note 22).

Down payments made by the Group for the acquisition of PPE amounted to US$0.2 million for the year ended 30 April 2024 (2023: US$3.5 million) recorded under "Advances to suppliers" in "Other noncurrent assets" (Note 10). In addition, the Group has reclassified certain prepaid and other current assets to PPE which amounted to nil in 2024 (2023: US$2.4 million).

In fiscal year 2024, the Group capitalized interest expense arising from general borrowings and lease liabilities to bearer plants amounting to US$2.4 million and US$1.5 million (2023: US$2.0 million and US$1.2 million), respectively.

Arising from the disposal of certain PPE are US$0.6 million that remains due as of 30 April 2024 and is recorded under "Nontrade receivable" in "Trade and other receivables" (Note 13).

**Bearer Plants**

| | Group | |
|---|---|---|
| | **30 April 2024** | **30 April 2023** |
| Hectares planted with growing crops: | | |
| - Pineapples | 16,397 | 16,562 |
| - Papaya | 136 | 185 |
| Fruits harvested from the growing crops: (in metric tons) | | |
| - Pineapples | 700,711 | 858,908 |
| - Papaya | 1,420 | 1,497 |

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.

The cost of fields closed and written off in 2024 amounted to US$68.8 million, which have been fully depreciated during the year (2023: US$136.5 million).

## 5. Property, plant and equipment - net (cont'd)

### Leasehold Improvements

As at 30 April 2024 and 2023, the Group has no significant legal or constructive obligation to dismantle any of its leasehold improvements as the lease contracts provide, among other things, that the improvements introduced on the leased assets shall become the property of the lessor upon termination of the lease.

### Freehold Land

The table below summarises the valuation of freehold land held by the Group as at 30 April 2024 and 2023 in various locations:

| Located in | 30 April 2024 US$'000 | 30 April 2023 US$'000 | Date of Latest Valuation |
|---|---|---|---|
| The Philippines | 18,022 | 18,698 | 2023 (Various) |
| United States of America | 41,064 | 41,009 | 1 April 2023 |
| Singapore | 14,654 | 14,756 | 30 April 2023 |
| | 73,740 | 74,463 | |

The Group engaged independent appraisers to determine the fair values of its freehold land. Revaluations are performed at regular intervals to ensure that the fair value of the freehold land does not differ materially from its carrying amount. Management evaluated that the fair values of its freehold land at the respective valuation dates approximate their fair values as of the reporting date. The assumptions used in determining the fair value are disclosed in Note 34. Management believes that there are no events or changes in circumstances indicating a significant change in fair value of the land from the last appraisal made.

The carrying amount of the Group's freehold land as at 30 April 2024 would be US$34.4 million (2023: US$34.4 million) had the freehold land been carried at cost less impairment losses.

### Construction-in-Progress ("CIP")

CIP includes on-going item expansion projects for the Group's operations.

Major items in CIP as of 30 April 2024 include projects in the Americas pertain to pear coring slicing and LAN material handling mechanical overhaul for Modesto, WMS rollout, SAP Ariba, SAP supply network planning, ABAP Development for IT, Del Monte 4pk capability, rebuilding of 61H seamers of Hanford, Puebla transformation, Fire Protection System Phase 2 for Mexico, construction of additional Line 4 in JMC Packing House, additional 307 Cook Room Line, acquisition of 307 Line 6 Auto Caser, construction of Fruit Truck Ingress and Egress in JMC PH and construction of 21 Duplex Houses, which are among the significant projects implemented in fiscal year 2024. These projects are expected to be completed by fiscal year 2025.

## 5. Property, plant and equipment - net (cont'd)

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

Major items in CIP as of 30 April 2023 include plastic sleeveless cartoning for Modesto, additional Joyba production capacity for Mexico, installation of new fire roasting equipment and 4pk capability of 15oz, 8oz and 6oz tomato products for Hanford, warehouse management system roll out to manufacturing plants and distribution centers in the U.S., new tetra line in Cabuyao, installation of additional Fresh Del Monte 202 line at the cannery in Bugo, additional 307 Cook Room Line, acquisition of tetra filler in Bugo, 307 Line 6 Auto Caser and JMC Fresh Fruit Packing House Line 4 are among the significant projects implemented in 2023. These projects were completed in fiscal year 2024.

Capitalized borrowing costs for the year ended 30 April 2024 amounting to US$0.03 million is related to carry-over projects Complete 307 Cook Room Line and 307 Line 6 Auto Caser. Capitalized borrowing costs for the year ended 30 April 2023 amounting to US$0.3 million pertains to an additional Complete 307 Cook Room Line, and the carry-over of both of the Fresh Del Monte 202 Line and 307 Line 6 Auto Caser.

**Plant closures**

***Toppenish and Markesan Plant***

The Group announced on 27 February 2024 its intention to close its Toppenish, Washington and Markesan, Wisconsin plants to discontinue summer pack season at both sites. A small group of employees will be retained to continue to perform labelling and warehousing functions through the fall of 2024. In connection with the plant closures, the Group recognized no impairment losses on related property, plant and equipment for the year ended 30 April 2024.

Under these plant closures, approximately 46 employees were terminated by the end of fiscal year 2024. The Group recognized provisions for employee severance benefits amounting to US$4.1 million, with approximately US$2.0 million outstanding as of 30 April 2024. The employee severance benefits are presented under employee benefits (Note 20).

Additionally, related inventory write-downs amounting to US$1.6 million were recognized for the year ended 30 April 2024. No environmental liabilities were recognized related to plant closures.

In connection with these announcements, the Group has recorded net expense of US$1.4 million in other (expenses) income – net, which includes the gain on sale of Markesan fixed assets to a third-party, Seneca, amounting to US$1.8 million for the year ended 30 April 2024.

## 6. Investments in subsidiaries

| | 30 April 2024 US$'000 | 30 April 2023 US$'000 |
|---|---|---|
| **Company** | | |
| Unquoted equity shares, at cost, at the beginning and end of the year | 1,020,215 | 1,020,215 |
| Amounts due from subsidiaries (nontrade) | 237,516 | 237,516 |
| | 1,257,731 | 1,257,731 |
| Accumulated share in losses at the beginning of the year | (290,572) | (277,723) |
| Dividends declared by subsidiaries | (18,994) | (88,503) |
| Share in net (loss) profit of subsidiaries | (72,303) | 61,702 |
| Share in other comprehensive income of subsidiaries, net of tax | 3,887 | 13,952 |
| Loss on derivative settlement of a subsidiary recognized under equity reserve | (29,856) | – |
| Loss on repurchase of shares by a subsidiary recognized under equity reserve | (31,218) | – |
| | (439,056) | (290,572) |
| Interests in subsidiaries at the end of the year | 818,675 | 967,159 |

The amounts due from subsidiaries are unsecured and interest-free. Settlement of the balances are neither planned nor likely to occur in the foreseeable future as they are, in substance, a part of the Company's net investments in the subsidiaries.

<u>Issuance of Senior Perpetual Capital Securities of the newly incorporated subsidiary, Jubilant Year Investments Limited ("Jubilant")</u>

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

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

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

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

## 6. Investments in subsidiaries (cont'd)

Issuance of Senior Perpetual Capital Securities of the newly incorporated subsidiary, Jubilant Year Investments Limited (cont'd)

The Related Party Transaction Covenant provides that DMPI shall procure that the aggregate amount of all outstanding balances due from related parties (such amount to be determined with reference to the semi-annual or annual consolidated financial statements of DMPI and its Subsidiaries prepared in accordance with the Philippine Financial Reporting Standard for such Test Period) as of the last day of each Test Period does not exceed US$175.2 million. "Test Period" means each period of six months ending on the last day of each of the second financial quarter and the fourth financial quarter of the fiscal year of DMPI. The amount of US$75.0 million (or such amount that remains) for the purchase of inventory by DMPI from DMFI and such amounts as are incurred in connection with the transactions related to the DSSSRSA are to be excluded in determining the aggregate amount of all outstanding balances due from related parties specified above for the relevant Test Period.

DMPI has further covenanted that so long as any of the Securities remain outstanding, it will not, and will procure that none of its Subsidiaries will, enter into any agreement, undertaking, instrument or arrangement pursuant to which DMPI or any of its Subsidiaries incurs or is permitted to incur indebtedness, the terms of which include a cross-default, cross-acceleration or other similar provision whereby any default, potential default or event of default (howsoever defined in such other Indebtedness) is triggered by or is otherwise based on the default, potential default or event of default (howsoever defined in such Indebtedness) of any person other than DMPI and its Subsidiaries (including, for the avoidance of doubt, the Company).

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

Derivative Settlement, Share Redemption and Share Sale Agreement (DSSRSSA)

The Company, DMPI, Central American Resources, Inc ("CARI") and SEA Diner entered into a DSSRSSA dated 19 February 2024 to agree to the terms of a series of transactions to be undertaken between the parties (collectively, the "Derivative Settlement, Share Redemption and Share Sale"), as described and subject to the order of priority as follows:

(i) Firstly, payment by CARI of a settlement amount to terminate certain derivative rights (particularly in relation to a call option agreement and right to earn accretion shares) that SEA Diner has in relation to the share capital of DMPI (the "Derivative Settlement"). The total agreed amount for the Derivative Settlement was US$29.9 million;

(ii) Secondly, repurchase by DMPI of 68,244,984 DMPI shares from SEA Diner for US$36.0 million; and

(iii) Lastly, the repurchase by DMPI of additional 2,815,640 of DMPI shares owned by SEA Diner from the residual proceeds of the Perpetual Issuance amounting to US$1.5 million which was executed on 5 June 2024.

## 6. Investments in subsidiaries (cont'd)

Derivative Settlement, Share Redemption and Share Sale Agreement (DSSRSSA) (cont'd)

Following completion of the Derivative Settlement and the partial Mutual Redemption (including the additional redemption described in the paragraph above), the Company (through CARI, an indirect wholly-owned subsidiary) would own 89.27% of DMPI's total issued and outstanding shares. The number of shares that the Company (through CARI) owns in DMPI remains unchanged at 2,433,668,395 shares. SEA Diner's residual shares in DMPI were converted into redeemable, convertible preferred shares ("New RCPS") the terms of which shall be governed by a new agreement that replaces the Shareholders' Agreement.

The key terms of the New RCPS include, among others:

(1) 8.0% dividend yield per year paid quarterly, subject to DMPI's option to elect to defer;

(2) In the event of deferral, the applicable dividend yield per year shall step up to 12.0% and be cumulative (and compound on a quarterly basis) until such time that all the deferred dividends are paid in full;

(3) No advances (or similar transactions) or ordinary equity dividends are allowed by DMPI if there are any deferred preferred dividends that have not been paid in cash ((2) and (3) together the "Preferred Dividend Deferral Condition");

(4) DMPI's gross debt shall not exceed US$550.0 million (the "Debt Cap") without the written approval of the New RCPS holder (applicability of this Debt Cap shall be only after 31 January 2025);

(5) The holder of the New RCPS will have the right to request a redemption which shall be subject to DMPI's approval (a) any time after 18 months from the issuance of the New RCPS, and (b) from 31 January 2025 onwards, if gross indebtedness to the last twelve months EBIT of DMPI exceeds 6.0x, such redemption of the New RCPS will be at the original issue price of the New RCPS plus any deferred but unpaid and accrued preferred dividends;

    In the event the holder of the New RCPS has requested redemption but such redemption has not been satisfied in full, the applicable dividend yield shall in respect of the redemption, at each 12-month anniversary of the redemption due date, increase by 1.0% relative to the original issue price of the New RCPS (i.e. the 8.0% yield above shall increase to 9.0% and the 12.0% yield above shall increase to 13% if redemption is not satisfied in full within 12 months from the request), up to an increase of the applicable dividend yield by 4.0% of the original issue price of the New RCPS;

    In the event of a breach of the terms of the New RCPS, including (a) the incurrence of debt above the Debt Cap without consent of the New RCPS holder, and/or (b) the Preferred Dividend Deferral Condition, or a change in control, the holder of the New RCPS may, at its sole election, require DMPI to redeem the New RCPS at such amount that would result in a 12% internal rate of return on the original issue price of the New RCPS for the holder of the New RCPS;

(6) The holder of the New RCPS has the option to elect to convert its New RCPS into ordinary shares of DMPI at a ratio of one New RCPS into one ordinary share of DMPI;

## 6. Investments in subsidiaries (cont'd)

Derivative Settlement, Share Redemption and Share Sale Agreement (DSSRSSA) (cont'd)

(7) A list of reserved matters that require the approval of the new RCPS holder, including any amendment to DMPI's charter or articles, any amendment to rights or terms of any shares of DMPI or its subsidiaries, dissolution, liquidation or winding up of DMPI, the issuance of any shares of DMPI or its subsidiaries in certain circumstances, any incurrence of indebtedness where such incurrence results in breach of financial covenants by DMPI or any of its subsidiaries, any material changes in the business or DMPI, and certain related party transactions; and

(8) Customary anti-dilution protections and information rights.

Impact to the Group

In relation to the above transactions, as at 30 April 2024, the Group recognized the net consideration of US$67.6 million (US$70.0 million gross proceeds from issuance of senior perpetual capital securities less total transaction costs of US$2.4 million, of which US$0.9 million is still unpaid as of 30 April 2024 and classified under trade and other payables in Note 22), under non-controlling interests as the owners of the senior perpetual capital securities are external parties.

The Group also recognized losses in equity reserve under retained earnings of US$61.1 million arising from the completion of DSSRSSA:

- US$29.9 million on the amount paid for the derivative settlement, and
- US$31.2 million loss arising from the repurchase of 71,060,624 shares owned by SEA Diner (Consideration of US$37.9 million less the book value of the shares of US$6.6 million).

Impact on the Company

In relation to the above transactions, as at 30 April 2024, the Company recognized its share on the loss of US$61.0 million in equity reserve under retained earnings.

***Significant judgments***

Equity Classification

*Senior Perpetual Capital Securities*

The Group has no contractual obligation to deliver cash or another financial asset to the holders of securities. The securities have no fixed redemption date, and the redemption is at the option of the Group. The distributions to holders of securities, while cumulative, is also at the discretion of the Group.

*New RCPS*

The Group has no contractual obligation to deliver cash or another financial asset to the holders of New RCPS as the default event in case of breach among the other terms in the New RCPS Agreement, are assessed to be within the control of the Group and the redemption of the RCPS is subject to the mutual consent of both parties.

## 6. Investments in subsidiaries (cont'd)

***Source of estimation uncertainty***

*Obligation to Purchase Excess Shares or Sell Shortfall Shares*

The Shareholders' Agreement provides for a conditional obligation for CARI to purchase excess shares or sell shortfall shares to SEA Diner at par value subject to certain conditions (amount of initial public offering ("IPO") pre-money market capitalization exceeding the US$2 billion threshold amount or an IPO being consummated more than 275 days from a conversion date) set out in the Shareholders' Agreement. Management assessed that the Group's derivative asset or liability to purchase excess shares or sell shortfall shares to SEA Diner has a carrying value of nil as at 30 April 2023 since the IPO did not occur during such periods. As a result, the probability of the options relating to the excess shares and shortfall shares being triggered is nil or minimal. The obligation is no longer existing as of 30 April 2024.

*Fair Value of Derivative Liability on the Call Option*

The fair value of the derivative liability related to the call option was measured using Black-Scholes model. The inputs to this model were taken from a combination of observable markets and unobservable market data. Changes in inputs about these factors could affect the reported fair value of the derivative liabilities and impact profit or loss. Management assessed that the fair value of the derivative liability is nil as at 30 April 2023 as the estimated pre-money market capitalization is higher than the threshold in the Call Option Agreement. In the current fiscal year, the call options were redeemed in full for US$29.9 million.

Shareholders' Agreement with SEA Diner Holdings (S) Pte. Ltd. ("SEA Diner")

The Shareholders' Agreement entered into in January 2020 between the Company, CARI, DMPI and SEA Diner which resulted in the latter acquiring 13% ownership interest in DMPI for a total consideration of US$130.0 million. This agreement was superseded by the new RCPS Agreement as discussed in the foregoing.

## 6. Investments in subsidiaries (cont'd)

Details of the Company's subsidiaries are as follows:

| Name of subsidiary | Principal activities | Place of incorporation and business | Effective equity held by the Group 30 April 2024 % | Effective equity held by the Group 30 April 2023 % |
|---|---|---|---|---|
| **Held by the Company** | | | | |
| Del Monte Pacific Resources Limited ("DMPRL") [6] | Investment holding | British Virgin Islands | 100.00 | 100.00 |
| DMPL India Pte Ltd ("DMPLI") [3] | Investment holding | Singapore | 100.00 | 100.00 |
| DMPL Management Services Pte Ltd [3] | Providing administrative support and liaison services to the Group | Singapore | 100.00 | 100.00 |
| GTL Limited [4] | Inactive | Federal Territory of Labuan, Malaysia | 100.00 | 100.00 |
| S&W Fine Foods International Limited ("S&W") [6] | Selling processed food products under the "S&W" trademark; Owner of the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa | British Virgin Islands | 100.00 | 100.00 |
| DMPL Foods Limited ("DMPLFL") [7] [8] | Investment holding | British Virgin Islands | 93.57 | 93.57 |
| **Held by DMPRL** | | | | |
| Central American Resources, Inc. ("CARI")[6] | Investment holding | Panama | 100.00 | 100.00 |
| Dewey Limited ("Dewey") [7] | Mainly investment holding | Bermuda | 100.00 | 100.00 |
| **Held by CARI** | | | | |
| DMPI [1] [2] | Growing, processing and distribution of food products mainly under the brand name "Del Monte" | Philippines | 89.27 | 87.00 |
| South Bukidnon Fresh Trading Inc ("SBFTI") [1] | Inactive | Philippines | 100.00 | 100.00 |

## 6. Investments in subsidiaries (cont'd)

| Name of subsidiary | Principal activities | Place of in-corporation and business | Effective equity held by the Group 30 April 2024 % | Effective equity held by the Group 30 April 2023 % |
|---|---|---|---|---|
| **Held by DMPI** | | | | |
| Philippine Packing Management Services Corporation ("PPMSC") [1] | Intellectual property holding and licensing, management, logistics and support services | Philippines | 89.27 | 87.00 |
| Jubilant Year Investments Limited [7] [9] | Investment holding | British Virgin Islands | 89.27 | – |
| Del Monte Txanton Distribution Inc ("DMTDI") [a] [1] [2] | Inactive | Philippines | 35.71 | 34.80 |
| **Held by Dewey** | | | | |
| Dewey Sdn. Bhd. [4] | Inactive | Malaysia | 100.00 | 100.00 |
| **Held by DMPLI** | | | | |
| DMPL India Limited [7] | Investment holding | Mauritius | 95.52 | 95.52 |
| **Held by S&W** | | | | |
| S&W Japan Limited [7] | Support and marketing services | Japan | 100.00 | 100.00 |
| **Held by DMPLFL** | | | | |
| Del Monte Foods Holdings Limited ("DMFHL") [1] [8] | Investment holding | British Virgin Islands | 93.57 | 93.57 |
| **Held by DMFHL** | | | | |
| Del Monte Foods Holdings II, Inc. ("DMFHII") [5] [8] | Investment holding | State of Delaware, U.S.A. | 93.57 | 93.57 |
| **Held by DMFHII** | | | | |
| Del Monte Foods Holdings Inc. ("DMFHI") [5] [8] | Investment holding | State of Delaware, U.S.A. | 93.57 | 93.57 |
| **Held by DMFHI** | | | | |
| Del Monte Foods, Inc. ("DMFI") [5] [8] | Manufacturing, processing and distributing food, beverages and other related products | State of Delaware, U.S.A. | 93.57 | 93.57 |
| **Held by DMFI** | | | | |
| Sager Creek Foods, Inc. (formerly Vegetable Acquisition Corp.) [5] [8] | Real estate holding | State of Delaware, U.S.A. | 93.57 | 93.57 |
| Del Monte Andina C.A. ("Del Monte Andina") [8] | Manufacturing, processing and distributing food, beverages and other related products | Venezuela | 100.00 | 100.00 |

## 6. Investments in subsidiaries (cont'd)

| Name of subsidiary | Principal activities | Place of in-corporation and business | Effective equity held by the Group 30 April 2024 % | Effective equity held by the Group 30 April 2023 % |
|---|---|---|---|---|
| **Held by DMFI (cont'd)** | | | | |
| Del Monte Colombiana S.A. [4] [8] | Manufacturing, processing and distributing food, beverages and other related products | Colombia | 76.35 | 76.35 |
| Industrias Citricolas de Montemorelos, S.A. de C.V. ("ICMOSA") [4] [8] | Manufacturing, processing and distributing food, beverages and other related products | Mexico | 93.57 | 93.57 |
| Del Monte Peru S.A.C. [7] [8] | Distribution of food, beverages and other related products | Peru | 93.57 | 93.57 |
| Del Monte Ecuador DME C.A. [7] [8] | Distribution of food, beverages and other related products | Ecuador | 93.57 | 93.57 |
| Hi-Continental Corp. [7] [8] | Distributor of non-Del Monte products | State of California, U.S.A. | 93.57 | 93.57 |
| College Inn Foods [7] [8] | Distributor of College Inn brand products | State of California, U.S.A. | 93.57 | 93.57 |
| Contadina Foods, Inc. [7] [8] | Distributor of Contadina brand products | State of Delaware, U.S.A. | 93.57 | 93.57 |
| S&W Fine Foods, Inc. [7] [8] | Distributor of S&W Fine Foods, Inc, | State of Delaware, U.S.A. | 93.57 | 93.57 |
| Del Monte Ventures, LLC ("DM Ventures") [b] [8] | Holding company | State of Delaware, U.S.A. | 93.57 | 93.57 |
| Joyba, Inc. [5] | Distributor of Joyba brand products | State of California, U.S.A. | 93.57 | 93.57 |
| Kitchen Basics, Inc. [5] | Distributor of Kitchen Basics brand products | State of California, U.S.A. | 93.57 | 93.57 |
| Green Thumb Foods, Inc. [5] | Distributor of Green Thumb Foods brand products | State of California, U.S.A. | 93.57 | 93.57 |
| ***Held by DM Ventures*** | | | | |
| Del Monte Chilled Fruit Snacks, LLC [b] [8] | Development, production, marketing, sale and distribution of processed refrigerated fruit products | State of Delaware, U.S.A. | 47.72 | 47.72 |
| **Held by Del Monte Andina** | | | | |
| Del Monte Argentina S.A. | Inactive | Argentina | – | – |

## 6. Investments in subsidiaries (cont'd)

[a] DMTDI is consolidated as the Group has de facto control over the entity. Even with less than the majority voting rights, the Group concluded that DMTDI is a subsidiary and that it has power to direct the relevant activities of DMTDI due to DMPI having majority seats in the Board through a shareholders agreement with the other shareholders of DMTDI. The key management personnel (i.e., President and Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and Treasurer and Corporate Secretary) of DMPI also serve in the same positions in DMTDI. In its special meeting held on 22 April 2019, DMTDI's Board approved the dissolution and liquidation of DMTDI by shortening its corporate term. As at 30 April 2024 the application for the dissolution and liquidation is yet to be submitted with the Philippine SEC due to certain regulatory and documentary requirements.

[b] The Group incorporated its subsidiary, Del Monte Ventures, LLC on 21 June 2017 which acquired interests in four joint venture entities which were all incorporated in the state of Delaware, USA. These joint ventures will pursue sales of expanded refrigerated offerings across all distribution and sales channels, and will establish a new retail food and beverage concept. These joint ventures will initially focus on the U.S. market, with the potential for expansion into other territories. These joint venture entities are in their pre-operating stages and have no material assets or liabilities as of 30 April 2024 and 2023.

[1] Audited by SyCip Gorres Velayo & Co. ("SGV"), member firm of Ernst & Young Global.

[2] On 20 May 2020, CARI completed the sale of 12% stake in DMPI to SEA Diner. Conditions of the sale were already met as of 30 April 2020, as confirmed by both parties.

On 16 December 2020, CARI sold additional 27,973,200 common shares of DMPI to SEA Diner for US$10.0 million, which increased the ownership of SEA Diner in DMPI to 13%.

On 4 April 2024, DMPI redeemed 71,060,624 shares from SEA Diner for US$37.9 million, and held it as treasury shares. This increased CARI's interest in DMPI to 89.27% (shares owned by CARI of 2,433,668,395 over the new outstanding shares of DMPI amounting to 2,726,259,280 shares).

[3] Audited by Ernst and Young LLP ("EY") Singapore.

[4] Audited by Ernst & Young Global member firms in the respective countries.

[5] Not required to be audited in the country of incorporation. Audited by SGV for the purpose of group reporting.

[6] Not required to be audited in the country of incorporation. Audited by EY Singapore for the purpose of group reporting.

[7] Not required to be audited in the country of incorporation.

## 6. Investments in subsidiaries (cont'd)

[8] On 15 May 2020, DMFHII issued 64.546 shares of capital stock to DMFHL. On the same date, DMFHL issued 0.64546 shares of capital stock to DMPLFL and DMPLFL issued 645.46 shares of capital stock to the Company as full payment of the US$228.4 million loan to finance purchases of the Second Lien Term Loans. Upon issuance of the capital stock to the Company, DMFHL was unconditionally released of all liabilities for principal and interest through 30 April 2020 relating to the purchase of the Second Lien Term Loans. On 15 May 2020, DMFHL recorded US$229.5 million of additional paid-in capital related to this transaction. In addition, the Company and DMPLFL entered into a supplemental agreement dated 11 August 2020 for the issuance of additional 3.23 ordinary shares by DMPLFL to cover the additional accrued interest through 15 May 2020 which amounted to US$1.1 million. On 15 May 2020, DMFHL issued 0.42395 of ordinary shares to DMPLFL and DMPLFL issued 423.95 shares of preferred stock to the Company in exchange for US$150.0 million of additional paid-in capital. As a result, DMFHL recorded US$150.0 million of additional paid-in capital related to this transaction.

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

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

### *Significant judgments*

*Determination of Control over Subsidiaries*

The Company regularly reassesses whether it controls an investee when facts and circumstances indicate that there are changes to one or more of the three elements of control listed in Note 4. The Company determined that it exercised control on all its subsidiaries as it has all elements of control.

### *Source of estimation uncertainty*

*Recoverability of Investments in Subsidiaries*

When the subsidiary has suffered recurring operating losses, a test is made to assess whether the interests in subsidiary has suffered any impairment by determining the recoverable amount. This determination requires significant judgment and estimation. An estimate is made of the future profitability, cash flow, financial health and near-term business outlook of the subsidiary, including factors such as market demand and performance. The recoverable amount will differ from these estimates as a result of differences between assumptions used and actual operations.

## 7. Investments in joint ventures

| Name of joint venture | Principal activities | Place of incorporation and business | Effective equity held by the Group 30 April 2024 % | 30 April 2023 % |
|---|---|---|---|---|
| Del Monte Foods Private Limited (formerly known as FieldFresh Foods Private Limited) (“DMFPL”) | Production and sale of fresh and processed fruits and vegetable food products | India | 47.76 | 47.76 |
| Nice Fruit Hong Kong Limited (“NFHKL”) | Production and sale of frozen fruits and vegetable food products | Hong Kong | 35.00 | 35.00 |
| Del Monte – Vinamilk Dairy Philippines, Inc. (DVDPI) | Distribution of dairy and milk products | Philippines | 43.50 | 43.50 |

The summarised financial information of a material joint venture, DMFPL, not adjusted for the percentage ownership held by the Group, is as follows:

| | Year ended 30 April 2024 US$'000 | Year ended 30 April 2023 US$'000 |
|---|---|---|
| Revenue | 66,036 | 66,084 |
| (Loss) income from continuing operations [a] | (248) | 203 |
| Other comprehensive income | – | – |
| **Total comprehensive (loss) income** | (248) | 203 |
| [a] Includes: | | |
| - depreciation | (120) | (75) |
| - interest expense | (1,520) | (1,568) |
| Noncurrent assets | 14,564 | 10,701 |
| Current assets | 23,624 | 21,851 |
| Noncurrent liabilities | (17,706) | (20,193) |
| Current liabilities | (16,462) | (11,881) |
| Net assets | 4,020 | 478 |
| Proportion of the Group’s ownership including non- controlling interest | 50% | 50% |
| | 2,010 | 239 |
| Goodwill | 20,000 | 20,000 |
| Impairment loss | (4,096) | (4,096) |
| Translation adjustment | (500) | 1,395 |
| Carrying amount of investment | 17,414 | 17,538 |

## 7. Investments in joint ventures (cont'd)

| | Year ended 30 April 2024 US$'000 | Year ended 30 April 2023 US$'000 |
|---|---|---|
| **Carrying amount of interest in DMFPL at beginning of the year** | 17,538 | 14,336 |
| Capital injection during the year | – | 3,100 |
| Group's share (loss) income from continuing operations, representing total comprehensive (loss) income | (124) | 102 |
| **Carrying amount of interest at end of the year** | 17,414 | 17,538 |

In fiscal year 2022, the Group recognized an impairment loss amounting to US$2.0 million due to the continuous net loss position of DMFPL. The impairment loss was included in other (expenses) income – net in the income statement. No impairment was required in fiscal years 2024 and 2023.

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

| | Year ended 30 April 2024 US$'000 | Year ended 30 April 2023 US$'000 |
|---|---|---|
| **Carrying amount of interest in NFHKL at beginning of the year** | 2,623 | 2,836 |
| Additional advances during the year | – | 185 |
| Group's share in loss from continuing operations, representing total comprehensive loss | (368) | (398) |
| **Carrying amount of interest at end of the year** | 2,255 | 2,623 |

DVDPI is a joint venture entered into by Del Monte Philippines, Inc. and Vietnam Dairy Products Joint Stock Company, company incorporated in Vietnam, to expand further into the dairy sector in the Philippines. This joint venture was incorporated and registered with SEC on 12 July 2021.

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

| | Year ended 30 April 2024 US$'000 | Year ended 30 April 2023 US$'000 |
|---|---|---|
| **Carrying amount of interest in DVDPI at beginning of the year** | – | – |
| Capital injection | 1,028 | 990 |
| Reclassification from receivables (to payables) | (458) | 200 |
| Group's share in loss from continuing operations, representing total comprehensive loss | (570) | (1,190) |
| **Carrying amount of interest at end of the year** | – | – |

## 7. Investments in joint ventures (cont'd)

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

| | Group | | Company | |
|---|---|---|---|---|
| | **Year ended 30 April 2024** US$'000 | **Year ended 30 April 2023** US$'000 | **Year ended 30 April 2024** US$'000 | **Year ended 30 April 2023** US$'000 |
| **Group's interest in joint ventures** | | | | |
| DMFPL | 17,414 | 17,538 | – | – |
| NFHKL | 2,255 | 2,623 | 2,255 | 2,623 |
| DVDPI | – | – | – | – |
| **Carrying amount of investments in joint ventures** | 19,669 | 20,161 | 2,255 | 2,623 |

***Significant judgments***

*Determination of Joint Control and the Type of Joint Arrangement*

Joint control is presumed to exist when the investors have contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Management has assessed that it has joint control in all joint arrangements.

The Group determines the classification of a joint venture depending upon the parties' rights and obligations arising from the arrangement in the normal course of business. When making an assessment, the Group considers the following:

(a) the structure of the joint arrangement.

(b) when the joint arrangement is structured through a separate vehicle:

   i. the legal form of the separate vehicle;
   ii. the terms of the contractual arrangement; and
   iii. when relevant, other facts and circumstances.

The Group determined that its interests in DMFPL, NFHKL and DVDPI are joint ventures as the arrangements are structured in a separate vehicle and that it has rights to the net assets of the arrangements. The terms of the contractual arrangements do not specify that the parties have rights to the assets and obligations for the liabilities relating to the arrangements.

## 7. Investments in joint ventures (cont'd)

***Source of estimation uncertainty***

*Recoverability of investments in joint ventures*

When the joint venture has suffered recurring operating losses, a test is made to assess whether the investment in joint venture has suffered any impairment by determining the recoverable amount. This determination requires significant judgment and estimation. An estimate is made of the future profitability, cash flow, financial health and near-term business outlook of the joint venture, including factors such as market demand and performance. The recoverable amount will differ from these estimates as a result of differences between assumptions used and actual operations.

Since its acquisition, the Indian sub-continent trademark and the investment in DMFPL were allocated to the Indian sub-continent cash-generating unit ("Indian sub-continent CGU"). The recoverable amount of Indian sub-continent CGU was estimated using the discounted cash flows based on five-year cash flow projections.

***Key assumptions used in discounted cash flow projection calculations***

Key assumptions used in the calculation of recoverable amounts are discount rates, revenue growth rates, EBITDA margin and terminal growth rate. The values assigned to the key assumptions represented management's assessment of future trends in the industry and were based on both external and internal sources.

| | 30 April 2024 % | 30 April 2023 % |
|---|---|---|
| Pretax discount rate | 19.3 | 18.9 |
| Revenue growth rate | 5.0 – 20.2 | 5.0 – 20.2 |
| EBITDA margin | 5.3 – 9.6 | 5.9 – 13.4 |
| Long-term EBITDA margin | 9.6 | 10.1 |
| Terminal growth rate | 5.0 | 5.0 |

The discount rate is a pre-tax measure estimated based on the historical industry average weighted-average cost of capital. This is based on a rate of debt leveraging rate of 10.10% in 2024 (2023: 20.60%), at a market interest rate of 9.37% in 2024 (2023: 10.1%).

Revenue growth rate is expressed as compound annual growth rates in the initial five years of the plan. In the first year of the business plan, revenue growth rate was projected at 20% (2023: 18%) based on the near-term business plan and market demand. The annual revenue growth included in the cash flow projections for four years was projected at the growth rate based on the historical growth in volume and prices and industry growth.

A long-term growth rate into perpetuity has been determined based on management's estimate of the long-term compound annual growth rate in the Indian economy which management believed was consistent with the assumption that a market participant would make.

EBITDA margin has been a factor of the revenue forecast based on business plan and market demand coupled with the cost saving initiatives.

## 7. Investments in joint ventures (cont'd)

***Sensitivity to changes in assumptions***

In fiscal year 2024 and 2023, the estimated recoverable amount exceeded the carrying amount of interest in the joint venture and trademark, accordingly, no impairment loss was recognized. In fiscal year 2022, the carrying amount of interest in a joint venture and trademark exceed the estimated recoverable amount, accordingly, an impairment loss of US$2.0 million was recognized.

Management has identified that a reasonably possible change in the following two key assumptions could result in the carrying amount to exceed the recoverable amount. The implication of the key assumptions for the recoverable amount is discussed below:

Long-term growth rates – A reduction of 0.5% in 2024 (2023: 0.5%) in the long-term growth rate would still not result to impairment in 2024 (2023: impairment of US$1.0 million).

Discount rates – An increase of 1.0% in 2024 (2023: 1.0%) in the discount rate would result in an impairment of approximately US$0.8 million in 2024 (2023: impairment of US$3.3 million).

## 8. Intangible assets and goodwill

| | Note | **Goodwill** US$'000 | **Indefinite life trademarks** US$'000 | **Amortizable trademarks** US$'000 | **Customer relationship** US$'000 | **Total** US$'000 |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| At 1 May 2022 | | 203,432 | 408,043 | 24,180 | 107,000 | 742,655 |
| Additions | | – | 64,320 | – | 8,441 | 72,761 |
| At 30 April 2023 and 1 May 2023 | | 203,432 | 472,363 | 24,180 | 115,441 | 815,416 |
| 30 April 2024 | | 203,432 | 472,363 | 24,180 | 115,441 | 815,416 |
| **Accumulated amortization** | | | | | | |
| At 1 May 2022 | | – | – | 10,819 | 43,789 | 54,608 |
| Amortization | 25 | – | – | 1,300 | 5,667 | 6,967 |
| At 30 April 2023 and 1 May 2023 | | – | – | 12,119 | 49,456 | 61,575 |
| Amortization | 25 | – | – | 1,262 | 5,772 | 7,034 |
| At 30 April 2024 | | – | – | 13,381 | 55,228 | 68,609 |
| **Carrying amounts** | | | | | | |
| At 30 April 2023 | | 203,432 | 472,363 | 12,061 | 65,985 | 753,841 |
| At 30 April 2024 | | 203,432 | 472,363 | 10,799 | 60,213 | 746,807 |

## 8. Intangible assets and goodwill (cont'd)

***Goodwill***

From the acquisition date until fiscal year 2023, goodwill is attributable to DMFI as a single CGU. In fiscal year 2024, the management of DMFI revisited the operating segment identification in terms of how DMFI manages the US business and has identified three reportable operating segments and hence the CGUs were aligned with new operating segments in accordance with IAS 36, *Impairment of Assets*. Goodwill attributable between three CGUs as at 30 April 2024 are as follows:

| | **Healthy snacking** | **Flavor and meal enhancers** | **Beyond retail** | **Total** |
|---|---|---|---|---|
| | US$'000 | US$'000 | US$'000 | US$'000 |
| Goodwill | 43,810 | 117,145 | 42,477 | 203,432 |

DMFI and its subsidiaries operates in three reportable segments which reflect the internal organizational and management structure according to the nature of the products and services provided, namely:

- Healthy snacking: Products that offer health-conscious choices such as canned fruit, plastic fruit cup, Joyba beverage, chilled fruit cup. These products are sold in the retail environment.
- Flavor and meal enhancer ("FLAME"): Products that are added to other ingredients to prepare a meal such as canned vegetables, broth, stock, and canned tomatoes. These products are sold in the retail environment.
- Beyond retail: Products are same as in Healthy snacking and FLAME segments, however, they are packaged and sold to non-retail markets, e.g., institutions such as schools, hospitals, government bodies, and food service establishments. The Group also provides co-manufacturing services under this segment.

***Indefinite life trademarks***

Management has assessed the following trademarks as having indefinite useful lives as the Group has exclusive access to the use of these trademarks. These trademarks are expected to be used indefinitely by the Group as they relate to continuing businesses that have a proven track record with stable cash flows.

**<u>America trademarks</u>**

As at 30 April 2024, American trademarks amount to US$458.3 million (2023: US$458.3 million). The indefinite life trademarks of US$394.0 million arising from the acquisition of Consumer Food Business relate to those of DMFI for the use of the "Del Monte" trademarks in the United States and South America market, and the "College Inn" trademark in the United States, Australia, Canada and Mexico.

## 8. Intangible assets and goodwill (cont'd)

***Indefinite life trademarks (cont'd)***

**Americas trademarks, (cont'd)**

The "Kitchen Basics" trademark in the United States and Canada of US$64.3 million was assessed to have an indefinite useful life.

On 3 August 2022, the Group has acquired certain assets associated with the Kitchen Basics brand of ready-to-use stock and broth from McCormick & Company for a consideration of US$100.4 million (including transaction costs totalling US$1.4 million). Kitchen Basics products are distributed nationally in the United States and include a range of conventional and organic stock and broth offerings.

The acquisition is consistent with DMFI's overall growth strategy, as it focuses on innovation, renovation and customization of its iconic brand portfolio. Kitchen Basics will join Del Monte's brand portfolio as DMFI expands its retail presence in the category. The assets acquired comprise intangible assets amounting to US$72.8 million and inventories of US$27.6 million. The purchase price (including transaction costs) is allocated based on the fair value of the assets acquired as determined by the third-party valuer.

The acquisition was treated as an asset acquisition since the acquisition did not come with any physical workforce, research and development, and management.

In fiscal year 2024 and 2023, no impairment loss is recognized related to trademark arising from the acquisition of Kitchen Basics based on the fair value determined by the third-party valuer.

**Philippines trademarks**

A subsidiary, PPMSC, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines (the "Philippines Trademarks") with carrying value amounting to US$1.8 million as at 30 April 2024 and 2023.

**Indian sub-continent and Myanmar trademarks**

In November 1996, a subsidiary, DMPRL, entered into an agreement with an affiliated company to acquire the exclusive right to use the "Del Monte" trademarks in the Indian sub-continent territories and Myanmar in connection with the production, manufacture, sale and distribution of food products and the right to grant sub-licenses to others ("Indian sub-continent trademark"). In 2007, the Company acquired shares in DMFPL and caused the licensing of trademarks to DMFPL to market its products under the "Del Monte" brand in India. These trademarks have a carrying value of US$4.1 million as at 30 April 2024 and 2023.

**S&W trademarks**

In November 2007, a subsidiary, S&W, entered into an agreement with Del Monte Corporation to acquire the "S&W" trademarks in certain countries in Asia (excluding Australia and New Zealand and including the Middle East), Western Europe and Eastern Europe for a total consideration of US$10.0 million. The trademark has a carrying value of US$8.2 million as at 30 April 2024 and 2023.

## 8. Intangible assets and goodwill (cont'd)

***Indefinite life trademarks (cont'd)***

**Impairment test**

Management has performed impairment testing for all indefinite life trademarks and concluded that no impairment exists at the reporting date.

In fiscal years 2024 and 2023, the recoverable amounts of the Americas, Philippines, and S&W Asia trademarks were based on fair value less cost of disposal using the Relief from Royalty ("RFR") method. The RFR calculations use cash flow projections based on financial budgets approved by management covering a five-year period. The key assumptions used in the estimation of the recoverable amounts represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

The discount rate used was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital.

Revenue growth was projected taking into account the average growth levels experienced over the past five years and estimated sales volume and price growth for the next five years. It was assumed that sales price would increase in line with forecast inflation over the next five years.

In fiscal years 2024 and 2023, the estimated recoverable amount exceed the carrying amount of the trademark, and accordingly, no impairment was required. The key assumptions used in the estimation of the recoverable amounts are set out below.

| | 30 April 2024 % | 30 April 2023 % |
|---|---|---|
| **Americas trademarks** | | |
| Pretax discount rate | 9.7 | 9.7 |
| Revenue growth rate | 4.0 | 4.5 |
| Terminal growth rate | 2.0 | 2.0 |
| Royalty rate | 8.0 | 5.5 |
| **Philippines trademarks** | | |
| Pretax discount rate | 7.8 | 7.8 |
| Revenue growth rate | 6.7 | 5.6 |
| Terminal growth rate | 4.7 | 5.4 |
| Royalty rate | 1.0 | 1.0 |
| **S&W Asia trademark** | | |
| Pretax discount rate | 16.9 | 13.0 |
| Revenue growth rate | 8.3 | 7.6 |
| Royalty rate | 3.0 | 3.0 |

## 8. Intangible assets and goodwill (cont'd)

***Indefinite life trademarks (cont'd)***

***Indian sub-continent trademark***

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

***Americas trademarks and Goodwill***

In fiscal years 2024 and 2023, the recoverable amount of the CGU is based on the value in use ("VIU") being greater than the fair value less costs of disposal ("FVLCD") and the VIU. FVLCD and VIU are considered equivalent because the CGUs are operated in a manner consistent with the way in which a market participant would operate the CGU. As such, the VIU was greater than FVLCD because disposal costs could not be reliably estimated as of the measurement date.

*Fiscal year 2024*

| | Healthy Snacking 30 April 2024 US$'000 | FLAME 30 April 2024 US$'000 | Beyond Retail 30 April 2024 US$'000 |
|---|---|---|---|
| Recoverable amount | 354,051 | 629,176 | 389,850 |

*Fiscal year 2023*

The recoverable amount for the fiscal year 2023 amounted to US$ 4.03 million

Included within the carrying value of the CGU are the trademarks, goodwill, net assets and deferred taxes attributable to the segment.

*VIU*

The VIU is the present value of expected cash flows, discounted at a risk-adjusted weighted average cost of capital.

The key assumptions used in the estimation of the recoverable amount using the VIU approach are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

*Fiscal year 2024*

| | Healthy Snacking 30 April 2024 % | FLAME 30 April 2024 % | Beyond Retail 30 April 2024 % |
|---|---|---|---|
| Pretax discount rate | 14.0 | 12.7 | 14.0 |
| Long-term EBITDA margin | 13.0 | 14.1 | 14.9 |
| Terminal growth | 2.0 | 2.0 | 2.0 |

## 8. Intangible assets and goodwill (cont'd)

***Indefinite life trademarks (cont'd)***

***America trademarks and Goodwill (cont'd)***

*Fiscal year 2023*

| | 30 April 2023 % |
|---|---|
| Pretax discount rate | 9.8 |
| Long-term EBITDA margin | 12.8 |
| Terminal growth rate | 2.0 |

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate. This growth rate is consistent with the assumption that a market participant would make and with industry expectations and internal estimates of sustainable long-term growth for the business.

***Sensitivity analysis***

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

| 2024 | Healthy Snacking % | FLAME % | Beyond Retail % |
|---|---|---|---|
| Pretax discount rate | 14.7 | 12.3 | 11.9 |
| Long-term EBITDA margin | 8.3 | 9.8 | 12.6 |

***Source of estimation uncertainty***

*Impairment of goodwill and intangible assets*

Goodwill and the indefinite life trademarks are assessed for impairment at least annually. The impairment assessment requires an estimation of the VIU and fair value less costs of disposal of the CGU to which the goodwill and indefinite life trademarks are allocated.

Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the CGU and apply an appropriate discount rate in order to calculate the present value of those cash flows. Actual cash flows will differ from these estimates as a result of differences between assumptions used and actual operations.

Estimating fair value less costs of disposal require the use of estimates and assumptions. The estimated fair value would change depending on the assumptions used, such as the discount rate and long-term margin.

## 8. Intangible assets and goodwill (cont'd)

***Amortizable trademarks and customer relationship***

| | Net carrying amount | | Remaining amortization period (years) | |
|---|---|---|---|---|
| | 30 April 2024 | 30 April 2023 | 30 April 2024 | 30 April 2023 |
| | US$'000 | US$'000 | | |
| America S&W trademark | – | 163 | – | 0.8 |
| America Contadina trademark | 10,797 | 11,898 | 9.8 | 10.8 |
| | 10,797 | 12,061 | | |

**America trademarks**

The amortizable trademarks relate to the exclusive right to use of the "S&W" trademark in the United States, Canada, Mexico and certain countries in Central and South America and "Contadina" trademark in the United States, Canada, Mexico South Africa and certain countries in Asia Pacific, Central America, Europe, Middle East and South America market.

Management has included these trademarks in the CGU impairment assessment and concluded that no impairment exists at the reporting date.

**Customer relationships**

Customer relationships relate to the network of customers where DMFI has established relationships with the customers, particularly in the United States market through contracts.

| | Net carrying amount | | Remaining amortization period (years) | |
|---|---|---|---|---|
| | 30 April 2024 | 30 April 2023 | 30 April 2024 | 30 April 2023 |
| | US$'000 | US$'000 | | |
| Customer relationships – CP | 52,512 | 57,862 | 9.8 | 10.8 |
| Customer relationships – Kitchen Basics | 7,701 | 8,123 | 18.5 | 19.5 |
| | 60,213 | 65,985 | | |

Management has included the customer relationships, except Kitchen Basics, in the CGU impairment assessment and concluded no impairment exists at the reporting date.

***Source of estimation uncertainty***

The Group estimates the useful lives of its amortizable trademarks and customer relationships based on the period over which the assets are expected to be available for use. The estimated useful lives of the trademarks and customer relationships are reviewed periodically and are updated if expectations differ from previous estimates due to legal or other limits on the use of the assets. A reduction in the estimated useful lives of amortizable trademarks and customer relationships would increase recorded amortization expense and decrease noncurrent assets.

## 9. Deferred tax assets – net

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Deferred tax assets and liabilities of the Group are attributable to the following:

| | 30 April 2024 | | 30 April 2023 | |
|---|---|---|---|---|
| | **Assets** | **Liabilities** | **Assets** | **Liabilities** |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| **Group** | | | | |
| Provisions | 9,208 | – | 9,153 | – |
| Employee benefits | 11,251 | – | 13,016 | – |
| Property, plant and equipment – net | – | (19,626) | – | (19,751) |
| Intangible assets and goodwill | – | (115,620) | – | (103,711) |
| Effective portion of changes in fair value of cash flow hedges | – | (55) | – | (415) |
| Tax loss carry-forwards | 151,682 | – | 142,007 | – |
| Inventories | 5,552 | – | 2,361 | – |
| Biological assets | – | (1,597) | – | (1,629) |
| Interest | 81,935 | – | 52,865 | – |
| Undistributed profits from a subsidiary | – | – | – | (377) |
| Charitable contributions | 2,606 | – | 2,139 | – |
| Others | 9,896 | – | 10,772 | – |
| Deferred tax assets (liabilities) | 272,130 | (136,898) | 232,313 | (125,883) |
| Set off of tax | (125,425) | 125,425 | (114,253) | 114,253 |
| **Deferred taxes – net** | 146,705 | (11,473) | 118,060 | (11,630) |

## 9. Deferred tax assets – net (cont'd)

Movements in deferred tax assets and deferred tax liabilities of the Group during the year are as follows:

| | At 1 May 2023 US$'000 | Recognized in profit or loss US$'000 | Recognized in other comprehensive income US$'000 | Currency realignment US$'000 | At 30 April 2024 US$'000 |
|---|---|---|---|---|---|
| **2024** | | | | | |
| Provisions | 9,153 | 180 | – | (125) | 9,208 |
| Employee benefits | 13,016 | 325 | (2,175) | 85 | 11,251 |
| Property, plant and equipment - net | (19,751) | (44) | – | 169 | (19,626) |
| Intangible assets and goodwill | (103,711) | (11,909) | – | – | (115,620) |
| Effective portion of changes in fair value of cash flow hedges | (415) | 2,657 | (1,680) | (617) | (55) |
| Tax loss carry-forwards | 142,007 | 9,675 | – | – | 151,682 |
| Inventories | 2,361 | 3,191 | – | – | 5,552 |
| Biological assets | (1,629) | (26) | – | 58 | (1,597) |
| Interest | 52,865 | 29,070 | – | – | 81,935 |
| Undistributed profits from a subsidiary | (377) | 377 | – | – | – |
| Charitable contributions | 2,139 | 467 | – | – | 2,606 |
| Others | 10,772 | (1,452) | – | 576 | 9,896 |
| | 106,430 | 32,511 | (3,855) | 146 | 135,232 |

| | At 1 May 2022 US$'000 | Recognized in profit or loss US$'000 | Recognized in other comprehensive income US$'000 | Currency realignment US$'000 | At 30 April 2023 US$'000 |
|---|---|---|---|---|---|
| **2023** | | | | | |
| Provisions | 6,532 | 2,081 | – | 540 | 9,153 |
| Employee benefits | 13,954 | (745) | (821) | 628 | 13,016 |
| Property, plant and equipment - net | (14,959) | 811 | (5,828) | 225 | (19,751) |
| Intangible assets and goodwill | (92,089) | (11,622) | – | – | (103,711) |
| Effective portion of changes in fair value of cash flow hedges | 1,603 | 108 | (2,274) | 148 | (415) |
| Tax loss carry-forwards | 155,391 | (13,384) | – | – | 142,007 |
| Inventories | 1,409 | 952 | – | – | 2,361 |
| Biological assets | (1,916) | 113 | – | 174 | (1,629) |
| Interest | 29,234 | 23,631 | – | – | 52,865 |
| Undistributed profits from a subsidiary | (5,730) | 5,353 | – | – | (377) |
| Charitable contributions | 3,321 | (1,182) | – | – | 2,139 |
| Others | 7,574 | 3,476 | – | (278) | 10,772 |
| | 104,324 | 9,592 | (8,923) | 1,437 | 106,430 |

## 9. Deferred tax assets – net (cont'd)

As at 30 April 2024, the Group has recognized deferred tax assets of US$146.7 million (2023: US$118.1 million), of which US$146.5 million (2023: US$118.0 million) was attributable to DMFI.

As at 30 April 2024, the Group recognized deferred tax liability relating to undistributed profit of a subsidiary amounting to nil (2023: US$0.4 million).

***Unrecognized deferred tax assets***

The following are the temporary differences for which deferred tax assets have not been recognized as of 30 April 2024 and 2023:

| | **30 April 2024** US$'000 | **30 April 2023** US$'000 |
|---|---|---|
| Deductible temporary differences | 5,469 | – |
| Tax losses and tax credits | 2,044 | 4,538 |
| | 7,513 | 4,538 |

The tax losses will expire in 2025 and 2029. The tax credits will expire between 2025 and 2027. Deferred tax assets have not been recognized with respect to these items because it is not probable that sufficient future taxable profits will be available to utilize the benefits.

***Sources of estimation uncertainty***

As of 30 April 2024, deferred tax assets amounting to US$151.0 million (2023: US$142.0 million) have been recognized in respect of the tax loss carry forwards from DMFI because management assessed that it is probable that sufficient future taxable income will be available against which DMFI can utilize these benefits. Future taxable profit is based on the expected future cash flows used in the impairment assessment of goodwill and trademark with indefinite useful lives. Management has identified that a reasonably possible change in the revenue growth rate, EBITDA margin and long-term growth rate could cause the non-realizability of the Group's deferred tax assets, Management expects profitable growth coming from revenue strategies and cost efficiencies in the future. To the extent that profitable growth does not materialize in the future periods, deferred tax assets of US$269.1 million may not be realized. The majority of the tax loss for years ending fiscal year 2019 and after can be carried forward indefinitely and tax loss carry forwards prior to fiscal year 2019 may be utilized up to a 20-year period.

## 10. Other noncurrent assets

| | Group | | Company | |
|---|---|---|---|---|
| | **30 April 2024** US$'000 | **30 April 2023** US$'000 Restated | **30 April 2024** US$'000 | **30 April 2023** US$'000 |
| Advance rentals and deposits | 17,828 | 19,557 | – | – |
| Derivative assets | – | 6,189 | – | – |
| Financial assets carried at FVOCI | 11,665 | 6,080 | 10,516 | 5,023 |
| Excess insurance | 5,917 | 4,201 | – | – |
| Advances to suppliers | 3,793 | 2,898 | – | – |
| Receivable from sale and leaseback | 2,389 | 2,571 | – | – |
| Others | 319 | 1,367 | 45 | – |
| | 41,911 | 42,863 | 10,561 | 5,023 |

Advance rentals and deposits consist of rent payments related to lease contracts which will commence beyond one year from the reporting period, as well as security deposits made for lease contracts entered by the Group.

Included in the financial assets carried at FVOCI is an investment in unquoted equity shares held by the Company of an entity incorporated in Switzerland which was acquired through an assignment of a US$5.0 million receivable due to a subsidiary. In the current year, the Company invested an additional US$5.5 million in the investee.

Excess insurance relates mainly to reimbursements from insurers to cover certain workers' compensation claims liabilities (Note 19).

Advances to suppliers represents advance payments made on capital projects.

Receivable from sale and leaseback is the noncurrent portion of receivable relating to assets sold to DMPI Employees Agrarian Reform Beneficiaries Cooperation ("DEARBC") and subsequently leased back to the Group in 2021 (Note 23). The current portion of US$0.1 million is presented under trade and other receivables (Note 13).

Other noncurrent assets include deferred input VAT on capital goods (property and equipment) incurred prior to 1 January 2022 that are to be amortized over its useful life or five years, whichever is shorter, and other deferred expenses expected to be amortized beyond one year from the next reporting period.

## 11. Biological assets

| | Note | Group 30 April 2024 US$'000 | 30 April 2023 US$'000 Restated |
|---|---|---|---|
| Presented as biological assets under: | | | |
| Current assets | | 48,577 | 44,852 |
| Noncurrent assets | | 3,413 | 3,007 |
| **Total biological assets*** | | 51,990 | 47,859 |
| **Livestock** | | | |
| At beginning of the year | | 3,007 | 2,735 |
| Purchases of livestock | | 1,218 | 1,247 |
| Sales of livestock | | (691) | (810) |
| Currency realignment | | (121) | (165) |
| At end of the year | | 3,413 | 3,007 |
| **Agricultural produce** | | | |
| At beginning of the year | | 16,146 | 14,043 |
| Additions | | 14,574 | 18,632 |
| Harvested | | (13,727) | (15,729) |
| Currency realignment | | (584) | (800) |
| At end of the year | | 16,409 | 16,146 |
| Fair value gain on unharvested agricultural produce | | 32,168 | 28,706 |
| At end of the year | | 48,577 | 44,852 |
| **Fair value gain (loss) recognized under:** | | | |
| Harvested pine for cannery - | | | |
| Inventories | | 1,821 | 4,496 |
| Cost of sales | 25 | 15,904 | 39,456 |
| | | 17,725 | 43,952 |
| Inventories - cattle for slaughter | | 2 | 8 |
| Cost of sales - fresh pines | 25 | 24,099 | 17,851 |
| Unharvested agricultural produce | | 4,636 | (2,706) |
| Fair value gain recognized under revenues | | 46,462 | 59,105 |

*Change in total biological assets recognized in the consolidated statements of cash flows is net of the foreign currency translation impact amounting to US$1.7 million (2023: US$2.8 million).

## 11. Biological assets (cont'd)

*Livestock*

Livestock comprises growing herd and breeding and dairy herd that are stated at cost and cattle for slaughter that is stated at fair value less point-of-sale costs. The fair value is determined based on the average selling prices at year end, less estimated point-of-sale costs.

*Risk management strategy related to agricultural activities*

The Group is exposed to risks arising from changes in cost and volume of fruits harvested from the growing crops which are influenced by natural phenomenon such as weather patterns, volume of rainfall and field performance. The cost of growing crops is also exposed to the change in cost and supply of agricultural supplies and labor, which are determined by constantly changing market forces of supply and demand.

The Group is subject to risk relating to its ability to maintain the physical condition of its fruit crops. Plant diseases could adversely impact production and consumer confidence, which impact sales.

The Group secures favorable harvest of pineapples and other agricultural produce from biological assets by continuously assessing factors that could affect harvest and responding to them on a timely manner. The Group is equipped with necessary technical manpower, farm inputs, such as fertilizer, chemicals and equipment to respond to any changes brought about by the factors as mentioned above.

The Group is subject to laws and regulations in the Philippines where it operates its agricultural activities. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

***Source of estimation uncertainty***

*Fair Value of Harvested Agricultural Produce*

The fair values of the harvested pineapple fruits are based on the most reliable estimate of selling prices, in both local and international markets at the point of harvest, as determined by the Group. For the pineapple variety being sold as fresh fruits, the market price is based on the selling price of fresh fruits as sold in the local and international markets. For the pineapple variety being processed as cased goods, the market price is derived from average sales price of the processed product, adjusted for margin and associated costs related to production. Changes in fair values of agricultural produce after initial recognition are included in the carrying amount of cased goods at the reporting date.

*Future Tonnage of Harvests*

Bearer plants are stated at cost which comprises actual costs incurred in nurturing the crops, reduced by the equivalent amortization of fruits harvested which considers the future tonnage of harvests. Estimated harvest is affected by natural phenomenon such as weather patterns and tonnage of rainfall. Field performance and market demand also affect the level of estimated harvests. The cost is developed by allocating growing costs for the estimated growth cycle of two to three years over the estimated harvests to be made during the life cycle of the plant crops. The Group reviews and monitors the estimated future tonnage of harvests regularly.

## 11. Biological assets (cont'd)

*Fair Value of Unharvested Agricultural Produce*

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

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

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

The valuation techniques and significant unobservable inputs used in determining the fair value of these biological assets are discussed in Note 34.

## 12. Inventories

| | Group | |
|---|---|---|
| | **30 April 2024**<br>US$'000 | **30 April 2023**<br>US$'000 |
| Finished goods | | |
| - at cost | 635,275 | 698,664 |
| - at net realizable value | 24,659 | 37,482 |
| Semi-finished goods | | |
| - at cost | 257,258 | 173,557 |
| - at net realizable value | 10,468 | 12,372 |
| Raw materials and packaging supplies | | |
| - at cost | 62,750 | 78,683 |
| - at net realizable value | 53,433 | 76,014 |
| | 1,043,843 | 1,076,772 |

Total cost of inventories carried at net realizable value amounted to US$114.2 million as at 30 April 2024 (2023: U$138.6 million). Inventories recognized as an expense in cost of sales amounted to US$1,528.8 million for the year ended 30 April 2024 (2023: US$1,385.2 million) (Note 25).

## 12. Inventories (cont'd)

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

| | | Group | |
|---|---|---|---|
| | **Note** | **30 April 2024** US$'000 | **30 April 2023** US$'000 |
| At beginning of the year | | 12,737 | 6,464 |
| Allowance for the year | 25 | 18,700 | 9,542 |
| Write-off against allowance | | (5,755) | (2,585) |
| Currency realignment | | (53) | (684) |
| At end of the year | | 25,629 | 12,737 |

***Source of estimation uncertainty***

*Allowance for inventory obsolescence and net realizable value*

The Group recognizes allowance on inventory obsolescence when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items. Obsolescence is also established when inventory items are no longer marketable. Obsolete goods when identified are charged to income statement and are written off. In addition to an allowance for specifically identified obsolete inventory, estimation is made on a group basis based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Group reviews on a monthly basis the condition of its inventory. The assessment of the condition of the inventory either increases or decreases the expenses or total inventory.

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at the reporting date.

The Group reviews on a continuous basis the product movement, changes in customer demands and introductions of new products to identify inventories which are to be written down to the net realizable values. The write-down of inventories is reviewed periodically to reflect the accurate valuation in the financial records. An increase in write-down of inventories would increase the recorded cost of sales and operating expenses and decrease current assets.

## 13. Trade and other receivables

| | Group | | Company | |
|---|---|---|---|---|
| | **30 April 2024** | **30 April 2023** | **30 April 2024** | **30 April 2023** |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| Trade receivables | 192,569 | 195,335 | – | – |
| Nontrade receivables | 35,445 | 45,346 | 5 | 6 |
| Amounts due from subsidiaries (nontrade) | – | – | 27,416 | 26,400 |
| Allowance for expected credit loss – nontrade | (4,319) | (4,317) | – | – |
| Allowance for expected credit loss – trade | (5,541) | (5,328) | – | – |
| Trade and other receivables | 218,154 | 231,036 | 27,421 | 26,406 |

The amounts due from subsidiaries are unsecured, interest-free and repayable on demand. There is no allowance for allowance for expected credit losses ("ECL") arising from these outstanding balances.

Nontrade receivables consist of plant receivables, claims from third party service providers, advances to growers, which are claimed upon delivery of fruits, and fuel withdrawals applied against truckers' bills when due.

The aging of trade and nontrade receivables at the reporting date is:

| | Group | | | |
|---|---|---|---|---|
| | Gross | | ECL allowance | |
| | **Trade** | **Nontrade** | **Trade** | **Nontrade** |
| **At 30 April 2024** | US$'000 | US$'000 | US$'000 | US$'000 |
| Within credit terms | 139,109 | 8,530 | – | – |
| Past due 0 - 60 days | 30,116 | 4,778 | – | – |
| Past due 61 - 90 days | 3,019 | 893 | – | – |
| Past due 91 - 120 days | 4,560 | 711 | – | – |
| More than 120 days | 15,765 | 20,533 | (5,541) | (4,319) |
| | 192,569 | 35,445 | (5,541) | (4,319) |

## 13. Trade and other receivables (cont'd)

| | Group | | | |
|---|---|---|---|---|
| | Gross | | ECL allowance | |
| | Trade | Nontrade | Trade | Nontrade |
| **At 30 April 2023** | US$'000 | US$'000 | US$'000 | US$'000 |
| Within credit terms | 119,651 | 24,709 | – | – |
| Past due 0 - 60 days | 35,579 | 3,433 | – | – |
| Past due 61 - 90 days | 3,404 | 3,724 | – | – |
| Past due 91 - 120 days | 4,875 | 1,328 | – | – |
| More than 120 days | 31,826 | 12,152 | (5,328) | (4,317) |
| | 195,335 | 45,346 | (5,328) | (4,317) |

The recorded allowance for ECLs falls within the Group's historical experience in the collection of trade and other receivables. Therefore, management believes that there is no significant additional credit risk beyond what has been recorded.

As at 30 April 2024 and 2023, the receivables of the Company were neither past due nor impaired.

Nontrade receivables include current portion of lease receivable amounting to nil as at 30 April 2024 (2023: US$0.1 million) (Note 23), and current portion of receivable from sale and leaseback amounting to US$0.1 million as at 30 April 2024 (2023: US$0.1 million). The noncurrent portion of lease receivable and receivable from sale and leaseback are presented under other noncurrent assets as "Others" (Note 10).

Movements in allowance for ECLs during the year are as follows:

| | | Group | | |
|---|---|---|---|---|
| | **Note** | **Trade** US$'000 | **Nontrade** US$'000 | **Total** US$'000 |
| At 1 May 2023 | | 5,328 | 4,317 | 9,645 |
| Allowance for the year | 25 | 273 | 7 | 280 |
| Reversal for the year | 25 | (8) | – | (8) |
| Currency realignment | | (52) | (5) | (57) |
| At 30 April 2024 | | 5,541 | 4,319 | 9,860 |

## 13. Trade and other receivables (cont'd)

Movements in allowance for ECLs during the year are as follows: (cont'd)

| | | | Group | |
|---|---|---|---|---|
| | **Note** | **Trade** US$'000 | **Nontrade** US$'000 | **Total** US$'000 |
| At 1 May 2022 | | 5,850 | 4,317 | 10,167 |
| Allowance for the year | 25 | – | 7 | 7 |
| Write-off for the year | | (242) | – | (242) |
| Reversal for the year | 25 | (188) | – | (188) |
| Currency realignment | | (92) | (7) | (99) |
| At 30 April 2023 | | 5,328 | 4,317 | 9,645 |

***Source of estimation uncertainty***

*Impairment of trade and nontrade receivables*

The Group maintains an allowance for ECL at a level considered adequate to provide for potential uncollectible receivables based on the applicable ECL methodology. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behaviour and known market factors. The Group reviews the age and status of trade receivables, and identifies accounts that are to be provided with allowance on a continuous basis. Additionally, allowance is also determined, through a provision matrix based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The amount and timing of recorded expenses for any period would differ if the Group made different judgment or utilized different estimates. An increase in the Group's allowance for impairment would increase the Group's recorded operating expenses and would decrease the Group's current assets.

The recorded allowance for ECL falls within the Group's historical experience in the collection of accounts receivables. The Group managed to continue operating in the middle of the pandemic since its products are essential. There were no significant internal operational interruptions and disruptions caused by external factors such as restrictions to movement of materials were managed so that there will be no major adverse impacts to the overall results of operations for the fiscal years ended 30 April 2024 and 2023.

## 14. Prepaid expenses and other current assets

| | Note | Group 30 April 2024 US$'000 | Group 30 April 2023 US$'000 Restated | Company 30 April 2024 US$'000 | Company 30 April 2023 US$'000 |
|---|---|---|---|---|---|
| Prepaid expenses | | 56,437 | 48,986 | 39 | 77 |
| Down payment to suppliers | | 3,658 | 7,372 | – | – |
| Derivative assets | 19 | 1,179 | 2,678 | – | – |
| Short-term placements | | – | 18 | – | – |
| Others | | – | – | – | 17 |
| | | 61,274 | 59,054 | 39 | 94 |

Prepaid expenses consist of advance payments for insurance, advertising, rent and taxes, among others.

Down payment to suppliers pertains to advance payments for the purchase of materials and supplies that will be used for operations.

As at 30 April 2023, short-term placements have maturities of 4-6 months and earn interest of 0.75%-0.875% per annum.

## 15. Cash and cash equivalents

| | Group 30 April 2024 US$'000 | Group 30 April 2023 US$'000 | Company 30 April 2024 US$'000 | Company 30 April 2023 US$'000 |
|---|---|---|---|---|
| Cash on hand | 92 | 84 | – | – |
| Cash in banks | 12,976 | 19,392 | 470 | 554 |
| Cash equivalents | 55 | 360 | – | – |
| Cash and cash equivalents | 13,123 | 19,836 | 470 | 554 |

Certain cash in bank accounts earn interest at floating rates based on daily bank deposit rates. Cash equivalents are short-term placements which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term placement rates.

## 16. Share capital

| | Group and Company | | | |
|---|---|---|---|---|
| | 30 April 2024 | | 30 April 2023 | |
| | No. of shares ('000) | US$'000 | No. of shares ('000) | US$'000 |
| **Authorized:** | | | | |
| Ordinary shares of US$0.01 each | 3,000,000 | 30,000 | 3,000,000 | 30,000 |
| Preference shares of US$1.00 each | 600,000 | 600,000 | 600,000 | 600,000 |
| | 3,600,000 | 630,000 | 3,600,000 | 630,000 |
| **Issued and fully paid:** | | | | |
| Ordinary shares of US$0.01 each | 1,944,936 | 19,449 | 1,944,936 | 19,449 |
| Preference shares of US$1.00 each | – | – | – | – |
| | 1,944,936 | 19,449 | 1,944,936 | 19,449 |

*Reconciliation of number of outstanding ordinary shares in issue:*

| | Year ended 30 April 2024 | Year ended 30 April 2023 |
|---|---|---|
| | No. of shares | |
| | ('000) | ('000) |
| At beginning and end of the year | 1,943,960 | 1,943,960 |

## 16. Share capital (cont'd)

The number of outstanding ordinary shares excludes 975,802 ordinary shares held by the Company as treasury shares. The retained earnings of the Company is restricted for the declaration and payment of dividends to the extent of US$286,000 as at 30 April 2024 and 2023 representing the cost of shares held in treasury.

*Reconciliation of number of outstanding preference shares in issue:*

| | Year ended 30 April 2024 ('000) | Year ended 30 April 2023 ('000) |
|---|---|---|
| At beginning of the year | – | 10,000 |
| Redeemed | – | (10,000) |
| At end of the year | – | – |

The following summarizes the information on the Company's registration of securities under the Securities Regulation Commission's Revised Securities Regulation Code of the Philippines ("SRC"):

<u>*Ordinary Shares*</u>

| Date of SEC Approval | Authorized Shares | No. of Shares Issued | Issue/Offer Price |
|---|---|---|---|
| 28 May 2013* | 2,000,000,000 | 1,297,500,491 | Php29.80 |
| 15 October 2014** | 3,000,000,000 | 5,500,000 | Php17.00 |
| 14 January 2015*** | 3,000,000,000 | 641,935,335 | Php10.60 |

**The SEC issued an order rendering effective the registration of its issued shares. The Company was listed by way of introduction to The Philippine Stock Exchange, Inc. on 10 June 2013.*
***The SEC issued an order rendering effective the registration of additional 5,500,000 ordinary shares which were offered and sold to the public in the Philippines.*
****The rights shares were considered exempt from registration pursuant to Section 10(e) and 10(l) of the SRC. The exemption from registration was confirmed by the SEC in a letter dated 14 January 2015.*

The total number of ordinary shareholders as at 30 April 2024 and 2023 was 7,286 and 7,396, respectively.

The holders of ordinary shares are entitled to receive dividends after dividend of preference shares are paid, as declared from time to time, and are entitled to one vote per share at meetings of the Company. The preference shares are cumulative, non-voting, redeemable at the option of the issuer, non-participating and non-convertible. The preference share has a par value of US$1.0 per share and were issued at US$10.0 per share. Ordinary shares rank equally with regard to the Company's residual assets after preference shares are paid.

In April 2014, the Company increased its authorized share capital from US$20.0 million, divided into 2,000,000,000 ordinary shares at US$0.01 per share, to US$630.0 million, divided into 3,000,000,000 ordinary shares at US$0.01 per share and 600,000,000 preference shares at US$1.00 per share. The preference shares may be issued in one or more series, each such class of shares will have rights and restrictions as the Board may designate. The terms and conditions of the authorized preference shares are finalized upon each issuance.

## 16. Share capital (cont'd)

*Ordinary Shares (cont'd)*

On 30 October 2014, the Company had additional ordinary shares listed and traded on the SGX-ST and the PSE pursuant to a public offering conducted in the Philippines. The Company offered and sold by way of primary offer 5,500,000 ordinary shares at an offer price of 17.00 Philippine pesos (Php) per share.

In March 2015, additional 641,935,335 ordinary shares were listed on the SGX-ST and the PSE, which were offered and sold to eligible shareholders by way of a stock rights offering at an exercise price of S$0.325 or Php10.60 for each share in Singapore and the Philippines, respectively.

In September 2017, the Company transferred 745,918 of its treasury shares to ordinary shares in connection with the release of share awards granted to certain Directors pursuant to the Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP").

The Company also issued share awards under the Del Monte Pacific RSP in fiscal year 2018.

*Preference Shares*

| Date of SEC Approval | Authorized Shares | No. of Shares Issued | Issue/Offer Price |
|---|---|---|---|
| 21 March 2017 | 600,000,000 | 20,000,000 Series A-1 Preference Shares | US$10.00 |
| 21 March 2017* / 27 November 2017** | 600,000,000 | 10,000,000 Series A-2 Preference Shares | US$10.00 |

**No Order of Registration was issued for the second tranche offer of preference shares as it was part of the shelf-registration previously applied by the Company with the SEC.*
***Date of issuance of the SEC Permit to Sell.*

On 7 April 2022, the Company redeemed all of the outstanding 20,000,000 Series A-1 Preference Shares for US$200.0 million, and on 15 December 2022, all of the outstanding 10,000,000 Series A-2 Preference Shares for US$100.0 million.

The redeemed preferred shares were cancelled but remained part of the Company's authorized capital and shall be available to be reissued by resolution of the board.

## 16. Share capital (cont'd)

***Capital management***

The Board's policy has been to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital comprises its share capital, retained earnings and total reserves as presented in the statements of financial position. The Board monitors the return on capital, which the Group defines as profit or loss for the year divided by total shareholders' equity. The Board also monitors the level of dividends paid to ordinary shareholders. Under the Company's Articles of Association and the terms of the preference shares, the Company may declare and pay dividends on common shares provided there are adequate and available funds for dividends on preference shares which have priority over common shares.

The bank loans of the Group contain various covenants with respect to capital maintenance and ability to incur additional indebtedness. The Board ensures that loan covenants are considered as part of its capital management through constant monitoring of covenant results through interim and full year results.

There were no changes in the Group's approach to capital management during the current and prior fiscal year.

## 17. Retained Earnings and Reserves

***Retained earnings***

*Dividends*

| | Group and Company | | |
|---|---|---|---|
| | **30 April 2024** US$'000 | **30 April 2023** US$'000 | **30 April 2022** US$'000 |
| **Declared and paid during the financial year:** | | | |
| *Dividends on ordinary shares* | | | |
| 2024: US$0.0013 (2023: US$0.0170; 2022: US$0.0120) | 2,542 | 33,251 | 23,310 |
| *Dividends on preference shares* | | | |
| A-1 preference shares for 2024: nil (2023: nil; 2022: US$0.6625) per share | – | – | 13,250 |
| A-2 preference shares for 2024: nil (2023: US$0.4478; 2022: US$0.6500) per share | – | 4,478 | 6,500 |
| | – | 4,478 | 19,750 |
| | 2,542 | 37,729 | 43,060 |
| **Proposed but not recognized as a liability as at reporting date:** | | | |
| Dividends on ordinary shares | | | |
| 2024: nil (2023: US$0.0013; 2022: US$0.0170) | – | 2,527 | 33,047 |

## 17. Retained Earnings and Reserves (cont'd)

### *Retained earnings (cont'd)*

*Dividends (cont'd)*

The retained earnings were restricted for the payment of dividends representing the accumulated equity in net earnings of the subsidiaries amounting to US$247.3 million as at 30 April 2024 (2023: US$243.5 million). The accumulated equity in net earnings of the subsidiaries will be available for dividend distribution upon receipt of dividends from the subsidiaries. As of 30 April 2024 and 2023, the Group's investment in joint ventures have no undistributed net earnings.

Ordinary shares

On 20 June 2023, the Company declared dividends of US$0.0013 per share to ordinary shareholders on record as at 11 July 2023. The special dividend was paid on 25 July 2023.

On 23 June 2022, the Company declared dividends of US$0.0170 per share to ordinary shareholders on record as at 13 July 2022. The special dividend was paid on 27 July 2022.

On 23 June 2021, the Company declared dividends of US$0.0120 per share to ordinary shareholders on record as at 13 July 2021. The special dividend was paid on 27 July 2021.

Preference shares

On 15 December 2022, the redemption date of the Series A-2 Preference Shares, the Company paid the accrued cash dividends at the fixed rate of 6.5% per annum, or equivalent to US$0.12278 per Series A-2 Preference Share for the period from 8 October 2022 to 15 December 2022.

On 9 September 2022, the Company declared dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.32500 per Series A-2 Preference Share for the six-month period from 8 April 2022 to 7 October 2022. The final dividends were paid on 7 October 2022.

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

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

The cumulative undeclared dividends on the preference shares amounted to US$0.4 million as of 30 April 2022, and were settled in full in fiscal year ended 2023.

## 17. Retained Earnings and Reserves (cont'd)

***Retained earnings (cont'd)***

***Share premium***

Under the British Virgin Islands law in whose jurisdiction the Company operates, the Company's share premium and retained earnings form part of the Company's surplus that may be available for dividend distribution provided that the solvency test is met by the Company. The Group's share premium is shown net of a merger deficit of US$0.14 million, which arose from the acquisition of a subsidiary, DMPRL, under common control in 1999.

The share premium account includes any premium received on the initial issuance of the share capital. Any transaction costs associated with the issuance of shares are deducted from the share premium account, net of any related income tax effects.

In fiscal year 2023 and 2022, share premium decreased by US$90.0 million and US$180.0 million, respectively, as a result of the redemption of Series A-2 Preference Shares on 15 December 2022 and Series A-1 Preference Shares on 7 April 2022 (Note 16).

***Reserves***

| | Group | | Company | |
|---|---|---|---|---|
| | **30 April 2024** | **30 April 2023** | **30 April 2024** | **30 April 2023** |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| Translation reserve | (111,968) | (105,020) | (111,968) | (105,020) |
| Revaluation reserve | 29,354 | 29,354 | 29,354 | 29,354 |
| Remeasurement of retirement plan | 52,302 | 46,051 | 52,302 | 46,051 |
| Hedging reserve | 5,891 | 1,390 | 5,891 | 1,390 |
| Reserve for own shares | (286) | (286) | (286) | (286) |
| | (24,707) | (28,511) | (24,707) | (28,511) |

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

The revaluation reserve relates to surplus on the revaluation of freehold land of the Group.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect the income statement of the Group (Note 19).

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. As at 30 April 2024 and 2023, the Company held 975,802 treasury shares.

## 18. Loans and borrowings

| | Group | | Company | |
|---|---|---|---|---|
| | **30 April 2024** | **30 April 2023** | **30 April 2024** | **30 April 2023** |
| | US$'000 | US$'000 Restated | US$'000 | US$'000 |
| **Current liabilities** | | | | |
| Bonds | 89,541 | 104,799 | 89,541 | – |
| Secured bridging loan | 44,938 | 59,998 | 44,938 | 59,998 |
| Short-term secured loans | 26,577 | – | 26,577 | – |
| Short-term unsecured loans | 477,968 | 469,902 | 70,531 | 101,000 |
| Current portion of long-term secured loans | 171,675 | 126,181 | 164,421 | 108,106 |
| Current portion of long-term unsecured loans | 108,029 | 59,173 | 95,004 | 55,794 |
| | 918,728 | 820,053 | 491,012 | 324,898 |
| **Noncurrent liabilities** | | | | |
| Bonds | 11,158 | 100,301 | – | 88,760 |
| Asset-based lending credit ("ABL") | 465,275 | 458,823 | – | – |
| Noncurrent portion of long-term secured loans | 695,678 | 781,825 | – | 64,428 |
| Noncurrent portion of long-term unsecured loans | 205,204 | 112,351 | 43,726 | 88,771 |
| | 1,377,315 | 1,453,300 | 43,726 | 241,959 |
| | 2,296,043 | 2,273,353 | 534,738 | 566,857 |

## 18. Loans and borrowings (cont'd)

### *Terms and debt repayment schedule*

Terms and conditions of outstanding loans and borrowings (short-term and long-term borrowings) are as follows:

| | Currency | Nominal interest rate | Calendar year maturity | 30 April 2024 Face value | 30 April 2024 Carrying amount | 30 April 2023 Face value | 30 April 2023 Carrying amount |
|---|---|---|---|---|---|---|---|
| | | % p. a. | | US$'000 | US$'000 | US$'000 | US$'000 |
| **Group** | | | | | | | |
| *Short-term borrowings* | | | | | | | |
| Unsecured bank loans [1] | PHP | (2024) 6.40% - 8.45%<br>(2023) 5.95% - 7.50% | 2024 | 102,982 | 102,982 | 143,701 | 143,701 |
| Unsecured bank loans [1] | US$ | (2024) 5.70% -8.41%<br>(2023) 3.20% – 6.87% | 2024 | 374,986 | 374,986 | 326,200 | 326,200 |
| Secured bank loans | US$ | (2024) 7.8191% | 2024 | 26,577 | 26,577 | – | – |
| *Long-term borrowings* | | | | | | | |
| Secured bank loan under Asset-Based Lending (ABL) Credit Agreement [2] | US$ | (2024)<br>ABL Base B - 11%<br>SOFR 5.32% + Spread of 3.6% or total of 8.92%<br>(2023)<br>ABL Base B - 9%<br>SOFR 4.96% + Spread of 2.1% or total of 7.06% | 2027 | 472,223 | 465,275 | 465,000 | 458,823 |
| Unsecured 3Y bonds | PHP | 3.4840% | – | – | – | 105,097 | 104,799 |
| Unsecured bank loans [1] | PHP | (2024) 7.25% - 7.42%<br>(2023) 5.5268% | 2025 | 175,616 | 174,504 | 27,028 | 26,959 |
| Unsecured bank loans [1] | US$ | (2024) 7.08% - 8.58%<br>(2023) 6.80% - 8.19% | 2024-2026 | 138,773 | 138,730 | 144,569 | 144,566 |
| Unsecured bonds | US$ | 3.75% | 2024 | 90,000 | 89,541 | 90,000 | 88,760 |
| Unsecured 5Y bonds | PHP | 3.7563% | 2025 | 11,216 | 11,158 | 11,638 | 11,541 |
| Secured bridging loan | US$ | (2024) 8.1726%<br>(2023) 3.0585% | 2025 | 45,000 | 44,938 | 60,000 | 59,998 |
| Secured bank loans | PHP | 4.125% | 2024 | – | – | 27,028 | 26,942 |
| Secured bank loans | US$ | (2024) 8.23% - 8.81%<br>(2023) 8.02% - 8.18% | 2025 | 164,500 | 164,421 | 172,750 | 172,533 |
| Term Loan B | US$ | (2024) 9.6802%<br>(2023) 9.3143% | 2029 | 716,247 | 702,931 | 723,500 | 708,531 |
| | | | | 2,318,120 | 2,296,043 | 2,296,511 | 2,273,353 |

## 18. Loans and borrowings (cont'd)

### *Terms and debt repayment schedule (cont'd)*

| | Currency | Nominal interest rate | Calendar year maturity | 30 April 2024 Face value | 30 April 2024 Carrying amount | 30 April 2023 Face value | 30 April 2023 Carrying amount |
|---|---|---|---|---|---|---|---|
| | | % p. a. | | US$'000 | US$'000 | US$'000 | US$'000 |
| **Company** | | | | | | | |
| *Short-term borrowings* | | | | | | | |
| Unsecured bank loans [1] | US$ | (2024) 6.91% - 7.68%<br>(2023) 3.20% - 6.88% | 2024 | 70,531 | 70,531 | 101,000 | 101,000 |
| Secured bank loans | US$ | (2024) 7.8191% | 2024 | 26,577 | 26,577 | – | – |
| *Long-term borrowings* | | | | | | | |
| Unsecured bank loans [1] | US$ | (2024) 6.57% - 8.55%<br>(2023) 6.80% - 8.19% | 2024-2026 | 138,773 | 138,730 | 144,569 | 144,566 |
| Unsecured bonds | US$ | 3.75% | 2024 | 90,000 | 89,541 | 90,000 | 88,760 |
| Secured bridging loan | US$ | 3.0585% | 2025 | 45,000 | 44,938 | 60,000 | 59,998 |
| Secured bank loans | US$ | (2024) 8.23% - 8.81%<br>(2023) 8.02% - 8.18% | 2025 | 164,500 | 164,421 | 172,750 | 172,533 |
| | | | | 535,381 | 534,738 | 568,319 | 566,857 |

(1) Unsecured bank loans and borrowings

Certain unsecured bank loan agreements contain various affirmative and negative covenants that are typical of these types of facilities such as financial covenants relating to required debt-to-equity ratio, interest cover and maximum annual capital expenditure restrictions. These covenants include requirements for delivery of periodic financial information and restrictions and limitations on indebtedness, investments, acquisitions, guarantees, liens, asset sales, disposals, mergers, changes in business, dividends and other transfers.

| | Borrower | Principal In '000 | Debt-to-equity Ratio | Debt Service Coverage Ratio | Interest Coverage Ratio | Fixed Charge Ratio |
|---|---|---|---|---|---|---|
| Unsecured loans | DMPI | PHP 5,800,000 | 3.0x | 1.2x | – | – |
| Unsecured loans | DMPI | PHP 3,000,000 | 3.0x | 1.2x | – | – |
| Unsecured loans | DMPI | PHP 1,500,000 | 2.5x | 1.2x | – | – |
| Unsecured bonds | DMPI | PHP 645,900 | 2.5x | 1.2x | – | – |
| Unsecured loans | DMPL | US$50,000 | 3.0x | – | – | – |
| Unsecured loans | DMPL | US$75,000 | 3.0x | – | – | – |
| Unsecured loans | DMPL | US$25,000 | 3.0x | – | 2.0x | – |
| Unsecured loans | DMPL | US$30,000 | 3.0x | – | 2.0x | – |
| Unsecured bonds | DMPL | US$90,000 | – | – | – | 2.25x |

## 18. Loans and borrowings (cont'd)

(1) Unsecured bank loans and borrowings (cont'd)

There have been no breaches of the financial covenants of any interest-bearing loans for the years ended 30 April 2024 and 2023.

*Ability to Incur Additional Indebtedness*

On 20 December 2021, Coöperatieve Rabobank U.A. ("Rabobank") had restated and amended the original Facility Letter dated 18 March 2021, increasing the facility limit from US$30.0 million to US$50.0 million. On 18 January 2023, Rabobank reduced the facility limit back to US$30.0 million. As of 30 April 2024, US$30.0 million remained available for drawdown by the Company.

On 13 December 2022, the Company entered into a Seventh Amendment Agreement with BDO Unibank, Inc. ("BDO") that gives the Company the right to borrow an additional aggregate amount of US$30.0 million, subject to the terms of such amendment agreement. As of 30 April 2024 and 2023, the US$30.0 million had been fully drawn. On 3 August 2023, the Company entered into an Eighth Amendment Agreement with BDO that gives the Company the right to borrow an additional aggregate amount of US$50.0 million, subject to the terms of such amendment agreement. As of 30 April 2024, the US$50.0 million had been fully drawn.

The Company has an uncommitted facility with Rizal Commercial Banking Corporation ("RCBC") amounting to US$40.0 million, of which US$37.5 million was drawn in the fiscal year 2024 (2023: US$38.0 million). Additionally, the Company also has uncommitted facilities with DBS Bank Ltd ("DBS") totaling US$30.0 million comprising of short-term loan of US$25.0 million and export financing facility of US$5.0 million. US$25.0 million had been drawn as of 30 April 2024 and 2023.

(2) ABL Credit Agreement

On 15 May 2020, DMFI entered into an agreement to refinance the ABL Credit Agreement with JP Morgan Chase as the administrative agent, and other lenders and agent parties thereto, to provide for senior secured financing of up to US$450.0 million, subject to availability under the borrowing base, with a term of three years until 15 May 2023. On 15 May 2020, US$100.2 million was drawn under this facility. Loans under the ABL Credit Agreement interest based on either the Eurodollar rate or the alternative base rate, plus an applicable margin. On 29 April 2021, the ABL agreement was extended to five years to the earliest of (a) 29 April 2026 and (b) 91 days prior to the maturity of the Senior Secured Notes or any refinancing indebtedness in respect thereof. On 21 September 2022, the ABL agreement was then extended to 21 September 2027 and the total commitments as of this amendment is US$625.0 million. On 21 August 2023, the ABL agreement was amended for the commitment upsize of US$125.0 million.

## 18. Loans and borrowings (cont'd)

(2) ABL Credit Agreement (cont'd)

*Interest Rates*. Effective 15 May 2020, borrowings under the ABL Credit Agreement incurred interest of 1.75% in the case of the Alternative Base rate (ABR) plus applicable margin (from 2.0% or 1.75% or 1.5% depending on average excess availability). In the case of Eurodollar loans, 2.75% plus applicable margin (from 2.5% or 2.75% or 3.0% depending on average excess availability). Effective 29 April 2021, borrowings under the ABL Credit Agreement bear interest of 1.0% in the case of the Alternative Base rate (ABR) plus applicable margin (from 0.75% or 1.0% or 1.25% depending on average excess availability). In the case of Eurodollar loans, 2.0% plus applicable margin (from 1.75% or 2.0% or 2.25% depending on average excess availability).

*Commitment Fees.* In addition to paying interest on outstanding principal under the ABL Credit Agreement, the Group is required to pay a commitment fee that was initially 0.375% per annum in respect of the unutilized commitments thereunder. The commitment fee rate on Tranche A from time to time is 0.250% or 0.500% depending on the amount of unused commitments under the ABL Credit Agreement for the prior fiscal quarter. The commitment fee rate on Tranche B is 0.500%. The Group must also pay customary letter of credit fees between 1.75% to 2.75% based on average excess availability, and fronting fees equal to 0.125% of the face amount for each letter of credit issued.

Effective 2 May 2022, the Group is required to pay a commitment fee of 0.375% (2022: 0.250%) depending on the amount of unused commitment under ABL Credit Agreement for the prior fiscal quarter.

As at 30 April 2024, there were US$472.2 million (30 April 2023: US$465.0 million) of loans outstanding and US$23.5 million of letters of credit issued (30 April 2023: USS$24.3 million). The net availability to DMFI Group under the ABL Credit Agreement was US$254.2 million as at 30 April 2024 (30 April 2023: US$135.7 million). The weighted average interest rate was approximately 9.02% per annum in 2024 (2023: 7.32%). The ABL Credit Agreement includes a sub limit for letters of credit and for borrowings on same day notice, referred to as "swingline loans."

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

*Guarantee of Obligations under the Term Loan Credit Agreements and the ABL Credit Agreement*. All obligations of DMFI under the Term Loan Credit Agreements and the ABL Credit Agreement are unconditionally guaranteed by the DMFHL and by substantially all existing and future, direct and indirect, wholly owned material restricted domestic subsidiaries of DMFI, subject to certain exceptions. DMFI was released from the guarantees after payment of First and Second Lien Term Loans on 15 May 2020.

## 18. Loans and borrowings (cont'd)

(2) ABL Credit Agreement (cont'd)

On 19 April 2023, the Group amended and restated the ABL agreement to include DMPL arrangements, revisions on the Consolidated Fixed Charge Coverage Ratio and Excess Availability and; delivery of Defined Inventory and Return of Inventory Purchaser deposit.

a. The Group to maintain and keep DMPL arrangements in place at all times until the end of the Relief Period

b. (A) During the Relief Period, permit Excess Availability to be less than or equal to (a) US$25.0 million at any time during the first period, (b) US$30.0 million at any time during the Second Period and (B) following the Relief Period, permit Excess Availability to be less than or equal to (a) US$15.0 million at any time during the Fourth period and (b) US$25.0 million at any time thereafter.

c. The Group under the ABL credit agreement to deliver any Defined Inventory to the Inventory Purchaser pursuant to the Inventory Purchase Agreement or otherwise other than deliveries in an aggregate amount not to exceed $5.0 million in compliance with the terms of this Agreement (including, without limitation, (i) the provisions set forth in the defined term "Eligible Inventory" and (ii) the requirement to deliver a Defined Inventory Notice with respect to the delivery of any Defined Inventory; and/or (b) return any portion of the Inventory Purchaser Deposit to the Inventory Purchaser.

***Security interests***

The ABL Credit Agreement is generally secured by a first priority lien on DMFI's inventories and accounts receivable and by a third priority lien on substantially all other assets excluding real estate.

*Restrictive and Financial Covenants.* The ABL Credit Agreement includes restrictive covenants limiting the Group's ability, and the ability of the Group's restricted subsidiaries, to incur additional indebtedness, create liens, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions or repurchase the Group's capital stock, make investments, loans or advances, prepay certain indebtedness, engage in certain transactions with affiliates, amend agreements governing certain subordinated indebtedness adverse to the lenders, and change the Group's lines of business.

An amendment was executed to the ABL agreement in July 2024 (Note 41).

## 18. Loans and borrowings (cont'd)

| Classification | Original Principal (In '000) | Outstanding Balance (In '000) | Interest Rate % p.a. | Calendar year maturity | Payment Terms (e.g., annually, quarterly, etc.) | Interest paid 1 May 2023 to 30 Apr 2024 (In '000) |
|---|---|---|---|---|---|---|
| ***Held by the Company:*** | | | | | | |
| Secured loan [1] | USD 30,000 | USD 24,000 | 8.2252% | 2024 | Quarterly interest payments and principal 20% in fiscal year 2024, and balance on maturity. | USD 2,372 |
| Secured bridging loan [2 | USD 50,000 | USD 45,000 | 8.1726% | 2025 | Monthly interest payment and principal 10% on February 2024, 10% on August 2024 and 80% on maturity date. | USD 2,139 |
| Secured loan [3] | USD 45,000 | USD 40,500 | 8.8063% | 2025 | Quarterly interest payment and principal 5% on April 2023, 5% on April 2024 and 90% on maturity date. | USD 3,786 |
| Unsecured loan [3] | USD 30,000 | USD 24,000 | 8.55% | 2025 | Quarterly interest payment and principal 20% on four equal semi-annual instalments starting October 2022 and 80% on maturity date. | USD 2,265 |
| Unsecured loan [4] | USD 75,000 | USD 64,773 | 7.0916% | 2024 | Quarterly interest payment and principal 15% on eleven equal quarterly instalments starting January 2022 and 85% on maturity date. | USD 4,817 |
| Unsecured loan [4] | USD 50,000 | USD 50,000 | 6.5700% | 2026 | Quarterly interest payment; and principal on eight quarterly instalments starting February 2025. | USD 547 |
| Secured loan [5] | USD 100,000 | USD 100,000 | 8.6093% | 2024 | Monthly interest payments and principal on maturity date. | USD 8,677 |
| Unsecured bonds [6] | USD 90,000 | USD 90,000 | 3.75% | 2024 | Semi-annual interest payments and principal on maturity date. | USD 3,375 |

## 18. Loans and borrowings (cont'd)

| Classification | Original Principal (In '000) | Outstanding Balance (In '000) | Interest Rate % p.a. | Calendar year maturity | Payment Terms (e.g., annually, quarterly, etc.) | Interest paid 1 May 2023 to 30 Apr 2024 (In '000) |
|---|---|---|---|---|---|---|
| ***Held by the subsidiaries:*** | | | | | | |
| Unsecured bonds [7] | PHP 654,900 | PHP 645,900 | 5Y 3.7563% | 2025 | Quarterly interest payments and principal on maturity date | PHP 19,882 |
| Unsecured loan [8] | PHP 5,800,000 | PHP 5,800,000 | 7.25% | 2028 | Quarterly interest payment; and principal on thirteen quarterly instalments starting October 2025 | PHP 216,006 |
| Unsecured loan [9] | PHP 3,000,000 | PHP 3,000,000 | 7.25% | 2028 | Quarterly interest payment; and principal on twelve quarterly instalments starting January 2026 | PHP 109,958 |
| Unsecured loan [9] | PHP 1,500,000 | PHP 1,312,500 | 7.4210% | 2025 | Quarterly interest payment; and principal on eight quarterly instalments starting February 2024 | PHP 103,071 |
| Secured loan [10] | USD 725,000 | USD 716,247 | 9.6802% | 2029 | Monthly interest payments and quarterly instalment payments of US$1.5 million in January 2023 and US$1.8 million beginning May 2023 and balance on maturity date | USD 71,222 |
| ABL | USD 575,000 | USD 472,223 | 9.02% | 2027 | No fixed terms | USD 48,477 |

## 18. Loans and borrowings (cont'd)

[1] On 14 December 2022, the Company obtained a long-term loan amounting to US$30.0 million to partly finance redemption of series A-2 preference shares. The loans mature in December 2024. The Company is in compliance with the loan covenants requiring testing as at 30 April 2024 and 2023.

[2] The secured bridging loans of US$50.0 million as at 30 April 2024 (2023: US$60.0 million) represent the remaining balance for the bridging loan that was obtained by the Company to finance the acquisition of Sager Creek and its related costs. The previous US$60.0 million bridging loan matured in August 2023.

On 3 August 2023, the Company refinanced the bridging loan with a new US$50.0 million maturing in February 2025 with a variable interest rate of 8.1726% per annum. The Company is in compliance with the loan covenants requiring testing as at 30 April 2024 and 2023.

[3] On 4 April 2022, the Company obtained long-term loans and amounting to US$45.0 million (secured) and US$30.0 million (unsecured) from two different banks, to partly finance redemption of series A-1 preference shares. The loans will mature in April 2025. The Company is in compliance with the loan covenants requiring testing as at 30 April 2024 and 2023.

[4] In fiscal year 2020, the Company obtained long-term loans amounting to US$75.0 million maturing in October 2024, to refinance existing debt.

In fiscal year 2024, the Company obtained long-term loans amounting to US$50.0 million maturing in November 2026, to refinance existing debt.

The Company is in compliance with the loan covenants as at 30 April 2024 and 2023.

[5] On 15 May 2020, the Company obtained a long-term amounting to US$100.0 million maturing on 15 May 2023, to finance the Company's subscription of equity shares in DMPL Foods Limited, the proceeds of which were used by DMFI to partially pay its borrowings. The loans are secured by first ranking security interest over DMPI shares. On 15 May 2023, the loan maturity was extended to November 2024. The Company is in compliance with the loan covenants as at 30 April 2024 and 2023.

[6] On 9 December 2021, the Company issued unsecured bonds amounting to US$90.0 million. The bonds bear fixed interest of 3.75% per annum and mature on 9 December 2024. The proceeds were used to partly finance redemption of series A-1 preference shares.

## 18. Loans and borrowings (cont'd)

[7] On 30 October 2020, DMPI issued peso-denominated fixed rate bonds with an aggregate principal amount of US$90.1 million (Php5.0 billion) with an oversubscription option of up to US$45.0 million (Php2.5 billion).

The following are the series of the bonds:

(i) 3.4840% per annum. three-year fixed-rate bonds due October 2023; and
(ii) 3.7563% per annum five-year fixed-rate bonds due October 2025.

The net proceeds of the bonds were used by DMPI to repay its existing short-term and unsecured loans. As of 30 April 2024, US$11.2 million (Php645.9 million) five-year fixed-rate bonds remain outstanding. DMPI had been compliant with its bond covenants as at 30 April 2024 and 2023.

[8] On 31 October 2023, DMPI obtained a long-term loan facility amounting to US$100.7 million (Php5.8 billion) payable over thirteen equal quarterly instalments with the first repayment date due in October 2025 and last repayment date due in October 2028 at a variable interest rate (April 2024: 7.25% per annum) to finance payment of the three-year Php5.8 billion bonds. DMPI had been compliant with its loan covenants as at 30 April 2024 and 2023.

[9] On 6 November 2020, DMPI availed of an unsecured long-term credit facility amounting to US$27.0 million (Php1.5 billion) at a variable interest rate (2024: 7.421% per annum, 30 April 2023: 5.5268%), maturing in 2025, to refinance existing debts. The loan shall be repaid in five years, inclusive of a three-year grace period on the principal, the principal payable in eight equal quarterly instalments to commence at the end of the 13th quarter from the initial drawdown date until fully paid. DMPI is in compliance with the loan covenants as at 30 April 2024 and 2023.

On 31 October 2023, DMPI obtained a long-term loan facility amounting to US$52.1 million (Php3.0 billion) payable over twelve equal quarterly instalments with the first repayment date due in January 2026 and last repayment date due in October 2028 at a variable interest rate 7.25% per annum for general corporate requirements and to refinance existing debts.

DMPI is in compliance with the loan covenants as at 30 April 2024 and 2023.

[10] DMFI is a party to a Term Loan B agreement with the lenders party thereto, Goldman Sachs Bank USA as administrative agent and as collateral agent, that provided for a total term loan of US$725.0 million with a term of seven years. The initial term loan amounting to US$600.0 million was obtained on 16 May 2022 and additional term loan amounting to US$125.0 million was obtain on 7 February 2023. The term loan will mature on 16 May 2029.

*Interest Rates*. The term loans bear an interest equal to the adjusted term SOFR plus a spread adjustment of 0.10% and margin of 4.25%. As of 30 April 2024, the interest rate for the Term Loan is 9.68% per annum (2023: 9.31% per annum). Interest is initially payable monthly and can be paid quarterly at DMFI's option.

## 18. Loans and borrowings (cont'd)

[10] *Principal Payments*. The outstanding principal amount is payable i) commencing with the last day of each fiscal quarter following 16 May 2022 and on the last day of each fiscal quarter thereafter prior to the maturity date of the term loan, in each case, in an amount equal to 0.25% of the original principal amount of the initial term loan and ii) on the maturity date, in an amount equal to the remainder of the principal amount of the initial term loans outstanding on such date, together, in each case, with accrued and unpaid interest on the principal amount to be paid to but excluding the date of such payment. In the event any new term loans are made, such new term loans shall be repaid on each instalment date occurring on or after the applicable increased amount date in the manner specified in the agreement.

*Ability to Incur Additional Indebtedness*. DMFI may, by written notice to Administrative agent, elect to request prior to maturity date, an increase to the existing term loans or the establishment of one or more new term loan commitments by the available incremental amount, and not less than US$5.0 million individually (or such lesser amount which shall reasonably be approved by administrative agent or such lesser amount that shall constitute the difference between the available incremental amount and all such New Term Loan Commitments obtained prior to such date), and integral multiples of US$1.0 million in excess of that amount.

DMFI is compliant with the Term Loan B Agreement loan covenants as at 30 April 2024 and 2023.

*Debt issuance costs*

Loans and borrowings are stated net of unamortized debt issuance cost. The balance of unamortized debt issuance cost are as follows:

| | | **Group** | | **Company** | |
|---|---|---|---|---|---|
| | **Note** | **Year ended 30 April 2024** US$'000 | **Year ended 30 April 2023** US$'000 | **Year ended 30 April 2024** US$'000 | **Year ended 30 April 2023** US$'000 |
| At beginning of the year | | 23,157 | 35,359 | 1,462 | 2,732 |
| Additions | | 4,764 | 20,295 | 389 | 218 |
| Write-off | | – | (26,341) | – | – |
| Amortization | 26 | (5,844) | (6,156) | (1,207) | (1,488) |
| At end of the year | | 22,077 | 23,157 | 644 | 1,462 |

## 19. Other noncurrent liabilities

| | Group | |
|---|---|---|
| | 30 April 2024 US$'000 | 30 April 2023 US$'000 |
| Noncurrent portion of long-term equipment financing | 22,444 | – |
| Workers' compensation | 16,156 | 13,268 |
| Derivative liabilities | – | 3,097 |
| Accrued vendors liabilities | 277 | 461 |
| | 38,877 | 16,826 |

In October 2023, DMFI entered into an agreement to sell and lease back equipment for 60 months at an interest of 6.57% per annum with gross proceeds amounting to US$32.4 million. Based on the agreement, the Group has the option to repurchase the equipment for an agreed purchase price, thus, this transaction did not qualify as sale and leaseback and is accounted as financial liabilities under "long-term equipment financing" in accordance with IFRS 9, *Financial Instruments*.

Workers' compensation are liabilities for wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence.

**Derivative liabilities**

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

As at 30 April 2024 and 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:

| | | Group | |
|---|---|---|---|
| | Note | 30 April 2024 US$'000 | 30 April 2023 US$'000 |
| Commodity contracts | | (16) | (3,928) |
| Foreign currency forward contract | | (1,571) | 1,061 |
| Interest rate cap | | – | 6,189 |
| Interest rate swap | | – | (1,105) |
| Total | | (1,587) | 2,217 |
| Included in: | | | |
| Other noncurrent assets | 10 | – | 6,189 |
| Prepaid expenses and other current assets | 14 | 1,179 | 2,678 |
| Trade payables and other current liabilities | 22 | (2,766) | (3,553) |
| Other noncurrent liabilities | | – | (3,097) |
| | | (1,587) | 2,217 |

## 19. Other noncurrent liabilities (cont'd)

**Derivative liabilities (cont'd)**

*Interest Rates*

As of 30 April 2024 and 2023, the Group designated each of its derivative contracts as a hedge of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge").

The Group adopts a policy of hedging its floating rate exposure in accordance with the current rate environment and expected debt balances. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at a floating rate using interest rate cap and interest rate swaps as hedges of the variability in cash flows attributable to movements in interest rates. The Group applies a hedge ratio in accordance with the risk management objectives.

The Group determines the existence of an economic relationship between the hedging instrument and hedged item based on the reference interest rates, tenors, repricing dates and maturities and the notional quantity or par amounts.

The Group assesses whether the derivative designated in each hedging relationship is expected to be effective in offsetting changes in cash flows of the hedged item using the hypothetical derivative method. Changes in the fair value of the cap other than intrinsic value is excluded from the assessment of effectiveness and amortized over the hedging period using a straight-line method.

In these hedging relationships, the main sources of ineffectiveness are the effect of the counterparty's and the Group's own credit risk on the fair value of the swaps, which is not reflected in the change in the fair value hedged cash flows attributable to the change in interest rates, and differences in repricing dates between the swaps and the borrowings.

On 25 April 2024, the Group pre-terminated both interest rate cap and interest rate swap hedges, resulting to recognition of US$4.4 million expense and US$4.8 million income, respectively. For interest rate cap, US$10.5 million was retained in the OCI for the intrinsic value of the hedge to be amortized systematically in accordance with the related loan.

Significant terms of the interest rate cap and interest rate swap contracts are as follows:

<u>30 April 2023</u>

*Interest rate cap*

| Contract Date | Notional amount US$ '000 | Fixed Rate | Strike Rate | Effective Date | Maturity Date |
|---|---|---|---|---|---|
| 8 April 2022 | 575,000 | 0.84% | 3.00% | 1 May 2023 | 1 April 2026 |

*Interest rate swap*

| Contract Date | Notional amount US$ '000 | Fixed Rate | Floating SOFR | Effective Date | Maturity Date |
|---|---|---|---|---|---|
| 23 March 2023 | 250,000 | 3.84% | Varies | 24 March 2023 | 16 May 2029 |

## 19. Other noncurrent liabilities (cont'd)

### Derivative liabilities (cont'd)

Notional amount of US$200.0 million, US$200.0 million and US$175.0 million will mature on 1 April 2024, 2025 and 2026, respectively. The floating rate is based on secured overnight financing rate (SOFR). In April 2024, the Group has pre-terminated both the interest rate cap and interest rate swap.

*Commodities*

Certain commodities such as diesel fuel and natural gas (collectively, "commodity contracts") are used in the production and transportation of the Group's products. Generally, these commodities are purchased based upon market prices that are established with the vendors as part of the purchase process. The Group may use futures, swaps, and swaption or option contracts, as deemed appropriate, to reduce the effect of price fluctuations on anticipated purchases. These contracts may have a term of up to 24 months. The Group accounts for these commodity derivatives as cash flow hedges. The effective portion of derivative gains and losses is deferred in equity and recognized as part of cost of products sold in the appropriate period and the ineffective portion is recognized as cost of products sold.

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

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

The notional amounts of the Group's commodity contracts were as follows as of 30 April 2024 and 2023:

| | **30 April 2024** US$'000 | **30 April 2023** US$'000 |
|---|---|---|
| Natural gas (MMBTU) | 618 | 1,039 |
| Diesel (gallons) | 4,358 | 5,786 |
| Gas (oil barrels) | 96 | 47 |

*Foreign Currency*

From time to time, the Group manages its exposure to fluctuations in foreign currency exchange rates by entering into forward contracts to cover a portion of its projected expenditures paid in local currency. These contracts may have a term of up to 24 months. The Group accounted for these contracts as cash flow hedges.

| | **30 April 2024** US$'000 | **30 April 2023** US$'000 |
|---|---|---|
| Mexican pesos | 278,783 | – |
| United States dollar | 197,000 | 154,000 |

## 19. Other noncurrent liabilities (cont'd)

### Derivative liabilities (cont'd)

### Amounts Relating to Hedged Items

The amounts at the reporting date relating to items designated as hedged items are as follows:

| | 30 April 2024 | | |
|---|---|---|---|
| | **Change in value used for calculating hedge effectiveness** | **Cash flow hedge reserve** | **Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied** |
| | US$'000 | US$'000 | US$'000 |
| **Interest rate risk** | | | |
| Variable rate instruments | 5,065 | 11,552 | – |
| **Commodity price risk** | | | |
| Inventory purchases | (897) | (3,351) | – |
| **Foreign exchange risk** | | | |
| Foreign currency forwards | (520) | (1,735) | – |

| | 30 April 2023 | | |
|---|---|---|---|
| | **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** |
| | US$'000 | US$'000 | US$'000 |
| **Interest rate risk** | | | |
| Variable rate instruments | (12,437) | 9,238 | – |
| **Commodity price risk** | | | |
| Inventory purchases | 5,264 | (8,394) | – |
| **Foreign exchange risk** | | | |
| Foreign currency forwards | 3,449 | 493 | – |

## 19. Other noncurrent liabilities (cont'd)

### Derivative liabilities (cont'd)

### Amounts Relating to Hedging Instruments (cont'd)

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

| | 30 April 2024 | | | | During 2024 | | |
|---|---|---|---|---|---|---|---|
| | Notional amount | Carrying amount Assets | Carrying amount Liabilities | Line item in the statement of financial position where the hedged instrument is included | Change in the value of hedge instrument recognized in OCI | Amount reclassified from hedging reserve to profit or loss | Line item in profit or loss affected by the reclassification |
| | US$'000 | US$'000 | US$'000 | | US$'000 | US$'000 | |
| **Interest rate risk** | | | | | | | |
| Interest rate swaps/cap | – | – | – | – | – | (11,049) | Net finance expense |
| **Commodity price risk** | | | | | | | |
| Commodity contracts | | | | | | | |
| Natural gas (MMBTU) | 618 | – | (733) | Derivative liabilities – Current | 2,796 | 1,858 | Cost of sales |
| Diesel (gallons) | 4,358 | 484 | – | Prepaid and Other Current Assets | 1,326 | (701) | Cost of sales |
| Gas oil (barrels) | 96 | 233 | – | Prepaid and Other Current Assets | (3,225) | – | |
| **Foreign exchange risk** | | | | | | | |
| Foreign currency forward (USD) | 197,000 | – | (2,033) | Derivative liabilities – Current | 757 | – | Net finance expense |
| Foreign currency forward (MXN) | 278,783 | 462 | – | Prepaid and Other Current Assets | (237) | (474) | Cost of sales |
| | | | | | 1,417 | (10,366) | |

## 19. Other noncurrent liabilities (cont'd)

### Derivative liabilities (cont'd)

### Amounts Relating to Hedging Instruments (cont'd)

| | 30 April 2023 | | | | During 2023 | | |
|---|---|---|---|---|---|---|---|
| | Notional amount | Carrying amount Assets | Carrying amount Liabilities | Line item in the statement of financial position where the hedged instrument is included | Change in the value of hedge instrument recognized in OCI | Amount reclassified from hedging reserve to profit or loss | Line item in profit or loss affected by the reclassification |
| | US$'000 | US$'000 | US$'000 | | US$'000 | US$'000 | |
| **Interest rate risk** | | | | | | | |
| Interest rate swaps | 250,000 | 1,617 | – | Prepaid and Other Current Assets | 12,437 | – | |
| Interest rate swaps | – | – | (2,722) | Derivative liabilities – Noncurrent | – | – | |
| Interest rate cap | 575,000 | 6,189 | – | Derivative assets - Noncurrent | – | – | |
| **Commodity price risk** | | | | | | | |
| Commodity contracts Natural gas | 1,039 | – | (1,596) | Derivative liabilities – Current | (2,557) | (861) | Cost of sales |
| (MMBTU) | | | (75) | Derivative liabilities – Noncurrent | | | |
| | | | (1,455) | | | | |
| Diesel (gallons) | 5,786 | – | (300) | Derivative liabilities – Current | (2,176) | (403) | Cost of sales |
| Gas oil (barrels) | 47 | – | (502) | Derivative liabilities – Current | (531) | – | |
| **Foreign exchange risk** | | | | | | | |
| Foreign currency forward (USD) | 154,000 | 1,061 | – | Prepaid and Other Current Assets | 1,122 | – | Net finance expense |
| Foreign currency forward (MXN) | – | – | – | – | (4,571) | (4,107) | Cost of sales |
| | | | | | 3,724 | (5,371) | |

## 19. Other noncurrent liabilities (cont'd)

### Derivative liabilities (cont'd)

### Hedging Reserves

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

| | Group | |
|---|---|---|
| | **30 April 2024** US$'000 | **30 April 2023** US$'000 |
| Balance at beginning of year | 1,426 | (5,395) |
| Changes in fair value: | | |
| - Interest rate risk | (5,065) | 12,437 |
| - Commodity risk | 897 | (5,264) |
| - Foreign exchange risk | 520 | (3,449) |
| Amount reclassified to profit or loss | | |
| - Interest rate risk | 11,049 | – |
| - Commodity risk | (1,157) | 1,264 |
| - Foreign exchange risk | 474 | 4,107 |
| Tax movements on reserves during the year | (1,679) | (2,274) |
| Balance at end of year | 6,465 | 1,426 |

## 20. Employee benefits

| | Group | | Company | |
|---|---|---|---|---|
| | **30 April 2024** US$'000 | **30 April 2023** US$'000 | **30 April 2024** US$'000 | **30 April 2023** US$'000 |
| Pension asset | 7,800 | 10,630 | – | 60 |
| | 7,800 | 10,630 | – | 60 |
| Post-retirement benefit obligation | 6,103 | 6,795 | – | – |
| Executive retirement plan | 1,928 | 2,188 | – | – |
| Cash incentive award | – | 4,024 | – | – |
| Short-term employee benefits | 22,698 | 17,972 | – | – |
| Other plans | 1,356 | 2,894 | – | – |
| Net defined benefit liability | 7,592 | 11,701 | 112 | – |
| Total employee benefit liability | 39,677 | 45,574 | 112 | – |
| Current | 23,899 | 24,280 | – | – |
| Noncurrent | 15,778 | 21,294 | 112 | – |
| | 39,677 | 45,574 | 112 | – |

Included in pension asset of the Group and Company is an amount of US$7.8 million and nil (2023: US$10.6 million and US$0.1 million), respectively, relating to the defined benefit and defined contribution retirement plans in DMPI.

Included in post-retirement benefit obligation is an amount of US$6.1 million (2023: US$6.8 million) relating to the post-retirement medical benefits plan in DMFI.

Included in net defined benefit liability is an amount of US$7.6 million and US$0.1 million (2023: US$11.7 million and nil) relating to the qualified retirement plans in DMFI and ROHQ, respectively.

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

***The DMPI Multi Employer Retirement Plan***

DMPI has both funded defined benefit and defined contribution retirement plans (the "Plan") which covers all of regular employees as well as of those under DMPL - ROHQ. Contributions and costs are determined in accordance with the actuarial study made for the Plan. Annual cost is determined using the projected unit credit method. DMPI's latest actuarial valuation date is 30 April 2024. Valuations are obtained on a periodic basis.

## 20. Employee benefits (cont'd)

***The DMPI Multi Employer Retirement Plan (cont'd)***

Starting on the date of membership of an employee in the Plan, DMPI shall contribute to the retirement fund 7.00% of the member's salary as defined every month. In addition, DMPI shall contribute periodically to the fund the amounts which may be required to meet the guaranteed minimum benefit provision of the plan. Such contributions shall not be allocated nor credited to the individual accounts of the members, but shall be retained in a separate account to be used in cases where the guaranteed minimum benefit applies.

Benefits are based on the total amount of contributions and earnings credited to the personal retirement account of the plan member at the time of separation or the 125% of the final basis salary multiplied by the number of credited years of service under the plan, whichever is higher. The manner of payment is lump sum, payable immediately.

The retirement plan meets the minimum retirement benefit specified under Republic Act No. 7641, The Philippine Retirement Pay Law.

The fund is administered by a trustee bank under the supervision of the Board of Trustees of the Plan.

The Board of Trustees is responsible for investment strategy of the Plan.

DMPI does not expect to make contributions to the plan in fiscal year 2025.

***The DMFI Plan***

DMFI sponsors a qualified defined benefit pension plan (the "DMFI Plan") and several unfunded defined benefit post-retirement plans providing certain medical, dental, and life insurance benefits to eligible retired, salaried, non-union hourly and union employees. The DMFI Plan comprises of two parts:

- The first part is a cash balance plan ("Part B") which provides benefits for eligible salaried employees and provides that a participant's benefit derives from the accumulation of monthly compensation and interest credits. Compensation credits are calculated based upon the participant's eligible compensation and age each month. Interest credits are calculated each month by applying an interest factor to the previous month's ending balance. Participants may elect to receive their benefit in the form of an annuity or a lump sum. Part B of the plan was frozen to new participants effective 31 December 2016, which the active participation of certain participants was grandfathered subject to meeting participation requirements.

- The second part is an arrangement which provides for grandfathered and suspended hourly participants a traditional pension benefit based upon service, final average compensation and age at termination. This plan was frozen since 31 December 1995, which the active participation of certain participants was grandfathered and the active participation of other participants was suspended.

## 20. Employee benefits (cont'd)

***The DMFI Plan (cont'd)***

DMFI currently meets and plans to continue to meet the minimum funding levels required under local legislation, which imposes certain consequences on DMFI's defined benefit plan if it does not meet the minimum funding levels. The Company did elect to use funding balance to offset minimum required contributions. The amount of the 2024 funding balance elected to be used to offset the 2024 minimum contributions (amount as of the beginning of the 2024 Plan Year) was US$0.8 million. The amount is rolled forward with interest to the due date of any required contribution, is intended to offset any contributions required for the 2024 plan year, including quarterly contributions due.

## 20. Employee benefits (cont'd)

### Movement in net defined benefit liability (asset)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability (asset) and its components:

| | 30 April 2024 | | | | 30 April 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Defined benefit obligation US$'000 | Fair value of plan assets US$'000 | Effect of Asset Ceiling US$'000 | Net defined benefit liability (asset) US$'000 | Defined benefit obligation US$'000 | Fair value of plan assets US$'000 | Effect of Asset Ceiling US$'000 | Net defined benefit liability (asset) US$'000 |
| **Group** | | | | | | | | |
| Beginning balance | 243,788 | (238,402) | 2,480 | 7,866 | 269,094 | (262,372) | 1,673 | 8,395 |
| **Included in profit or loss:** | | | | | | | | |
| Current service cost | 2,154 | – | – | 2,154 | 2,126 | – | – | 2,126 |
| Plan administration cost | – | 2,222 | – | 2,222 | – | 939 | – | 939 |
| Interest cost/(income) | 11,634 | (11,395) | 151 | 390 | 10,806 | (10,623) | 85 | 268 |
| | 257,576 | (247,575) | 2,631 | 12,632 | 282,026 | (272,056) | 1,758 | 11,728 |
| **Included in OCI** | | | | | | | | |
| Remeasurements loss (gain): | | | | | | | | |
| - Actuarial loss (gain) arising from: | | | | | | | | |
| - financial assumptions | (9,992) | – | – | (9,992) | (13,784) | – | – | (13,784) |
| - demographic assumptions | (1,161) | – | – | (1,161) | (1,024) | – | – | (1,024) |
| - experience adjustment | (142) | – | – | (142) | 2,603 | – | – | 2,603 |
| - Return on plan assets excluding interest income | – | 3,535 | – | 3,535 | – | 7,952 | – | 7,952 |
| - Changes in the effect of the asset ceiling | – | – | (1,020) | (1,020) | – | – | 837 | 837 |
| - Effect of movements in exchange rates | (988) | 4,540 | (261) | 3,291 | (1,343) | 2,357 | (115) | 899 |
| | (12,283) | 8,075 | (1,281) | (5,489) | (13,548) | 10,309 | 722 | (2,517) |
| **Others** | | | | | | | | |
| Contributions | – | (620) | – | (620) | – | (472) | – | (472) |
| Benefits paid | (25,734) | 25,106 | – | (628) | (24,690) | 23,817 | – | (873) |
| | (25,734) | 24,486 | – | (1,248) | (24,690) | 23,345 | – | (1,345) |
| **Ending balance** | 219,559 | (215,014) | 1,350 | 5,895 | 243,788 | (238,402) | 2,480 | 7,866 |

## 20. Employee benefits (cont'd)

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

**Represented by:**

| | Net defined benefit liability (asset) | |
|---|---|---|
| | **30 April 2024** | **30 April 2023** |
| | US$'000 | US$'000 |
| Pension asset | (7,800) | (10,630) |
| Post-retirement benefit obligation | 6,103 | 6,795 |
| Net defined benefit liability | 7,592 | 11,701 |
| | 5,895 | 7,866 |

***Plan assets***

Plan assets comprise:

| | Group | |
|---|---|---|
| | **30 April 2024** | **30 April 2023** |
| | US$'000 | US$'000 |
| Interest-bearing cash/bank deposits | 2,925 | 3,318 |
| Real estate (within Philippines) | 17,517 | 14,386 |
| Common collective trust funds: | | |
| Fixed income | 48,237 | 53,055 |
| Equity fund | 62,760 | 69,060 |
| Mutual funds - | | |
| Equity fund | 8,319 | 9,154 |
| Debt instruments: | | |
| Corporate | 34,294 | 37,733 |
| Government | 36,743 | 41,950 |
| Others | 5,309 | 5,285 |
| Equity securities - | | |
| Quoted | 1,582 | 3,661 |
| Others | (2,671) | 800 |
| Fair value of plan assets | 215,015 | 238,402 |

The Board of DMFI reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching ("ALM") strategy and investment risk management policy. DMFI's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Group monitors how the duration and expected yield of the investments match the expected cash outflows arising from the retirement benefit obligation.

## 20. Employee benefits (cont'd)

***Plan assets (cont'd)***

DMFI's investment objectives are to ensure that the assets of its qualified defined benefit plan are invested to provide an optimal rate of investment return on the total investment portfolio, consistent with the assumption of a reasonable risk level, and to ensure that pension funds are available to meet the plan's benefit obligations as they become due.

DMFI believes that a well-diversified investment portfolio, including both equity and fixed income components, will result in the highest attainable investment return with an acceptable level of overall risk. DMFI's investment policies and procedures are designed to ensure that the plan's investments are in compliance with the Employee Retirement Income Security Act ("ERISA").

***Actuarial valuation***

The funded obligations and plan assets are measured and valued with the advice of qualified actuary who carries out a full valuation annually. The last valuation of these obligations and plan was performed in April 2024 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 30 April 2024.

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

| | DMFI | |
|---|---|---|
| | **30 April 2024** | **30 April 2023** |
| Discount rate (per annum) | 5.59%-5.65% | 3.96%-4.50% |

| | DMPI | |
|---|---|---|
| | **30 April 2024** | **30 April 2023** |
| Discount rate (per annum) | 6.29% | 6.58% |
| Future salary increases (per annum) | 5.00% | 5.00% |

| | ROHQ | |
|---|---|---|
| | **30 April 2024** | **30 April 2023** |
| Discount rate (per annum) | 6.27% | 6.50% |
| Future salary increases (per annum) | 5.00% | 5.00% |

## 20. Employee benefits (cont'd)

### *Actuarial valuation (cont'd)*

Since the defined benefit plans and other benefit liabilities are measured on a discounted basis, the discount rate is a significant assumption. The discount rate for DMFI plan was determined based on an analysis of interest rates for high-quality, long-term corporate debt at each measurement date. The discount rate for DMPI and ROHQ Plans were determined based on the theoretical spot yield curve calculated for the government securities market. In order to appropriately match the bond maturities with expected future cash payments, the Group utilized differing bond portfolios to estimate the discount rates for the defined benefits pension plans and for the post-retirement benefits.

The discount rate used to determine the defined benefit plans and for the post-retirement benefits projected benefit obligation as of the reporting date is the rate in effect at the measurement date. The same rate is also used to determine the defined benefit pension plans and post-retirement benefits for the following fiscal year. The defined benefits pension plans' investment guidelines are established based upon an evaluation of market conditions, tolerance for risk and cash requirements for benefit payments. Assumptions regarding future mortality have been based on published statistics and mortality tables.

As at 30 April 2024 the weighted average duration of DMPI's and ROHQ's defined benefit retirement obligation is 6.7 years and 3.7 years, respectively (2023: 7.3 years and 4.8 years, respectively).

The projected future benefit payments for the DMPI and ROHQ plans are as follows:

As of 30 April 2024:

| | **DMPI** | **ROHQ** | **Total Expected Benefit Payments** |
|---|---|---|---|
| | US$'000 | US$'000 | US$'000 |
| 2025 | 3,437 | 543 | 3,980 |
| 2026 | 3,080 | 62 | 3,142 |
| 2027 | 2,514 | 80 | 2,594 |
| 2028 | 3,082 | 83 | 3,165 |
| 2029 | 3,243 | 86 | 3,329 |
| 2030-2034 | 16,515 | 682 | 17,197 |

As of 30 April 2023:

| | **DMPI** | **ROHQ** | **Total Expected Benefit Payments** |
|---|---|---|---|
| | US$'000 | US$'000 | US$'000 |
| 2024 | 3,421 | 69 | 3,490 |
| 2025 | 2,854 | 524 | 3,378 |
| 2026 | 2,867 | 51 | 2,918 |
| 2027 | 2,437 | 66 | 2,503 |
| 2028 | 3,058 | 72 | 3,130 |
| 2039-2033 | 18,421 | 906 | 19,327 |

## 20. Employee benefits (cont'd)

### *Actuarial valuation (cont'd)*

The weighted average duration of DMFI's defined benefit retirement obligation are as follows:

| | Duration (years) 30 April 2024 | Duration (years) 30 April 2023 |
|---|---|---|
| Qualified retirement plan | 8.1 | 8.6 |
| Post-retirement benefits plan | 7.5 | 8.0 |
| Executive retirement plans | N/A | N/A |

The projected future benefit payments for the DMFI plan as of 30 April 2024 and 2023 are as follows:

| 2024 | Normal Retirement US$'000 | Other than Normal Retirement US$'000 | Total US$'000 |
|---|---|---|---|
| Less than one year | 21,014 | 743 | 21,757 |
| More than one year to five years | 72,666 | 2,460 | 75,126 |
| More than five years | 71,990 | 2,314 | 74,304 |

| 2023 | Normal Retirement US$'000 | Other than Normal Retirement US$'000 | Total US$'000 |
|---|---|---|---|
| Less than one year | 21,848 | 727 | 22,575 |
| More than one year to five years | 76,265 | 2,529 | 78,794 |
| More than five years | 75,791 | 2,492 | 78,283 |

## 20. Employee benefits (cont'd)

***Actuarial valuation (cont'd)***

The weighted-average asset allocation of the Group's pension plan assets and weighted-average target allocation as of the measurement date from date of incorporation is as follows:

| | **30 April 2024** | **Target Allocation Range** |
|---|---|---|
| Equity securities | 34% | 34% |
| Debt securities | 58% | 58% |
| Other | 8% | 8% |
| Total | 100% | |

| | **30 April 2023** | **Target Allocation Range** |
|---|---|---|
| Equity securities | 36% | 36% |
| Debt securities | 57% | 57% |
| Other | 7% | 7% |
| Total | 100% | |

The plan exposes the Group to market risk.

The Board of DMFI approves the percentage of asset to be allocated for fixed income instruments and equities. The retirement plan has set maximum exposure limits for each type of permissible investments in marketable securities and deposit instruments. The Board of DMFI may, from time to time, in the exercise of its reasonable discretion and taking into account existing investment opportunities, review and revise such allocation and limits.

## 20. Employee benefits (cont'd)

***Source of estimation uncertainty***

*Measurement of employee benefit obligations*

Pension expense and pension assets/liabilities are determined using certain actuarial estimates and assumptions relating to the discount rate used in valuing the subsidiary's defined benefit obligations and future experiences such as future salary increases, retirement date or age, mortality and turnover rate of covered employees. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognized in the financial statements.

***Sensitivity analysis***

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarizes how the impact on the defined benefit obligation at the end of reporting period would have increased (decreased) as a result of a change in the respective assumptions by the respective percentages below.

| **Defined benefit obligation** | **DMFI** | | | |
|---|---|---|---|---|
| | **2024** | | **2023** | |
| | 0.50% increase US$'000 | 0.50% decrease US$'000 | 0.50% increase US$'000 | 0.50% decrease US$'000 |
| Discount rate (per annum) | (6,816) | 7,339 | (7,490) | 8,038 |

| **Defined benefit obligation** | **DMPI** | | | |
|---|---|---|---|---|
| | **2024** | | **2023** | |
| | 1.0% increase US$'000 | 1.0% decrease US$'000 | 1.0% increase US$'000 | 1.0% decrease US$'000 |
| Discount rate (per annum) | (1,705) | 1,947 | (1,769) | 2,020 |
| Future salary increases (per annum) | 1,958 | (1,745) | 2,032 | (1,811) |

| **Defined benefit obligation** | **ROHQ** | | | |
|---|---|---|---|---|
| | **2024** | | **2023** | |
| | 1.0% increase US$'000 | 1.0% decrease US$'000 | 1.0% increase US$'000 | 1.0% decrease US$'000 |
| Discount rate (per annum) | (45) | 50 | (47) | 52 |
| Future salary increases (per annum) | 51 | (46) | 53 | (48) |

## 20. Employee benefits (cont'd)

***Sensitivity analysis (cont'd)***

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 30 April 2024 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumption shown.

**Accumulated post-retirement benefit obligation**

The accumulated post-retirement benefit obligation is computed in accordance with IAS 19, *Employee Benefits*. This quantity is the actuarial present value of all benefits attributed under the projected unit credit method to service rendered prior to a particular date. Prior to an employee's full eligibility date, the accumulated post-retirement benefit obligation as of a particular date for an employee is the portion of the expected post-retirement benefit obligation attributed to that employee's service rendered to that date; on and after the full eligibility date, the accumulated and expected post-retirement benefit obligations for an employee are the same.

***Source of estimation uncertainty***

Accumulated post-retirement benefit obligation is determined using certain actuarial estimates and assumptions relating to the annual rate(s) of change in the cost of health care benefits currently provided by the post-retirement benefit plans due to factors other than changes in the composition of the plan population by age and dependency status, for each year from the measurement date until the end of the period in which benefits are expected to be paid. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognized in the financial statements.

**Multi-employer plans**

The Group participates in several multi-employer pension plans, which provide defined benefits to covered union employees. Contribution rates to the multi-employer plans are provided in the collective bargaining agreements for the covered union employees. The contribution rates are expressed in terms of specific amounts to be contributed based on hours worked by covered union employees. The Group made contributions of US$3.5 million, US$8.4 million and US$7.9 million during fiscal years 2024, 2023 and 2022, respectively.

The risks of participating in the multi-employer pension plans are as follows:

- assets contributed to the multi-employer plan by the Group may be used to provide benefits to employees of other participating employers;
- if a participating employer stops contributing to the plan, the unfunded obligations of the plan allocable to such withdrawing employer may be partially borne by the Group; and
- if the Group stops participating in some of its multi-employer pension plans, the Group may be required to pay those plans an amount based on its allocable share of the underfunded status of the plan, referred to as a withdrawal liability.

## 20. Employee benefits (cont'd)

### Defined Contribution Plans

The Group participates in two defined contribution plans. Group contributions to these defined contribution plans are based on employee contributions and compensation. The expense recognized under these plans for the year ended 30 April 2024 was US$3.6 million (2023: US$4.8 million; 2022: US$4.2 million).

### Other plans

The Group has various other nonqualified retirement plans and supplemental retirement plans for executives, designed to provide benefits in excess of those otherwise permitted under the Group's qualified retirement plans. These plans are unfunded and comply with IRS rules for nonqualified plans.

## 21. Environmental remediation liabilities

| | Group | |
|---|---|---|
| | **30 April 2024** US$'000 | **30 April 2023** US$'000 |
| At beginning of the year | – | 203 |
| Provisions used during the year | – | (203) |
| At end of the year | – | – |

Provision for environmental remediation relates to legal or constructive obligations incurred by the Group in connection with its operations and have all been settled in 2023.

## 22. Trade payables and other current liabilities

| | Note | Group 30 April 2024 US$'000 | Group 30 April 2023 US$'000 | Company 30 April 2024 US$'000 | Company 30 April 2023 US$'000 |
|---|---|---|---|---|---|
| Trade payables | | 223,069 | 216,700 | 762 | 66 |
| Accrued operating expenses: | | | | | |
| Interest | 39 | 14,688 | 10,441 | 4,708 | 3,228 |
| Advertising | | 9,971 | 4,060 | – | – |
| Trade promotions | | 6,805 | 8,410 | – | – |
| Taxes and insurance | | 18,355 | 11,755 | – | – |
| Professional fees | | 13,847 | 9,200 | 556 | 394 |
| Freight and warehousing | | 13,116 | 8,902 | – | – |
| Salaries, bonuses and other employee benefits | | 3,875 | 2,019 | – | – |
| Utilities | | 1,908 | 3,236 | – | – |
| Tinplate and consigned stocks | | 4,482 | 2,204 | – | – |
| Miscellaneous | | 15,302 | 11,250 | 292 | 309 |
| Overdrafts | | 238 | 1,969 | – | – |
| Accrued payroll expenses | | 4,804 | 5,980 | 3,719 | 4,207 |
| Withheld from employees (taxes and social security cost) | | 2,759 | 2,473 | 41 | 41 |
| Contract liabilities | 24 | 1,032 | 2,366 | – | – |
| VAT payables | | 162 | 214 | – | – |
| Advances from customers | | 165 | 208 | – | – |
| Derivative liabilities | 19 | 2,766 | 3,553 | – | – |
| Other payables | | 37,956 | – | 12,639 | – |
| Current portion of long-term equipment financing | 19 | 5,618 | – | – | – |
| Amounts due to subsidiaries (non-trade) | 37 | – | – | 171,944 | 107,889 |
| | | 380,918 | 304,940 | 194,661 | 116,134 |

Accrued miscellaneous include management fees and other outside services, land and other rental, credit card payable and other importation incidental costs.

Contract liabilities pertain to advances from customers which are generally expected to be recognized as revenue within a period of less than one year. Accordingly, opening contract liabilities are recognized within each reporting period. The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose the aggregate amount of the transaction price of unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period because its contracts have original expected durations of one year or less.

Other payables include the Company's payables to Aviemore Ltd, a wholly-owned subsidiary of NutriAsia Inc, and an entity under the same controlling shareholders of the Company, amounting to US$12.6 million. The amount due is unsecured, bears an interest of 7% per annum, and is payable on demand. Other payables also include a subsidiary's payables to a minority shareholder of the Company, Bluebell Group Holdings Limited amounting to US$19.0 million. The amount due is unsecured, interest-free and payable on demand.

The amounts due to subsidiaries are unsecured, interest-free and payable on demand.

## 22. Trade payables and other current liabilities (cont'd)

***Sources of estimation uncertainty***

*Estimation of trade promotion accruals*

The determination of the unbilled trade promotion accrual requires significant estimation of the amount of discount to be redeemed based on volumes sold when the services are performed and billings are received.

## 23. Leases

***Group as a lessee***

Set out below are the carrying amount of right-of-use assets recognized and the movements during the period:

| | Buildings, land improvements and leasehold improvements<br>US$'000 | Land<br>US$'000 | Machineries and equipment<br>US$'000 | Total<br>US$'000 |
|---|---|---|---|---|
| **Cost** | | | | |
| At 1 May 2022 | 137,477 | 57,076 | 40,918 | 235,471 |
| Additions | 12,354 | 3,052 | 1,265 | 16,671 |
| Lease expiry | – | (871) | – | (871) |
| Currency realignment | (2,110) | (3,252) | – | (5,362) |
| At 30 April 2023 and 1 May 2023 | 147,721 | 56,005 | 42,183 | 245,909 |
| Additions | 12,825 | 13,647 | 1,073 | 27,545 |
| Disposals/Retirements | (5,795) | (1,674) | (168) | (7,637) |
| Lease termination/expiry | (2,891) | – | – | (2,891) |
| Currency realignment | (1,343) | (2,029) | – | (3,372) |
| At 30 April 2024 | 150,517 | 65,949 | 43,088 | 259,554 |
| **Accumulated amortization** | | | | |
| At 1 May 2022 | 59,933 | 20,312 | 31,687 | 111,932 |
| Amortization | 21,323 | 8,700 | 5,935 | 35,958 |
| Lease expiry | – | (871) | – | (871) |
| Currency realignment | (498) | (1,178) | – | (1,676) |
| At 30 April 2023 and 1 May 2023 | 80,758 | 26,963 | 37,622 | 145,343 |
| Amortization | 21,848 | 8,942 | 1,661 | 32,451 |
| Lease termination/expiry | (5,795) | (1,674) | (168) | (7,637) |
| Currency realignment | (644) | (1,227) | – | (1,871) |
| At 30 April 2024 | 96,167 | 33,004 | 39,115 | 168,286 |
| **Carrying amounts** | | | | |
| At 30 April 2023 | 66,963 | 29,042 | 4,561 | 100,566 |
| At 30 April 2024 | 54,350 | 32,945 | 3,973 | 91,268 |

## 23. Leases (cont'd)

***Group as a lessee (cont'd)***

In April 2021, DMPI entered a sale and leaseback of buildings, warehouses and equipment located on foreshore land. The assets were sold to DEARBC and subsequently leased back to DMPI with payment and lease terms of 20 years for both the sale and the lease. Right-of-use assets recognized at commencement date amounted to US$7.1 million which comprises the proportion of the previous carrying amount of the assets that relates to right of use retained by DMPI and the adjustment for below-market terms on the sale of assets. Lease liability and gain on sale and leaseback at commencement date amounted to US$4.8 million and US$0.2 million, respectively.

The following are the amounts recognized in the income statement:

| | Note | 30 April 2024 US$'000 | 30 April 2023 US$'000 |
|---|---|---|---|
| Amortization expense of right-of-use assets | 25 | 32,582 | 32,972 |
| Interest expense on lease liabilities | 26 | 4,692 | 5,443 |
| Expenses relating to short-term leases | 25 | 10,928 | 12,882 |
| Variable lease payments | | 508 | 402 |
| **Total amount recognized in statement of income** | | 48,710 | 51,699 |

Amortization expense is net of amount capitalized to inventories and to PPE as bearer plants during the year, and includes amortization capitalized previously to inventories that were sold during the year amounting to US$ 22.8 million (2023: US$ 23.9 million).

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate such as construction of significant leasehold improvements or significant customization to the leased asset.

The Group included the renewal period for certain lease contract on warehouses as part of the lease term. The Group typically exercises its option to renew for the lease because there will be a significant negative effect on production if a replacement asset is not readily available. The renewable period of land, building and certain warehouse are not included as part of the lease term as these are not reasonably certain to be exercised since it is subject to mutual agreement of both parties and is considered as unenforceable.

## 23. Leases (cont'd)

***Group as a lessee (cont'd)***

DMPI also entered into a lease contract with DEARBC, with an initial contract period of 25 years from 11 January 1999 to 10 January 2024. The lease contract was amended by both parties effective 11 January 2019 to extend the lease period to 10 January 2049. Effective January 2019, both parties also approved the amendment granting the Group the sole option to terminate the lease every five years without incurring penalty until the end of the contract period. Since DMPI has the sole option to terminate the lease every five years without incurring penalty, DMPI has the absolute right to enforce the entire duration of the lease (i.e., lease term).

DMPI assessed the lease term to be five years from 11 January 2019 since it is not yet reasonably certain to renew beyond the initial five-year non-cancellable lease period due to the relatively long-time horizon to be able to forecast the facts and circumstances that will merit the renewal of the contract. There are also no significant economic penalties other than the standing crops which only have a life cycle of up to three years.

On 9 January 2024, the lease term was extended for another 25 years starting 11 January 2024. Starting 1 May 2024, the annual rental rate will increase from Php16,500 per hectare to Php19,000 per hectare and the annual rental rate will increase from Php19,000 per hectare to Php20,000 per hectare starting 1 January 2027.

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

| | **30 April 2024** US$'000 | **30 April 2023** US$'000 |
|---|---|---|
| At the beginning of year | 100,096 | 121,320 |
| Additions | 25,050 | 17,986 |
| Accretion of interest | 6,158 | 6,615 |
| Payments of principal | (35,466) | (38,962) |
| Payments of interest | (2,776) | (3,723) |
| Currency realignment | (1,643) | (3,140) |
| At the end of year | 91,419 | 100,096 |
| Current | 20,470 | 27,892 |
| Noncurrent | 70,949 | 72,204 |
| | 91,419 | 100,096 |

Finance expense in the consolidated statements of cash flows is net of the amount capitalized in PPE as bearer plants (Note 5) amounting to US$1.5 million (2023: US$1.2 million).

## 23. Leases (cont'd)

***Group as a lessor***

The Group has sublease agreements which provides for lease rentals based on an agreed fixed monthly rate. Rental income related to these sublease agreements amounted to US$0.1 million for the fiscal year 2024 (2023: US$0.5 million).

Lease receivables represent amounts to be settled in cash over the remaining lease term. Movement of the lease receivables during the period are as follows:

| | **30 April 2024** US$'000 | **30 April 2023** US$'000 |
|---|---|---|
| **At the beginning of year** | 186 | 691 |
| Adjustments | – | 3 |
| Contractual receipts | (126) | (486) |
| Interest income | 4 | 17 |
| Currency realignment | (7) | (39) |
| **At the end of year** | 57 | 186 |
| Current | – | 126 |
| Noncurrent | 57 | 60 |
| | 57 | 186 |

***Sources of estimation uncertainty***

*Determination of incremental borrowing rate ("IBR") for lease liabilities*

The Group is not able to readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (e.g. when leases are not in the subsidiary's functional currency). The Group uses existing debt borrowing rates of the respective Group's entities as its IBR.

## 24. Revenue

Revenue of the Group comprises fair value gains arising from changes in fair value of the Group's biological assets recognized upon harvest of agricultural produce and gross invoiced sales of goods, net of discounts and returns, recognized when goods are delivered. All intra-group transactions have been excluded from the Group revenue.

| | | Group | | |
|---|---|---|---|---|
| | **Note** | **30 April 2024** | **30 April 2023** | **30 April 2022** |
| | | US$'000 | US$'000 | US$'000 |
| Gross revenue | | 2,895,390 | 2,811,249 | 2,707,207 |
| Fair value gain on biological assets | 11 | 46,462 | 59,105 | 65,678 |
| Less: | | | | |
| Discounts | | (89,450) | (88,990) | (84,255) |
| Returns | | (25,114) | (20,186) | (18,264) |
| Direct promotions | | (399,558) | (339,865) | (328,280) |
| Net revenue | | 2,427,730 | 2,421,313 | 2,342,086 |

Disaggregation of revenue is presented in Note 29.

*Contract balances*

The following table provides information about trade receivables and contract liabilities from contracts with customers:

| | | Group | | |
|---|---|---|---|---|
| | **Note** | **30 April 2024** | **30 April 2023** | **30 April 2022** |
| | | US$'000 | US$'000 | US$'000 |
| Receivables, included in Trade and other receivables – Gross of ECL allowance | 13 | 192,569 | 195,335 | 189,839 |
| Contract liabilities, included in Trade payables and other current liabilities | 22 | 1,032 | 2,366 | 2,091 |

Contract liabilities pertain to advances from customers which are generally expected to be recognized as revenue within a period of less than one year. Accordingly, opening contract liabilities are recognized within each reporting period. The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose the aggregate amount of the transaction price of unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period because its contracts have original expected durations of one year or less. Contract liabilities amounting to US$2.4 million as at 1 May 2023 have been recognized as revenue in fiscal year 2024 (1 May 2022: US$2.1 million).

The Group recognized revenue adjustments from performance obligations satisfied or partially satisfied in previous periods due to changes in estimates of trade promotions, coupon redemptions, cash discounts and penalties amounting to nil, nil and US$0.7 million in fiscal year 2024, 2023 and 2022, respectively.

## 25. Profit before taxation

Profit before taxation is arrived at after charging (crediting):

| | Note | <-- Group | --> | | <-- Company | --> | |
|---|---|---|---|---|---|---|---|
| | | Year ended 30 April 2024 | Year ended 30 April 2023 | Year ended 30 April 2022 | Year ended 30 April 2024 | Year ended 30 April 2023 | Year ended 30 April 2022 |
| | | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 |
| Amortization of intangible assets | 8 | 7,034 | 6,967 | 6,650 | – | – | – |
| Changes in fair value of agricultural produce harvested and sold | 11 | (40,003) | (57,307) | (60,236) | – | – | – |
| Allowance for inventory obsolescence | 12 | 18,700 | 9,542 | 4,135 | – | – | – |
| Inventories recognized as cost of sales | 12 | 1,528,800 | 1,385,159 | 1,300,313 | – | – | – |
| Impairment of trade and nontrade receivables (reversal of impairment) | 13 | 272 | (181) | 1,060 | – | – | – |
| Depreciation of property, plant and equipment | | 161,297 | 154,439 | 146,480 | – | – | – |
| Amortization of right-of-use assets | 23 | 32,582 | 32,972 | 39,292 | 31 | 93 | 93 |
| Short-term leases | 23 | 10,928 | 12,882 | 13,710 | – | – | – |
| Research and development expenses | | 10,486 | 10,237 | 9,970 | – | – | – |
| Audit fees paid to: | | | | | | | |
| - EY Singapore | | 204 | 172 | 95 | 165 | 136 | 60 |
| - SGV | | 1,133 | 1,438 | 1,297 | 222 | 251 | 450 |
| - affiliates of auditors of the Company | | 50 | 50 | 43 | – | – | – |
| - other auditor | | 44 | 6 | 6 | – | – | – |
| Non-audit fees paid to: | | | | | | | |
| - EY Singapore | | 30 | – | – | 30 | – | – |
| - SGV | | 729 | 160 | – | 30 | 111 | – |
| - other auditors | | 84 | 80 | 80 | – | 2 | 2 |
| (Gain) loss on disposal of property, plant and equipment | | (1,754) | 759 | 789 | – | – | – |
| Legal expenses | | 2,521 | 3,646 | 2,318 | 5 | 3 | 8 |
| **Staff costs** | | | | | | | |
| Wages and salaries | | 235,271 | 224,576 | 249,629 | 6,478 | 5,538 | 5,174 |
| Social security costs | | 18,579 | 22,128 | 20,039 | 26 | 22 | 44 |
| Pension costs - defined benefit pension plan* | | 4,499 | 10,401 | 10,426 | 108 | 107 | 145 |
| Pension costs – provident fund | | 4,342 | 5,313 | 4,757 | 5 | 4 | 4 |
| Equity-settled share-based payment transactions** | | – | – | (1,753) | – | – | – |

**Included the effect of post-retirement medical plan amendment and enhanced early retirement program.*
***Net of non-controlling interests amounting to US$0.2 million for 2022.*

Other expenses not included above are advertising and marketing costs, freight, warehousing costs and others.

## 26. Net finance expense

| | Note | <---- Group | ----> | | <---- Company | ----> | |
|---|---|---|---|---|---|---|---|
| | | Year ended 30 April 2024 US$'000 | Year ended 30 April 2023 US$'000 | Year ended 30 April 2022 US$'000 | Year ended 30 April 2024 US$'000 | Year ended 30 April 2023 US$'000 | Year ended 30 April 2022 US$'000 |
| **Finance income** | | | | | | | |
| Interest income from: | | | | | | | |
| - Bank deposits | | 154 | 88 | 43 | – | 1 | 1 |
| - Due from a subsidiary | | – | – | – | – | – | – |
| - Others | | 914 | 824 | 728 | – | 7 | 10 |
| Realized foreign exchange gain | | 3,760 | 12,839 | 1,858 | – | 169 | – |
| Unrealized foreign exchange gain | | 8,345 | 542 | 2,572 | 72 | – | 134 |
| | | 13,173 | 14,293 | 5,201 | 72 | 177 | 145 |
| **Finance expense** | | | | | | | |
| Interest expenses on bank loans | | (200,325) | (125,526) | (91,197) | (46,304) | (30,741) | (12,225) |
| Interest rate swap settlement | | 11,049 | 744 | – | – | – | – |
| Amortization of debt issue cost, discount | 18 | (5,844) | (6,156) | (12,258) | (1,207) | (1,488) | (980) |
| Leases | 23 | (4,692) | (5,443) | (6,345) | – | – | (3) |
| Redemption cost on senior secured notes | | – | (44,530) | – | – | – | – |
| Write-off of deferred financing cost | | – | (26,341) | – | – | – | – |
| Realized foreign exchange loss | | (1,918) | (4,101) | (2,186) | (14) | – | (23) |
| Unrealized foreign exchange loss | | (5,840) | (4,508) | (721) | (2) | (108) | (7) |
| | | (207,570) | (215,861) | (112,707) | (47,527) | (32,337) | (13,238) |
| Net finance expense | | (194,397) | (201,568) | (107,506) | (47,455) | (32,160) | (13,093) |

## 27. Tax expense - net

| | Note | Group<br>Year ended<br>30 April<br>2024<br>US$'000 | Year ended<br>30 April<br>2023<br>US$'000 | Year ended<br>30 April<br>2022<br>US$'000 |
|---|---|---|---|---|
| **Current tax expense** | | | | |
| - Current year | | 14,003 | 26,759 | 20,605 |
| **Deferred tax credit** | | | | |
| - Origination and reversal of temporary differences | 9 | (32,511) | (9,592) | 18,695 |
| | | (18,508) | 17,167 | 39,300 |
| ***Reconciliation of effective tax rate*** | | | | |
| (Loss) profit before taxation | | (150,457) | 42,544 | 154,830 |
| Taxation on profit at applicable tax rates | | (31,587) | 6,201 | 31,048 |
| Final tax on dividend | | 5,931 | 6,586 | 9,477 |
| Non-deductible expenses | | 5,694 | 4,822 | 2,389 |
| Non-taxable income | | (26) | (12) | (6) |
| Change in unrecognized deferred tax asset | | 1,267 | (1,410) | (4,356) |
| Change in tax rate | | – | 1,174 | 1,005 |
| Others | | 213 | (194) | (257) |
| | | (18,508) | 17,167 | 39,300 |

## 27. Tax expense – net (cont'd)

| | Group<br>Year ended<br>30 April<br>2024<br>US$'000 | Year ended<br>30 April<br>2023<br>US$'000 | Year ended<br>30 April<br>2022<br>US$'000 |
|---|---|---|---|
| ***Applicable tax rates*** | | | |
| - Philippines (non-PEZA) | 25.0% | 25.0% | 25.0% |
| - Philippines (PEZA)* | 5.0% | 5.0% | 5.0% |
| - India | 31.2% | 31.2% | 31.2% |
| - Singapore | 17.0% | 17.0% | 17.0% |
| - United States of America | 25.0% | 25.0% | 25.0% |
| - Mexico | 30.0% | 30.0% | 30.0% |

**based on gross profit for the year*

DMPI's production operations in Cagayan de Oro City, Philippines are undertaken in the Philippine Packing Agricultural Export Processing Zone ("PPAEPZ"). This zone was established in accordance with the regulations of the Philippine Economic Zone Authority ("PEZA"). DMPI enjoys several fiscal and non-fiscal incentives including a 5% tax on gross profit in lieu of the statutory 25% (2023: 25% and 2022: 25%) on profit before tax, duty free importation of capital equipment, raw materials and supplies used in pursuit of its Ecozone-registered activities, among other incentives. DMPI received PEZA approval for a second zone, the Bukidnon Agro-Resources Export Zone ("BAREZ"), for agri-development projects. The current tax incentive expired in fiscal year 2018 and was extended for an additional three years ending fiscal year 2021. On 21 December 2021, PEZA issued a Certificate of Board Resolution approving the retention of DMPI's status as an Export Ecozone Enterprise (EEE) beyond 31 December 2021. The incentives may be availed of for as long as DMPI complies with the PEZA's requirements which include exporting 70% of its production and these incentives are not rationalized by law.

On 7 May 2021, PEZA issued Letter of Authority ("LOA") No. 21-EOD-LS/F/EE-1006 that provides for extension of the DMPI's Ecozone Export Enterprise status until the Implementing Rules and Regulation of CREATE Act is issued. The status of DMPI as a PEZA registered export enterprise is expected to be retained being part of the Investment Priority Plan and for meeting the conditions set forth by PEZA to allow a company to continue availing of the incentives despite exceeding local sales.

On 17 August 2021, PEZA issued LOA No. 21-EOD-LS/FP/EE-1916 to renew DMPI's authority to sell to the domestic market a portion of its production of its registered products produced at the PPAEPZ / BAREZ. Said LOA expired 31 December 2021. On 24 January 2022, LOA No. 22-EOD-LS/FP/EE-0166 was issued to cover the period 1 January 2022 to 31 July 2022.

On 8 June 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 1 August 2022 to 31 July 2023.

On 29 June 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.

## 27. Tax expense – net (cont'd)

On 19 July 2023 PEZA issued LOA No. 22-EOD-LS/FP/EE-2251 to renew DMPI's authority to sell to the domestic market its registered products manufactured at its PPAEPZ, BAREZ and QAIZ facilities, provided that the annual total volume (statistical cases) of its local sales for FY ending 30 April 2023 shall not exceed the equivalent of thirty percent (30%) of the annual total sales volume (statistical cases) for the said period, which shall include the volume intended for donation to Del Monte Foundation Inc.

On 2 January 2024, PEZA issued renewal of LOA No. 23-EOD-LS/FP/EE-1768, authorizing DMPI to sell to the domestic market its registered products manufactured at its PPAEPZ, BAREZ and QAIZ facilities, provided that the annual total volume (statistical cases) of its local sales for FY ending 30 April 2024 shall not exceed the equivalent of thirty percent (30%) of the annual total sales volume (statistical cases) for the said period, which shall include the volume intended for donation to Del Monte Foundation Inc.

On 25 March 2024, PEZA issued extension of LOA Nos. 23-EOD-LS/FP/EE-1768 by LOA No. 24-EOD-LS/FP/EE-007 authorizing DMPI to sell to the domestic market its registered products manufactured at its PPAEPZ, BAREZ and QAIZ facilities, provided that the annual total volume (statistical cases) of its local sales for FY ending 30 April 2024 shall not exceed the equivalent of thirty percent (30%) of the annual total sales volume (statistical cases) for the said period, which shall include the volume intended for donation to Del Monte Foundation Inc. The said LOA extension is valid until 31 May 2024.

On 28 May 2024, PEZA issued extension of LOA Nos. 23-EOD-LS/FP/EE-1768 by LOA No. 24-EOD-LS/FP/EE-007 authorizing DMPI to sell to the domestic market its registered products manufactured at its PPAEPZ, BAREZ and QAIZ facilities, provided that the annual total volume (statistical cases) of its local sales for FY ending 30 April 2024 shall not exceed the equivalent of thirty percent (30%) of the annual total sales volume (statistical cases) for the said period, which shall include the volume intended for donation to Del Monte Foundation Inc. The said LOA extension is valid until 31 July 2025.

### Company

There is no tax expense for the Company as the income of the Company is exempt from all income taxes in the British Virgin Islands except for ROHQ in the Philippines which has a preferential tax rate of 10%.

### *Sources of estimation uncertainty*

*Measurement of income tax*

The Group has exposure to income taxes in several foreign jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

## 28. Earnings per share

### Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

Cumulative undeclared preference dividends amounted to US$0.4 million as of 30 April 2022. There was no cumulative undeclared preference dividends as of 30 April 2024 and 2023 as all preference shares were fully redeemed.

| | Group | | |
|---|---|---|---|
| | **Year ended 30 April 2024** US$'000 | **Year ended 30 April 2023** US$'000 | **Year ended 30 April 2022** US$'000 |
| (Loss) profit attributable to owners of the Company | (129,157) | 16,949 | 100,031 |
| Cumulative preference share dividends for the year | – | (4,063) | (18,903) |
| | (129,157) | 12,886 | 81,128 |
| Weighted average number of ordinary shares ('000): | | | |
| Outstanding ordinary shares at 1 May, representing weighted average number of ordinary shares during the year | 1,943,460 | 1,943,960 | 1,943,960 |
| Basic earnings per share (in US cents) | (6.64) | 0.66 | 4.17 |

## 28. Earnings (loss) per share (cont'd)

### Diluted earnings per share

For the purpose of calculation of the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from Del Monte Pacific RSP, with the potential ordinary shares weighted for the period outstanding.

| | | **Group** | |
|---|---|---|---|
| | **Year ended 30 April 2024** US$'000 | **Year ended 30 April 2023** US$'000 | **Year ended 30 April 2022** US$'000 |
| Profit attributable to owners of the Company | (129,157) | 16,949 | 100,031 |
| Cumulative preference share dividends for the year | – | (4,063) | (18,903) |
| | (129,157) | 12,886 | 81,128 |
| Diluted weighted average number of shares ('000): | | | |
| Weighted average number of ordinary shares at end of year (basic) | 1,943,960 | 1,943,960 | 1,943,960 |
| Potential ordinary shares issuable under share awards | – | – | – |
| Weighted average number of ordinary shares issued (diluted) | 1,943,960 | 1,943,960 | 1,943,960 |
| Diluted earnings per share (in US cents) | (6.64) | 0.66 | 4.17 |

## 29. Operating segments

The Group has two operating segments: geographical and product. In identifying these operating segments, management generally considers geographical as its primary operating segment.

### Geographical segments

*Americas*

Reported under the Americas segment are sales and profit on sales in USA, Canada and Mexico. Majority of this segment's sales are principally sold under the Del Monte brand but also includes products under the Contadina, S&W, College Inn and other brands. This segment also includes sales of private label food products. Sales in the Americas are distributed across the United States, in all channels serving retail markets, as well as to the US military, certain export markets, the foodservice industry and other food processors.

## 29. Operating segments (cont'd)

### Geographical segments (cont'd)

*Asia Pacific*

Reported under Asia Pacific are sales and profit on sales in the Philippines, comprising of Del Monte branded packaged products, including Del Monte traded goods, and Today's brand; S&W products in Asia and the Middle East both fresh and packaged; and Del Monte packaged products from the Philippines into Indian subcontinent as well as unbranded fresh and packaged goods.

*Europe*

Included in this segment are sales of S&W co-branded, buyer's own label and unbranded products in Europe.

### Product segments

*Meals and Meal Enhancers*

The meals and meal enhancers segment includes sales and profit of a) packaged pineapples which are mainly used to enhance the flavor of different dishes, and b) products that are added to other ingredients to prepare a meal, such as packaged vegetables, tomato-based products such as ketchup, tomato sauce, pasta sauce, recipe sauce, pizza sauce, pasta, broth and stock, and condiments under five brands, namely Del Monte, S&W, College Inn, Contadina and Kitchen Basics. Key products under this segment are packaged beans, packaged corn, broth and stock sold in the United States as well as canned pineapple and tomato-based products sold in the United States and Asia Pacific. This segment includes the FLAME segment of DMFHL.

*Snacking and Desserts*

The snacking and desserts segment includes sales and profit of packaged fruits, including frozen, under the Del Monte, S&W, Joyba and Today's brands. This also includes the product innovations in the Philippines in the biscuits category and the Joyba beverages in the United States. This segment includes the Healthy Snacking of DMFHL.

*Beverage*

Beverage includes sales and profit of 100% pineapple juice in can, juice drinks in various flavors in can, tetra and PET packaging, and pineapple juice concentrate.

*Premium Fresh fruit*

Fresh fruit and others include sales and profit of S&W branded fresh pineapples in Asia Pacific and buyer's label or non-branded fresh pineapples in Asia,

*Others*

Includes all sales and profit of non-branded products, excluding fresh pineapples, and the "Beyond Retail" segment of DMFHL. This includes buyer's labels, that are packaged in different formats such as can, plastic cup, pouch and aseptic bag. This also includes sales of cattle in the Philippines. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals.

## 29. Operating segments (cont'd)

### *Information about reportable segments*

| | Americas | | | Asia Pacific | | | Europe | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Year ended 30 April 2024 US$'000 | Year ended 30 April 2023 US$'000 | Year ended 30 April 2022 US$'000 | Year ended 30 April 2024 US$'000 | Year ended 30 April 2023 US$'000 | Year ended 30 April 2022 US$'000 | Year ended 30 April 2024 US$'000 | Year ended 30 April 2023 US$'000 | Year ended 30 April 2022 US$'000 | Year ended 30 April 2024 US$'000 | Year ended 30 April 2023 US$'000 | Year ended 30 April 2022 US$'000 |
| **Revenue** | | | | | | | | | | | | |
| Meals and meal enhancers | 844,280 | 821,708 | 742,843 | 207,808 | 199,936 | 207,229 | 3,461 | 8,621 | 1,915 | 1,055,549 | 1,030,265 | 951,987 |
| Snacking and desserts | 471,584 | 473,354 | 452,540 | 81,383 | 81,615 | 88,701 | 235 | 378 | 325 | 553,202 | 555,347 | 541,566 |
| Premium fresh fruit | – | – | – | 160,684 | 149,111 | 131,080 | – | – | – | 160,684 | 149,111 | 131,080 |
| Beverages | 8,054 | 7,674 | 6,333 | 134,641 | 141,105 | 144,788 | 1,959 | 2,469 | 2,232 | 144,654 | 151,248 | 153,353 |
| Others | 427,331 | 437,454 | 465,884 | 48,719 | 61,845 | 67,559 | 37,591 | 36,043 | 30,657 | 513,641 | 535,342 | 564,100 |
| **Total** | **1,751,249** | **1,740,190** | **1,667,600** | **633,235** | **633,612** | **639,357** | **43,246** | **47,511** | **35,129** | **2,427,730** | **2,421,313** | **2,342,086** |
| **Operating Income** | **(22,585)** | **173,950** | **161,894** | **107,074** | **107,434** | **132,115** | **(1,888)** | **6,942** | **7,556** | **82,601** | **288,326** | **301,565** |
| Unallocated G&A | – | – | – | – | – | – | – | – | – | (29,412) | (30,939) | (30,017) |
| Other income (expense) | – | – | – | – | – | – | – | – | – | (8,187) | (11,789) | (4,258) |
| **Operating Income – Group level** | **(22,585)** | **173,950** | **161,894** | **107,074** | **107,434** | **132,115** | **(1,888)** | **6,942** | **7,556** | **45,002** | **245,598** | **267,290** |
| **Share in net loss of joint ventures** | **–** | **–** | **–** | **(1,062)** | **(1,486)** | **(4,954)** | **–** | **–** | **–** | **(1,062)** | **(1,486)** | **(4,954)** |
| Depreciation and amortization | 50,103 | 52,459 | 57,794 | 150,811 | 141,919 | 134,628 | – | – | – | 200,914 | 194,378 | 192,422 |
| **Capital expenditure** | **43,290** | **55,433** | **32,122** | **148,429** | **182,489** | **170,537** | **–** | **–** | **–** | **191,719** | **237,922** | **202,659** |

## 29. Operating segments (cont'd)

***Major customer***

Revenues from a major customer of the Americas segment for fiscal year 2024 amounted to approximately US$681.8 million or 28.1% (2023: US$609.2 million or 25%, 2022: 561.4 million or 24%) of the Group's total revenue. The customer accounted for approximately 13% of trade and other receivable as at 30 April 2024 (2023: 14%).

## 30. Seasonality of operations

The Group's business is subject to seasonal fluctuations as a result of increased demand during the end of year festive season. For Americas, products are sold heavily during the Thanksgiving and Christmas seasons. As such, the Group's sales are usually highest during the five months from August to December.

The Group operates 9 production facilities in the USA, Mexico, and the Philippines as at 30 April 2024 (2023: 11). Fruit plants are located in California and Washington in the U.S. and in the Philippines. Most of its vegetable plants are located in the U.S. Midwest and its tomato plant is located in California.

The US Consumer Food Business has a seasonal production cycle that generally runs between the months of June and October. This seasonal production primarily relates to the majority of processed fruit, vegetable and tomato products, while some of its processed fruit and tomato products and its College Inn broth products are produced throughout the year. Additionally, the Consumer Food Business has contracts to co-pack certain processed fruit and vegetable products for other companies.

## 31. Share option and incentive plans

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

The ESOP 2016 is administered by the Remuneration Share Option Committee (RSOC).

**31. Share option and incentive plans (cont'd)**

**Cash incentives**

On 16 December 2019, DMFHI granted a total cash incentive of US$2.6 million to key executives under cash incentive award agreements. The grants require performance criteria to be achieved. The awards will vest in two equal annual parts over a period of approximately two years when the employee remains employed on each vesting date.

The accrued net obligation as of 30 April 2024 is nil (2023: US$4.0 million). Total expense recognized under "Wages, salaries and other benefits" in the consolidated income statement of the Group amounted to -US$4.0 million, US$0.3 million and US$5.0 million in fiscal years 2024, 2023 and 2022, respectively.

**Long Term Incentive Plan**

***Overview***

Effective as of 4 October 2021, DMPI had established the DMPI Long Term Incentive Plan of 2021 ("DMPI LTIP") for the purpose of providing designated employees of DMPI with the opportunity to receive grants of nonqualified stock options.

***Participation***

Participation in the DMPI LTIP is limited to employees of DMPI and its subsidiaries (including any officer who is also an employee), who will be qualified and approved by the DMPI RSOC from the list of potential participants identified by Management as critical to the delivery of DMPI's Long Range Plan.

***Administration***

The DMPI RSOC administers and interprets the DMPI LTIP. The DMPI RSOC has full power and express discretionary authority to administer and interpret the Plan, to make factual determinations and to adopt or amend such rules, regulations, agreements and instruments for implementing the DMPI LTIP in its sole discretion. The DMPI RSOC may amend or terminate the LTIP at any time; provided, however, that the RSOC cannot amend the DMPI LTIP without the approval of the shareholders of DMPI if such approval is required in order to comply with applicable laws or securities exchange requirements.

There was no expense recognized in the consolidated income statement arising from the DMPI LTIP for fiscal years 2024, 2023, and 2022.

## 31. Share option and incentive plans (cont'd)

***Principal Terms of the Plan***

Grants under the DMPI LTIP consist of stock options and are subject to the terms and conditions of the plan as well as those specified as to the participants in the applicable grant agreements. Subject to certain adjustments, the maximum aggregate number of DMPI shares that may be issued pursuant to such stock options is up to 2% of DMPI's total issued and outstanding common shares.

The DMPI RSOC determines the number of shares pursuant to each stock option and the recipient of each grant. Each stock option has a term of five years; 50% shall become vested on the third year from the grant date while the remaining 50% shall become vested on the fifth year from the grant date. Each stock option will vest in accordance with such vesting schedule if the recipient continues to be employed by DMPI from the date of grant until the applicable vesting date. Any unvested stock option shall be forfeited upon the participant's separation of service and may be made available for re-issuance to another participant. However, vested stock options will remain exercisable by a separated participant for 90 days from separation from DMPI or in case of death or disability, vested stock options shall be exercisable by the participant's legal heirs or legal representatives within one year from such occurrence.

Recipients of grants of stock options are not required to pay any amount upon application or acceptance of the grant. The exercise price of stock options shall not be less than the fair market value of a share on the date of grant. Once a stock option is exercised, the voting, dividend, transfer and other rights attached to the shares are the same as with other shares of DMPI common stock, provided the shares remain outstanding.

Upon vesting of a stock option, a recipient of a grant will have the right to require DMPI to repurchase all or any portion of the vested portion of a stock option at the applicable fair market value of a share, less the exercise price.

## 32. Financial risk management

The Group has exposure to the following risks from financial instruments:

- credit risk
- interest rate risk
- liquidity risk
- foreign exchange risk
- commodity price risk

## 32. Financial risk management (cont'd)

***Risk management framework***

The Board of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee ("ARC") is responsible for monitoring the Group's risk management policies developed by management.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The ARC oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

***Financial risk management objectives and policies***

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Board of the Group continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

***Credit risk***

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and Company do not hold any collateral in respect of their financial assets.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and countries in which customers are located, as these factors may have an influence on credit risk.

## 32. Financial risk management (cont'd)

***Credit risk (cont'd)***

The ARC has approved a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes credit ratings, where available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount. Customers failing to meet the Group's benchmark credit worthiness may transact with the Group only on a prepayment or Letters of Credit basis.

*Exposure to credit risk*

At the reporting date, the maximum exposure to credit risk for financial assets, excluding cash on hand, by geographic region was:

| | Group | |
|---|---|---|
| | **30 April 2024** US$'000 | **30 April 2023** US$'000 |
| Americas | 133,855 | 154,486 |
| Europe | 12,686 | 10,418 |
| Asia Pacific | 90,093 | 99,238 |
| | 236,634 | 264,142 |

At 30 April 2024, the Group's most significant customer accounted for 14% of the trade and other receivables carrying amount (2023: 14%).

*Impairment losses*

The aging of financial assets excluding cash on hand that were not impaired at the reporting date was:

| | Group | |
|---|---|---|
| | **30 April 2024** US$'000 | **30 April 2023** US$'000 |
| Within credit terms | 166,119 | 177,466 |
| Past due 0 - 60 days | 34,894 | 39,012 |
| Past due 61 - 90 days | 3,912 | 7,128 |
| Past due 91 - 120 days | 5,271 | 6,203 |
| More than 120 days | 26,438 | 34,333 |
| | 236,634 | 264,142 |

As at 30 April 2024 and 2023, the Company's financial assets are all not past due.

## 32. Financial risk management (cont'd)

### *Financial risk management objectives and policies (cont'd)*

### *Credit risk (cont'd)*

The table below shows the credit quality of the Group's financial assets based on their historical experience with the corresponding third parties:

| | 2024 | | | | |
|---|---|---|---|---|---|
| | General approach | | | Simplified | |
| **Group** | **Stage 1** | **Stage 2** | **Stage 3** | **Approach** | **Total** |
| | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 |
| Cash in banks and cash equivalents | 13,031 | – | – | – | 13,031 |
| Trade and other receivables* | 2,446 | – | – | 228,014 | 230,460 |
| Refundable deposits** | 1,824 | – | – | – | 1,824 |
| Derivative assets | 1,179 | – | – | – | 1,179 |
| | 18,480 | – | – | 228,014 | 246,494 |
| ECL Allowance | – | – | – | (9,860) | (9,860) |
| | 18,480 | – | – | 218,154 | 236,634 |

* *includes noncurrent portion of receivables from sale and leaseback (Note 10) and lease receivables (Note 23)*
** *included under advance rentals and deposits (Note 10)*

| | 2023 | | | | |
|---|---|---|---|---|---|
| | General approach | | | Simplified | |
| **Group** | **Stage 1** | **Stage 2** | **Stage 3** | **Approach** | **Total** |
| | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 |
| Cash in banks and cash equivalents | 19,752 | – | – | – | 19,752 |
| Trade and other receivables* | 2,631 | – | – | 240,681 | 243,312 |
| Short-term placements | 18 | – | – | – | 18 |
| Refundable deposits** | 1,838 | – | – | – | 1,838 |
| Derivative assets | 8,867 | – | – | – | 8,867 |
| | 33,106 | – | – | 240,681 | 273,787 |
| ECL Allowance | – | – | – | (9,645) | (9,645) |
| | 33,106 | – | – | 231,036 | 264,142 |

* *includes noncurrent portion of receivables from sale and leaseback (Note 10) and lease receivables (Note 23)*
** *included under advance rentals and deposits (Note 10)*

## 32. Financial risk management (cont'd)

### *Financial risk management objectives and policies (cont'd)*

### *Credit risk (cont'd)*

As at 30 April 2024 and 2023, the Company's financial assets were all classified under Stage 1.

| | 2024 | | | | |
|---|---|---|---|---|---|
| | General Approach | | | Simplified | |
| Company | Stage 1 | Stage 2 | Stage 3 | Approach | Total |
| | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 |
| Cash in banks and cash equivalents | 470 | – | – | – | 470 |
| Nontrade receivables | 27,421 | – | – | – | 27,421 |
| | 27,891 | – | – | – | 27,891 |

| | 2023 | | | | |
|---|---|---|---|---|---|
| | General Approach | | | Simplified | |
| Company | Stage 1 | Stage 2 | Stage 3 | Approach | Total |
| | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 |
| Cash in banks and cash equivalents | 554 | – | – | – | 554 |
| Nontrade receivables | 26,406 | – | – | – | 26,406 |
| | 26,960 | – | – | – | 26,960 |

Stage 1 financial assets pertain to those cash that are deposited in reputable banks. Stage 2 includes receivables that are collected on their due dates even without an effort from the Group to follow up with them.

The Group sells its products through major distributors and buyers in various geographical regions. Management has a credit risk policy which includes, among others, the requirement of certain securities to ensure prompt observance and performance of the obligations of its distributors and other buyers from time to time. The Group monitors its outstanding trade receivables on an on-going basis. In addition, the Group also engages in sale of its trade receivables without recourse to certain financial institutions.

## 32. Financial risk management (cont'd)

***Financial risk management objectives and policies (cont'd)***

***Credit risk (cont'd)***

Set out below is the information about the credit risk exposure on the Group's trade receivables using simplified approach (provision matrix):

| | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | | Days past due | | | | |
| | **Within credit term** | **<30 days** | **30-60 days** | **61-120 days** | **Over 120 days** | **Total** |
| | US'000 | US'000 | US'000 | US'000 | US'000 | US'000 |
| Trade receivables | 139,109 | 30,116 | 3,019 | 4,560 | 15,765 | 192,569 |
| Expected credit loss rate | 0.00% | 0.00% | 0.00% | 0.00% | 35.15% | – |
| Expected credit loss | – | – | – | – | 5,541 | 5,541 |

| | 2023 | | | | | |
|---|---|---|---|---|---|---|
| | | Days past due | | | | |
| | **Within credit term** | **<30 days** | **30-60 days** | **61-120 days** | **Over 120 days** | **Total** |
| | US'000 | US'000 | US'000 | US'000 | US'000 | US'000 |
| Trade receivables | 119,651 | 35,579 | 3,404 | 4,875 | 31,826 | 195,335 |
| Expected credit loss rate | 0.00% | 0.00% | 0.00% | 0.00% | 16.74% | – |
| Expected credit loss | – | – | – | – | 5,328 | 5,328 |

The Group assessed that all balances under Stage 1 and Stage 2 have not experienced significant increase in credit risk as of 30 April 2024 and 2023.

The Group applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all trade receivables. The Group uses a provision matrix to measure ECLs. Loss rates are based on actual credit loss experience over a period of three years. The Group has assessed that adjusting the loss rates for forward-looking information does not have a material effect considering the significantly low historical loss rates and the absence of economic factors that are highly correlated with the Group's credit loss experience on receivables.

For other financial assets such nontrade receivables and other receivables, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

## 32. Financial risk management (cont'd)

***Financial risk management objectives and policies (cont'd)***

***Credit risk (cont'd)***

*Cash in banks and cash equivalents*

Cash in banks and cash equivalents are held with banks and financial institutions which are regulated.

The percentages of cash in banks and cash equivalents held in the following regions are:

| | **30 April 2024** | **30 April 2023** |
|---|---|---|
| | % | % |
| **Group** | | |
| United States of America | 28 | 35 |
| Philippines | 32 | 50 |
| Hong Kong | 39 | 14 |
| Singapore | 1 | 1 |
| | | |
| **Company** | | |
| Philippines | 79 | 82 |
| Hong Kong | 8 | 7 |
| Singapore | 13 | 11 |

Apart from the information stated above, the Group and Company have no significant concentration of credit risk with any single counterparty or group counterparties.

*Derivatives*

The derivatives are entered into with banks and financial institutions which are regulated.

***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short-term debt obligations with floating interest rates.

The Group's cash balances are placed with reputable global banks and financial institutions. The Group manages its interest rate risks by placing the cash balances with varying maturities and interest rate terms. This includes investing the Group's temporary excess liquidity in short-term low-risk securities from time to time. The Group also enters into interest rate swaps to manage the volatility. The Group obtains financing through bank borrowings and leasing arrangements. Funding is obtained from bank loan facilities for both short-term and long-term requirements. The Group's policy is to obtain the most favorable interest rate available without increasing its foreign currency exposure.

## 32. Financial risk management (cont'd)

***Financial risk management objectives and policies (cont'd)***

***Interest rate risk (cont'd)***

*Interest rate profile of interest-bearing financial instruments*

The interest rate profile of the interest-bearing financial instruments as reported to management of the Group is as follows:

| | <---------- Group -----------> | | <-------- Company --------> | |
|---|---|---|---|---|
| | **30 April 2024** | **30 April 2023** | **30 April 2024** | **30 April 2023** |
| | US$'000 | US$'000 | US$'000 | US$'000 |
| **Fixed rate instruments** | | | | |
| Loans and borrowings | 100,699 | 292,040 | 89,541 | 148,758 |
| **Variable rate instruments** | | | | |
| Loans and borrowings | 2,195,344 | 1,981,313 | 445,197 | 418,099 |
| Interest rate caps | – | 5,084 | – | – |
| | 2,195,344 | 1,986,397 | 445,197 | 418,099 |
| | 2,296,043 | 2,278,437 | 534,738 | 566,857 |

## 32. Financial risk management (cont'd)

***Financial risk management objectives and policies (cont'd)***

***Interest rate risk (cont'd)***

*Cash flow sensitivity analysis for variable rate instruments*

At the reporting date, if interest rates had moved as illustrated in the table below, with all other variables held constant, profit/loss before tax in the next 12 months would have been affected as follows:

| | Profit before tax in the next 12 months | |
|---|---|---|
| | **100 bp increase** | **100 bp decrease** |
| | US$'000 | US$'000 |
| **Group** | | |
| **30 April 2024** | | |
| Variable rate instruments | (9,959) | 9,959 |
| Interest rate caps | – | – |
| | (9,959) | 9,959 |
| **30 April 2023** | | |
| Variable rate instruments | (18,569) | 18,569 |
| Interest rate caps | 7,208 | (7,208) |
| | (11,361) | 11,361 |

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing significantly higher volatility than in prior years.

As at 30 April 2024 and 2023, the Group designated each of its derivative contracts as a hedge of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge").

***Liquidity risk***

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks. Currently, the Group excluding DMFI is entitled to a total of US$1,076.2 million (2023: US$1,639.9 million) in credit lines, of which 4% (2023: 17%) remain available. The lines are mostly for short-term financing requirements since the long-term facilities have been fully drawn. The Group constantly maintains good relations with its banks, such that additional facilities, whether for short or long-term requirements, may be made available.

## 32. Financial risk management (cont'd)

### *Financial risk management objectives and policies (cont'd)*

### *Liquidity risk (cont'd)*

The Group is able to increase the commitments under the ABL Facility, subject only to the consent of the new or existing lenders providing such increases, such that the aggregate principal amount of commitments does not exceed US$625.0 million. The lenders under this facility are under no obligation to provide any such additional commitments, and any increase in commitments will be subject to customary conditions precedent. Notwithstanding any such increase in the facility size, the Group's ability to borrow under the facility will remain limited at all times by the borrowing base (to the extent the borrowing base is less than the commitments).

The following are the expected contractual undiscounted cash outflows of financial assets and liabilities, including interest payments and excluding the impact of netting agreements:

| Group | Note | Carrying amount US$'000 | Contractual cash flows US$'000 | Less than 1 year US$'000 | 1-5 years US$'000 | More than 5 years US$'000 |
|---|---|---|---|---|---|---|
| **30 April 2024** | | | | | | |
| **Derivative financial assets** | | | | | | |
| Commodity contracts | 19 | 717 | 717 | 717 | – | – |
| Foreign currency contracts | 19 | 462 | 462 | 462 | – | – |
| **Non-derivative financial assets** | | | | | | |
| Cash in banks and cash equivalents | 15 | 13,031 | 13,031 | 13,031 | – | – |
| Trade and other receivables* | 10,13 | 220,600 | 221,917 | 218,154 | 941 | 2,822 |
| Refundable deposits** | 10 | 1,824 | 1,824 | – | – | 1,824 |
| | | 236,634 | 237,951 | 232,364 | 941 | 4,646 |

* *includes noncurrent portion of receivables from sale and leaseback (Note 10) and lease receivables (Note 23)*
** *included under advance rentals and deposits (Note 10)*

## 32. Financial risk management (cont'd)

### *Financial risk management objectives and policies (cont'd)*

### *Liquidity risk (cont'd)*

| Group | Note | Carrying amount US$'000 | Contractual cash flows US$'000 | Less than 1 year US$'000 | 1-5 years US$'000 | More than 5 years US$'000 |
|---|---|---|---|---|---|---|
| **30 April 2024** | | | | | | |
| **Derivative financial liabilities** | | | | | | |
| Interest rate swap | 19 | 2,033 | 2,033 | 2,033 | – | – |
| Commodity contracts | 19 | 733 | 733 | 733 | – | – |
| **Non-derivative financial liabilities** | | | | | | |
| Unsecured bank loans* | | | | | | |
| - Current | 18 | 675,539 | 678,074 | 678,074 | – | – |
| - Noncurrent | 18 | 216,362 | 259,349 | 15,320 | 244,029 | – |
| Secured bank loans** | | | | | | |
| - Current | 18 | 243,189 | 253,409 | 253,409 | – | – |
| - Noncurrent | 18 | 1,160,953 | 1,188,469 | 481,289 | 21,759 | 685,421 |
| Lease liabilities | 23 | 91,419 | 153,995 | 34,891 | 102,089 | 17,015 |
| Equipment financing | 19, 22 | 28,062 | 31,372 | 6,786 | 24,586 | – |
| Trade payables and other current liabilities*** | 22 | 368,416 | 368,416 | 368,416 | – | – |
| | | 2,786,706 | 2,935,850 | 1,840,951 | 392,463 | 702,436 |
| Net financial liabilities (assets) | | 2,550,072 | 2,697,899 | 1,608,587 | 391,522 | 697,790 |

* includes bonds
** includes the ABL loans
*** excludes derivative liabilities, advances from customers, deferred revenue, withheld from employees (taxes and social security cost), current portion of long-term equipment financing and VAT payables

## 32. Financial risk management (cont'd)

### *Financial risk management objectives and policies (cont'd)*

### *Liquidity risk (cont'd)*

| Group | Note | Carrying amount US$'000 | Contractual cash flows US$'000 | Less than 1 year US$'000 | 1-5 years US$'000 | More than 5 years US$'000 |
|---|---|---|---|---|---|---|
| **30 April 2023** | | | | | | |
| **Derivative financial assets** | | | | | | |
| Interest rate swap | 19 | 7,806 | 7,806 | 1,617 | 6,189 | – |
| Foreign currency contracts | 19 | 1,061 | 1,061 | 1,061 | – | – |
| **Non-derivative financial assets** | | | | | | |
| Cash in banks and cash equivalents | 15 | 19,752 | 19,752 | 19,752 | – | – |
| Trade and other receivables* | 10,13 | 233,667 | 235,178 | 231,036 | 976 | 3,166 |
| Short-term placements | 14 | 18 | 18 | 18 | – | – |
| Refundable deposits** | 10 | 1,838 | 1,838 | – | – | 1,838 |
| | | 264,142 | 265,653 | 253,484 | 7,165 | 5,004 |

* *includes noncurrent portion of receivables from sale and leaseback*
** *included under advance rentals and deposits*

| Group | Note | Carrying amount US$'000 Restated | Contractual cash flows US$'000 Restated | Less than 1 year US$'000 Restated | 1-5 years US$'000 Restated | More than 5 years US$'000 Restated |
|---|---|---|---|---|---|---|
| **30 April 2023** | | | | | | |
| **Derivative financial liabilities** | | | | | | |
| Interest rate swap | 19 | 2,722 | 2,722 | – | 2,722 | – |
| Commodity contracts | 19 | 3,928 | 3,928 | 3,553 | 375 | – |
| **Non-derivative financial liabilities** | | | | | | |
| Unsecured bank loans* | | | | | | |
| - Current | 18 | 633,873 | 651,106 | 651,106 | – | – |
| - Noncurrent | 18 | 212,652 | 235,321 | 11,643 | 223,678 | – |
| Secured bank loans** | | | | | | |
| - Current | 18 | 186,180 | 183,129 | 183,129 | – | – |
| - Noncurrent | 18 | 1,240,648 | 1,282,506 | 478,294 | 116,978 | 687,234 |
| Lease liabilities | 23 | 100,096 | 168,381 | 36,508 | 80,787 | 51,086 |
| Trade payables and other current liabilities*** | 22 | 296,126 | 296,126 | 296,126 | – | – |
| | | 2,676,225 | 2,823,219 | 1,660,359 | 424,540 | 738,320 |
| Net financial liabilities (assets) | | 2,412,083 | 2,557,566 | 1,406,875 | 417,375 | 733,316 |

* includes the bonds payables
** includes the ABL loans
*** excludes derivative liabilities, advances from customers, deferred revenue, withheld from employees (taxes and social security cost) and VAT payables

## 32. Financial risk management (cont'd)

### *Financial risk management objectives and policies (cont'd)*

### *Liquidity risk (cont'd)*

| Company | Note | Carrying amount US$'000 | Contractual cash flows US$'000 | Less than 1 year US$'000 | 1-5 years US$'000 | More than 5 years US$'000 |
|---|---|---|---|---|---|---|
| **30 April 2024** | | | | | | |
| **Non-derivative financial assets** | | | | | | |
| Cash and cash equivalents | 15 | 470 | 470 | 470 | – | – |
| Trade and other receivables | 13 | 27,421 | 27,421 | 27,421 | – | – |
| | | 27,891 | 27,891 | 27,891 | – | – |
| **Non-derivative financial liabilities** | | | | | | |
| Unsecured bank loans* | | | | | | |
| - Current | 18 | 255,076 | 264,323 | 264,323 | – | – |
| - Noncurrent | 18 | 43,726 | 49,576 | 2,922 | 46,654 | – |
| Secured bank loans | | | | | | |
| - Current | 18 | 235,936 | 253,409 | 253,409 | – | – |
| - Noncurrent | 18 | – | – | – | – | – |
| Trade payables and other current liabilities** | 22 | 194,620 | 194,620 | 194,620 | – | – |
| | | 729,358 | 761,928 | 715,274 | 46,654 | – |
| Net financial liabilities | | 701,467 | 734,037 | 687,383 | 46,654 | – |

* includes the bonds payables
** excludes withheld from employees (taxes and social security cost) and VAT payables

## 32. Financial risk management (cont'd)

### *Financial risk management objectives and policies (cont'd)*

### *Liquidity risk (cont'd)*

| Company | Note | Carrying amount US$'000 | Contractual cash flows US$'000 | Less than 1 year US$'000 | 1-5 years US$'000 | More than 5 years US$'000 |
|---|---|---|---|---|---|---|
| **30 April 2023** | | | | | | |
| **Non-derivative financial assets** | | | | | | |
| Cash and cash equivalents | 15 | 554 | 554 | 554 | – | – |
| Trade and other receivables | 13 | 26,406 | 26,406 | 26,406 | – | – |
| | | 26,960 | 26,960 | 26,960 | – | – |
| **Non-derivative financial liabilities** | | | | | | |
| Unsecured bank loans* | | | | | | |
| - Current | 18 | 156,794 | 160,223 | 160,223 | – | – |
| - Noncurrent | 18 | 177,531 | 196,273 | 9,873 | 186,400 | – |
| Secured bank loans | | | | | | |
| - Current | 18 | 168,104 | 173,838 | 173,838 | – | – |
| - Noncurrent | 18 | 64,428 | 74,574 | 5,287 | 69,287 | – |
| Trade payables and other current liabilities** | 22 | 116,093 | 116,093 | 116,093 | – | – |
| | | 682,950 | 721,001 | 465,314 | 255,687 | – |
| Net financial liabilities | | 655,990 | 694,041 | 438,354 | 255,687 | – |

* includes the bonds payables
** excludes withheld from employees (taxes and social security cost) and VAT payables

The Group's bank loans contain loan covenants, a default of which would require the Group to repay the loans earlier than indicated in the above table. The covenants are constantly monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance.

For derivative financial liabilities, the disclosure shows net cash from amounts for derivatives that are net cash settled.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

### *Foreign exchange risk*

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The currency giving rise to this risk is primarily the Philippine Peso and Mexican Peso.

From time to time, the Group manages its exposure to fluctuations in foreign currency exchange rates by entering into forward contracts to cover a portion of its projected expenditures paid in foreign currency. The Group accounts for these contracts as cash flow hedges.

## 32. Financial risk management (cont'd)

***Financial risk management objectives and policies (cont'd)***

***Foreign exchange risk (cont'd)***

At the reporting date, the Group's exposure to foreign currencies is as follows:

| | **Philippine Peso** US$'000 | **Mexican Peso** US$'000 |
|---|---|---|
| **30 April 2024** | | |
| Trade and other receivables | 42,157 | 8,390 |
| Cash and cash equivalents | 6,948 | 695 |
| Other noncurrent assets | 21,139 | – |
| Loans and borrowings | (102,982) | – |
| Trade and other payables | (126,949) | (32,233) |
| | (159,687) | (23,148) |
| **30 April 2023** | | |
| Trade and other receivables | 41,972 | 4,813 |
| Cash and cash equivalents | 16,282 | 310 |
| Other noncurrent assets | 19,891 | 1,383 |
| Loans and borrowings | (143,701) | – |
| Trade and other payables | (119,528) | (27,855) |
| | (185,084) | (21,349) |

The Company has no significant exposure to foreign currencies as at 30 April 2024 and 2023.

*Sensitivity analysis*

A 10% strengthening of the group entities' foreign currencies against their respective functional currency at the reporting date would have increased (decreased) profit/loss before taxation and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% weakening of the group entities' foreign currencies against their respective functional currency would have the equal but opposite effect on the amounts shown below, on the basis that all other variables remain constant.

| | **Philippine Peso** | | **Mexican Peso** | |
|---|---|---|---|---|
| | **Increase (decrease) Profit before taxation** US$'000 | **Equity** US$'000 | **Increase (decrease) Profit before taxation** US$'000 | **Equity** US$'000 |
| **30 April 2024** | | | | |
| 10% strengthening | (15,969) | – | (2,315) | – |
| 10% weakening | 15,969 | – | 2,315 | – |
| **30 April 2023** | | | | |
| 10% strengthening | (18,508) | – | (2,135) | – |
| 10% weakening | 18,508 | – | 2,135 | – |

## 32. Financial risk management (cont'd)

***Financial risk management objectives and policies (cont'd)***

***Commodity price risk***

Certain commodities such as diesel fuel and natural gas (collectively, "commodity contracts") are used in the production and transportation of the Group's products. Generally, these commodities are purchased based upon market prices that are established with the vendors as part of the procurement process. The Group uses futures, swaps, and swaption or option contracts, as deemed appropriate, to reduce the effect of price fluctuations on anticipated purchases. These contracts may have a term of up to 24 months. The Group accounts for these commodity derivatives as cash flow hedges. The effective portion of derivative gains and losses is deferred in equity and recognized as part of cost of products sold in the appropriate period and the ineffective portion is recognized as cost of products sold.

In these hedge relationships, the main sources of ineffectiveness are the effect of the differences in timing of cash flows of the hedged item and the hedging instrument, difference in indexes linked to the hedged risk of the hedged item and the hedging instrument, the counterparties' credit risk differently impacting the fair value movements of the hedging instruments and changes to the forecasted amount of cash flows of hedged item and hedging instrument.

*Sensitivity analysis*

A 10% change in commodity prices at the reporting date would have increased (decreased) profit/loss before tax and increased (decreased) equity by the amounts shown below.

| | **30 April 2024** | | **30 April 2023** | |
|---|---|---|---|---|
| | **Profit before taxation** US$'000 | **Equity** US$'000 | **Profit before taxation** US$'000 | **Equity** US$'000 |
| 10% increase in commodity price | – | 26 | – | 53 |
| 10% decrease in commodity price | – | (26) | – | (53) |

## 33. Accounting classification and fair values

### *Fair values versus carrying amounts*

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

| Group | Note | Financial assets at amortized cost US$'000 | Financial assets at FVOCI US$'000 | Derivatives US$'000 | Other financial liabilities US$'000 | Total carrying amount US$'000 | Fair value US$'000 |
|---|---|---|---|---|---|---|---|
| **30 April 2024** | | | | | | | |
| Cash and cash equivalents | 15 | 13,123 | – | – | – | 13,123 | 13,123 |
| Trade and other receivables* | 10,13,23 | 220,600 | – | – | – | 220,600 | 220,600 |
| Refundable deposits** | 10 | 1,824 | – | – | – | 1,824 | 1,824 |
| Financial assets carried at FVOCI | 10 | – | 11,665 | – | – | 11,665 | 11,665 |
| Derivative assets | 14 | – | – | 1,179 | – | 1,179 | 1,179 |
| | | 235,547 | 11,665 | 1,179 | – | 248,391 | 248,391 |
| Loans and borrowings | 18 | – | – | – | 2,296,043 | 2,296,043 | 2,401,349 |
| Trade and other payables*** | 22 | – | – | – | 368,416 | 368,416 | 368,416 |
| Derivative liabilities | 22 | – | – | 2,766 | – | 2,766 | 2,766 |
| Equipment financing | 19, 22 | – | – | – | 28,062 | 28,062 | 28,062 |
| | | – | – | 2,766 | 2,692,521 | 2,695,287 | 2,800,593 |

* includes noncurrent portion of receivables from sale and leaseback (Note 10) and lease receivables (Note 23)
** included under advance rentals and deposits (Note 10)
***excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables

## 33. Accounting classification and fair values (cont'd)

### *Fair values versus carrying amounts (cont'd)*

| Group | Note | Financial assets at amortized cost US$'000 | Financial assets at FVOCI US$'000 Restated | Derivatives US$'000 | Other financial liabilities US$'000 | Total carrying amount US$'000 Restated | Fair value US$'000 Restated |
|---|---|---|---|---|---|---|---|
| **30 April 2023** | | | | | | | |
| Cash and cash equivalents | 15 | 19,836 | – | – | – | 19,836 | 19,836 |
| Trade and other receivables* | 10,13 | 233,667 | – | – | – | 233,667 | 233,667 |
| Short-term placements | 14 | 18 | – | – | – | 18 | 18 |
| Refundable deposits** | 10 | 1,838 | – | – | – | 1,838 | 1,838 |
| Financial assets carried at FVOCI | 10 | – | 6,080 | – | – | 6,080 | 6,080 |
| Derivative assets | 14 | – | – | 8,867 | – | 8,867 | 8,867 |
| | | 255,359 | 6,080 | 8,867 | – | 270,306 | 270,306 |
| Loans and borrowings | 18 | – | – | – | 2,273,353 | 2,273,353 | 2,356,065 |
| Trade and other payables*** | 22 | – | – | – | 296,126 | 296,126 | 296,126 |
| Derivative liabilities | 19, 22 | – | – | 6,650 | – | 6,650 | 6,650 |
| | | – | – | 6,650 | 2,569,479 | 2,576,129 | 2,658,841 |

* includes noncurrent portion of receivables from sale and leaseback (Note 10) and lease receivables (Note 23)
** included under advance rentals and deposits (Note 10)
***excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables

## 33. Accounting classification and fair values (cont'd)

### *Fair values versus carrying amounts (cont'd)*

| Company | Note | Financial assets at amortized cost US$'000 | Financial assets at FVOCI US$'000 | Other financial liabilities US$'000 | Total carrying amount US$'000 | Fair value US$'000 |
|---|---|---|---|---|---|---|
| **30 April 2024** | | | | | | |
| Trade and other receivables | 13 | 27,421 | – | – | 27,421 | 27,421 |
| Cash and cash equivalents | 15 | 470 | – | – | 470 | 470 |
| Financial assets carried at FVOCI | 10 | – | 10,516 | – | 10,516 | 10,516 |
| | | 27,891 | 10,516 | – | 38,407 | 38,407 |
| Loans and borrowings | 18 | – | – | 534,738 | 534,738 | 534,738 |
| Trade and other payables* | 22 | – | – | 194,620 | 194,620 | 194,620 |
| | | – | – | 729,358 | 729,358 | 729,358 |

**excludes withheld from employees (taxes and social security cost)*

| Company | Note | Financial assets at amortized cost US$'000 | Financial assets at FVOCI US$'000 | Other financial liabilities US$'000 | Total carrying amount US$'000 | Fair value US$'000 |
|---|---|---|---|---|---|---|
| **30 April 2023** | | | | | | |
| Trade and other receivables | 13 | 26,406 | – | – | 26,406 | 26,406 |
| Cash and cash equivalents | 15 | 554 | – | – | 554 | 554 |
| Financial assets carried at FVOCI | 10 | – | 5,023 | – | 5,023 | 5,023 |
| | | 26,960 | 5,023 | – | 31,983 | 31,983 |
| Loans and borrowings | 18 | – | – | 566,857 | 566,857 | 566,857 |
| Trade and other payables* | 22 | – | – | 116,093 | 116,093 | 116,093 |
| | | – | – | 682,950 | 682,950 | 682,950 |

**excludes withheld from employees (taxes and social security cost)*

## 34. Determination of fair values

***Fair value hierarchy***

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing the categorisation at the end of each reporting period.

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

| **Group** | | **30 April 2024** | | | |
|---|---|---|---|---|---|
| | **Note** | **Level 1** US$'000 | **Level 2** US$'000 | **Level 3** US$'000 | **Total** US$'000 |
| **Financial assets** | | | | | |
| Derivative assets | 14, 19 | – | 1,179 | – | 1,179 |
| Financial assets carried at FVOCI | 10 | 1,130 | 10,535 | – | 11,665 |
| **Non-financial assets** | | | | | |
| Fair value of agricultural produce harvested under inventories | 11 | – | – | 1,821 | 1,821 |
| Fair value of unharvested agricultural produce | 11 | – | – | 48,577 | 48,577 |
| Freehold land | 5 | – | – | 73,740 | 73,740 |
| **Financial liabilities** | | | | | |
| Derivative liabilities | 19, 22 | – | 2,766 | – | 2,766 |
| Lease liabilities | 23 | – | – | 91,419 | 91,419 |
| Loans and borrowings | | – | 1,665,689 | 735,660 | 2,401,349 |
| Equipment financing | 19, 22 | – | – | 28,062 | 28,062 |

## 34. Determination of fair values (cont'd)

***Fair value hierarchy (cont'd)***

| **Group** | | | **30 April 2023** | | |
|---|---|---|---|---|---|
| **Financial assets** | **Note** | **Level 1** US$'000 Restated | **Level 2** US$'000 | **Level 3** US$'000 | **Total** US$'000 Restated |
| Derivative assets | 14, 19 | – | 8,867 | – | 8,867 |
| Financial assets carried at FVOCI | 10 | 1,057 | 5,023 | – | 6,080 |
| **Non-financial assets** | | | | | |
| Fair value of agricultural produce harvested under inventories | 11 | – | – | 4,496 | 4,496 |
| Fair value of unharvested agricultural produce | 11 | – | – | 44,852 | 44,852 |
| Freehold land | 5 | – | – | 74,463 | 74,463 |
| **Financial liabilities** | | | | | |
| Derivative liabilities | 19, 22 | – | 6,650 | – | 6,650 |
| Lease liabilities | 23 | – | – | 100,096 | 100,096 |
| Loans and borrowings | | – | 1,621,836 | 734,229 | 2,356,065 |

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.

Included within financial assets carried at FVOCI (Level 2) are investment in unquoted equity shares by the Company that were valued based on the latest transaction price at which the Company acquired additional shares in the investee. This approach utilized the most recent transaction price involving the Company to estimate the fair value of the investment in these unquoted equity shares. Other than this investment, the Company has no other assets and liabilities measured at fair value as of 30 April 2024 and 2023.

## 34. Determination of fair values (cont'd)

### Financial instruments measured at fair value

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

| Type | Valuation technique |
|---|---|
| Interest rate swaps/caps (under "derivative assets" as part of "prepaid expenses and other current assets" and "other noncurrent assets;" and "derivative liabilities" as part of "trade payables and other current liabilities" and "Other noncurrent liabilities") | Market comparison technique: The fair values are calculated using a discounted cash flow analysis based on terms of the swap contracts and the observable interest rate curve. Fair values reflect the risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate. |
| Commodities contracts (under "derivative assets" as part of "prepaid expenses and other current assets" and "other noncurrent assets;" and "derivative liabilities" as part of "trade payables and other current liabilities" and "other noncurrent liabilities") | Market comparison technique. The commodities are traded over-the-counter and are valued based on the Chicago Board of Trade quoted prices for similar instruments in active markets or corroborated by observable market data available from the Energy Information Administration. The values of these contracts are based on the daily settlement prices published by the exchanges on which the contracts are traded. |
| Call option (under "derivative liabilities" as part of "trade payables and other current liabilities" and "other noncurrent liabilities") | The estimated fair value of the additional call option as at 30 April 2023 is based on the Black-Scholes model. The value of these derivative liabilities is driven primarily by DMPI's forecasted net income which is not based on observable market data. |
| Financial assets carried at FVOCI (under "other noncurrent assets") | The estimated fair value of the investment unquoted equity shares as at 30 April 2024 and 2023 is based on recent open-market transactions of the equity shares. |

## 34. Determination of fair values (cont'd)

### Financial instruments not measured at fair value

| Type | Valuation technique |
|---|---|
| Financial assets and liabilities (under "other noncurrent assets" and "loans and borrowings") | The fair value of the Term Loan B, note receivable and refundable deposits are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date (Level 2). |
| Other financial assets and liabilities (under "trade and other receivables", "cash and cash equivalents", "trade and other payables", loans and borrowings," and "lease liabilities") | The notional amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are, because of the short period to maturity, assumed to approximate their fair values.<br><br>The fair value of all financial assets and liabilities with maturity of more than one year are calculated based on the present value of future principal and interest cash flows, discounted at the market rates ranging from 2.9% to 7.5% (2023: 2.9% to 7.0%) (Level 3). |

### Other non-financial assets

| Assets | Valuation technique | Significant unobservable inputs |
|---|---|---|
| Freehold land (under "property, plant, and equipment") | The fair value of freehold land is determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued.<br><br>The valuation method used is sales comparison approach. This is a comparative approach that considers the sales of similar or substitute properties and related market data and establish a value estimate by involving comparison (Level 3). | The unobservable inputs used to determine market value are the net selling prices, sizes, property location and market values. Other factors considered to determine market value are the desirability, neighborhood, utility, terrain, and the time element involved.<br><br>The market value per square meter ranges from US$109.1 to US$122.5. The market value per acre ranges from US$5,251 to US$104,585. |
| Livestock (cattle for slaughter and cut meat) (under "biological assets") | Sales Comparison Approach: the valuation model is based on selling price of livestock of similar age, weight, breed and genetic make-up (Level 3). | The unobservable inputs are age, average weight and breed. |

## 34. Determination of fair values (cont'd)

### Other non-financial assets (cont'd)

| Assets | Valuation technique | Significant unobservable inputs |
|---|---|---|
| Harvested crops – sold as fresh fruit (under "revenue" and "cost of sales") | The fair values of harvested crops are based on the most reliable estimate of selling prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the fresh fruit, reduced by costs to sell (Level 3). | The unobservable input is the estimated pineapple selling price per ton specific for fresh products. |
| Harvested crops – used in processed products (under "revenue" and "cost of sales") | The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the processed product reduced by costs to sell (concentrates, pineapple beverages, sliced pineapples, etc.) and adjusted for margin associated to further processing (Level 3). | The unobservable input is the estimated pineapple selling price and gross margin per ton specific for processed products. |

## 34. Determination of fair values (cont'd)

### Other non-financial assets (cont'd)

| **Assets** | **Valuation technique** | **Significant unobservable inputs** |
|---|---|---|
| Unharvested agricultural produce – fruits growing on the bearer plants (under "biological assets") | The growing produce are measured at fair value from the time of maturity of the bearer plant until harvest. Management used future selling prices and gross margin of finished goods, adjusted to remove the margin associated to further processing, less future growing costs applied to the estimated volume of harvest as the basis of fair value. | The unobservable inputs are expected selling price and gross margin for harvested produce while key assumptions for the fair value of unharvested agricultural produce include expected selling prices, gross margin, estimated tonnage of harvests and future growing costs.<br><br>The unobservable inputs are estimated pineapple selling price and gross margin per ton for fresh and processed products, estimated volume of harvest and future growing costs. |

Significant increase (decrease) in the significant unobservable inputs of freehold land, livestock, harvested crops sold as fresh fruit and harvested crop sold used in processed products would result in higher (lower) fair values. Significant increase (decrease) in the estimated future pineapple selling price, gross margin per ton and estimated volume of harvest would result in higher (lower) fair value of growing produce, while significant increase (decrease) in the future growing costs would result in lower (higher) fair value.

## 35. Commitments

***Purchase commitments***

The Group has entered into non-cancellable agreements with growers, co-packers, packaging suppliers and other service providers with commitments generally ranging from one year to ten years, to purchase certain quantities of raw products, including fruit, vegetables, tomatoes, packaging services and ingredients.

At the reporting date, the Group have commitments for future minimum payments under non-cancellable agreements as follows:

| | Group | |
|---|---|---|
| | **30 April 2024** US$'000 | **30 April 2023** US$'000 |
| Within one year | 357,557 | 414,042 |
| After one year but within five years | 311,154 | 308,337 |
| After five years | 431,520 | 325,056 |
| | 1,100,231 | 1,047,435 |

***Future capital expenditure***

| | Group | |
|---|---|---|
| | **30 April 2024** US$'000 | **30 April 2023** US$'000 |
| **Capital expenditure not provided for in the financial statements** | | |
| - approved by Directors and contracted for | 6,864 | 33,769 |
| - approved by Directors but not contracted for | 23,461 | 29,625 |
| | 30,325 | 63,394 |

## 36. Contingencies

Legal cases

The Group is the subject of, or a party to, various suits and pending or threatened litigation. While it is not feasible to predict or determine the ultimate outcome of these matters, the Group believes that none of these legal proceedings will have a material adverse effect on its financial position.

**Source of estimation uncertainty**

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

## 36. Contingencies (cont'd)

### Source of estimation uncertainty (cont'd)

As at 30 April 2024, the Group is involved in various legal proceedings and regulatory assessments, and management believes that these proceedings will not have a material effect on the consolidated financial statements.

The Group, in consultation with its external and internal legal and tax counsels, believe that its position on these assessments are consistent with relevant laws and believe that these proceedings will not have a material adverse effect on the consolidated financial statements. However, it is possible that future results of operations could be materially affected by changes in the estimates or the effectiveness of management's strategies relating to these proceedings. As at 30 April 2024, management has assessed that the probable cash outflow to settle these assessments is not material.

As of 28 April 2024, provision for retained liabilities arising from workers' compensation claims amounted to US$16.9 million, US$16.2 million of which is noncurrent (30 April 2023: US$14.8 million, US$13.3 million of which is noncurrent); 1 May 2022: US$17.8 million, US$14.6 million of which is noncurrent (Note 19).

## 37. Related parties

### *Related party transactions*

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

All publicly-listed entities, including the Company, have Material Related Party Transaction Policies containing the approval requirements and limits on amounts and extent of related party transactions in compliance with the requirements under the Revised SRC Rule 68 and SEC Memorandum Circular 10, series of 2019.

Other than those disclosed elsewhere in the financial statements, there are no other significant transactions with related parties.

## 37. Related parties (cont'd)

***Related party transactions (cont'd)***

| Group<br>Category/ Transaction | Year | Amount of the transaction US$'000 | Outstanding balance<br>Due from Related Parties* US$'000 | Due to Related Parties** US$'000 | Terms | Conditions |
|---|---|---|---|---|---|---|
| **Under Common Control** | | | | | | |
| ■ Shared IT services | **2024** | **109** | **254** | **–** | Due and demandable; non-interest bearing | Unsecured; no impairment |
| | 2023 | 98 | 60 | – | | |
| | 2022 | 112 | 41 | – | | |
| ■ Sale of apple juice concentrate /materials | **2024** | **81** | **21** | **–** | Due and demandable; non-interest bearing | Unsecured; no impairment |
| | 2023 | 15 | 8 | – | | |
| | 2022 | 12 | – | – | | |
| ■ Inventory count shortage | **2024** | **38** | **–** | **–** | Due and demandable; non-interest bearing | Unsecured; no impairment |
| | 2023 | – | – | – | | |
| | 2022 | – | – | – | | |
| ■ Sale of Raw Materials | **2024** | **–** | **–** | **–** | | |
| | 2023 | – | – | (4) | | |
| | 2022 | 48 | – | (68) | | |
| ■ Purchases | **2024** | **338** | **–** | **(180)** | Due and demandable; non-interest bearing | Unsecured |
| | 2023 | 119 | 5 | (21) | | |
| | 2022 | 122 | 5 | (11) | | |
| ■ Tollpack fees | **2024** | **–** | **–** | **–** | Due and demandable; non-interest bearing | Unsecured |
| | 2023 | – | – | – | | |
| | 2022 | 12 | 58 | – | | |

## 37. Related parties (cont'd)

### *Related party transactions (cont'd)*

| Group<br>Category/ Transaction | Year | Amount of the transaction US$'000 | Outstanding balance Due from Related Parties* US$'000 | Outstanding balance Due to Related Parties** US$'000 | Terms | Conditions |
|---|---|---|---|---|---|---|
| **Under Common Control** | | | | | | |
| - Security deposit | **2024** | **–** | **–** | **–** | Due and demandable; non-interest bearing | Unsecured |
| | 2023 | 25 | – | – | | |
| | 2022 | 7 | – | – | | |
| **Other Related Parties** | | | | | | |
| - Management fees from DMPI retirement fund | **2024** | **4** | **1** | **(2)** | Due and demandable; non-interest bearing | Unsecured; no impairment |
| | 2023 | 4 | – | 2 | | |
| | 2022 | 53 | 7 | 2 | | |
| - Rental to DMPI Retirement | **2024** | **1,915** | **–** | **(705)** | Due and demandable; non-interest bearing | Unsecured |
| | 2023 | 1,851 | – | (174) | | |
| | 2022 | 1,837 | – | (362) | | |
| - Rental to NAI Retirement | **2024** | **651** | **–** | **(232)** | Due and demandable; non-interest bearing | Unsecured |
| | 2023 | 629 | – | (57) | | |
| | 2022 | 652 | – | (121) | | |
| - Rental to DMPI Provident Fund | **2024** | – | – | – | Due and demandable; non-interest bearing | Unsecured |
| | 2023 | 6 | – | – | | |
| | 2022 | 7 | – | – | | |
| - Cash advances NAI | **2024** | **5,996** | **–** | **(5,996)** | Short-term; Non-interest bearing | Unsecured; no impairment |
| | 2023 | – | – | – | | |
| | 2022 | 1,261 | 1,261 | – | | |
| - Cash advances Bluebell Holdings Limited | **2024** | **19,000** | – | **(19,000)** | Due and demandable; Non-interest bearing | Unsecured |
| | 2023 | – | – | – | | |
| | 2022 | – | – | – | | |
| - Cash advances Aviemore Ltd | **2024** | **12,639** | – | **(12,639)** | Due and demandable; Interest bearing | Unsecured |
| | 2023 | – | – | – | | |
| | 2022 | – | – | – | | |
| | **2024** | | **276** | **(38,754)** | | |
| | 2023 | | 73 | (254) | | |
| | 2022 | | 1,372 | (560) | | |

**included as part of trade and other receivables excluding long-term loans receivable*
***included as part of trade and other payables*

## 37. Related parties (cont'd)

### *Related party transactions (cont'd)*

| **Company** | | | Outstanding balance | | | |
|---|---|---|---|---|---|---|
| **Category/ Transaction** | **Year** | **Amount of the transaction US$'000** | **Due from Related Parties* US$'000** | **Due to Related Parties** US$'000** | **Terms** | **Conditions** |
| **Subsidiaries** | | | | | | |
| - Dividend income | **2024** | **18,994** | **–** | **–** | Due and demandable; non-interest bearing | Unsecured; no impairment |
| | 2023 | 88,503 | – | – | | |
| | 2022 | 33,519 | – | – | | |
| - Reimbursement of expenses | **2024** | **63,909** | **27,416** | **–** | Due and demandable; non-interest bearing | Unsecured; no impairment |
| | 2023 | 136,439 | 26,400 | – | | |
| | 2022 | 7,317 | 84,229 | – | | |
| - Cash advance | **2024** | **63,788** | | **(170,583)** | Due and demandable; both interest/ noninterest bearing | Unsecured |
| | 2023 | 76,517 | – | (106,796) | | |
| | 2022 | 5,277 | – | (30,278) | | |
| - Management fees payable to subsidiaries | **2024** | **267** | | **(1,361)** | Due and demandable; non-interest bearing | Unsecured |
| | 2023 | 565 | – | (1,093) | | |
| | 2022 | 577 | – | (528) | | |
| - Cash advances Aviemore Ltd | 2024 | **12,639** | – | **(12,639)** | Due and demandable; Interest bearing | Unsecured |
| | 2023 | – | – | – | | |
| | 2022 | – | – | – | | |
| **Joint Venture** | | | | | | |
| - Cash advance | **2024** | – | – | – | Due and demandable; non-interest bearing | Unsecured; no impairment |
| | 2023 | 185 | 4,377 | – | | |
| | 2022 | 595 | 2,835 | – | | |
| | **2024** | | **27,416** | **(184,583)** | | |
| | 2023 | | 30,777 | (107,889) | | |
| | 2022 | | 87,064 | (30,806) | | |

**included as part of trade and other receivables excluding long-term loans receivable and advances to joint venture*
***included as part of trade and other payables*

## 37. Related parties (cont'd)

### *Related party transactions (cont'd)*

The transactions with related parties are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies and are carried out based on terms agreed between the parties. Pricing for the sales of products are market driven, less certain allowances. For purchases, the Group's policy is to solicit competitive quotations. Purchases are normally awarded based on the best products and/or services on the best terms. In determining whether the price and terms offered by vendors, including related parties, are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account.

Except for transactions identified in the previous section as interest-bearing, outstanding balances at financial reporting date are unsecured, interest-free and settlement occurs in cash and are collectible or payable on demand. For the years ended 30 April 2024 and 2023, the Group has not made any provision for doubtful accounts relating to amounts owed by related parties.

As discussed in Note 18, the Company extended a loan to DMFHII that was used to finance DMFHII's purchase of DMFI's Second Lien term loans. The loan was converted into ordinary shares in DMPLFL in May 2020.

### *Key management personnel compensation*

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Directors of the Company and key executive officers (excluding executive directors) are considered as key management personnel of the Group.

The key management personnel compensation is as follows:

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | **Year ended 30 April 2024** | **Year ended 30 April 2023** | **Year ended 30 April 2022** | **Year ended 30 April 2024** | **Year ended 30 April 2023** | **Year ended 30 April 2022** |
| | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 |
| **Directors:** | | | | | | |
| Fees and remuneration | 5,856 | 7,576 | 5,930 | 5,058 | 6,673 | 5,007 |
| **Key executive officers (excluding Directors):** | | | | | | |
| Short-term employee benefits | 5,233 | 5,056 | 4,625 | 2,819 | 4,168 | 3,525 |
| Post-employment benefits | 29 | 28 | 27 | – | – | – |

## 38. Non-controlling interest in subsidiaries

The following table summarises the information relating to the Group's subsidiaries with shareholder/s with material non-controlling interests, based on their respective financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in Group's accounting policies.

| | **30 April 2024** US$'000 | **30 April 2023** US$'000 | **30 April 2022** US$'000 |
|---|---|---|---|
| **DMPLFL** | | | |
| Ownership interests held by non-controlling interests | 6.43% | 6.43% | 6.43% |
| Revenue | 1,737,342 | 1,733,102 | 1,654,913 |
| Profit | (118,641) | (2.942) | 45,818 |
| Other comprehensive income | 12,375 | 6,777 | 5,031 |
| **Total comprehensive income** | | | |
| Attributable to non-controlling interests: | | | |
| - Profit | (7,628) | (189) | 2,946 |
| - Other comprehensive income | 796 | 436 | 323 |
| **Total comprehensive income** | (6,832) | 247 | 3,269 |
| Noncurrent assets | 1,219,310 | 1,202,400 | 1,119,963 |
| Current assets | 1,123,146 | 1,135,911 | 727,810 |
| Noncurrent liabilities | (1,244,148) | (838,835) | (678,406) |
| Current liabilities | (387,733) | (682,635) | (356,362) |
| **Net assets** | 710,575 | 816,841 | 813,005 |
| **Net assets attributable to non-controlling interests** | 45,685 | 52,518 | 52,271 |
| Cash flows provided by operating activities | 180,780 | (217,687) | 54,848 |
| Cash flows provided by (used in) provided by investing activities | (36,950) | (127,133) | (31,998) |
| Cash flows used in financing activities, before dividends to non-controlling interests | (147,000) | 349,267 | (24,471) |
| Currency realignment | (71) | 43 | (149) |
| **Net increase (decrease) in cash and cash equivalents** | (3,241) | 4,490 | (1,770) |

On 15 May 2020, the Company increased its effective stake in DMPLFL after converting its long-term receivable from DMFHL into equity investment (Note 6).

## 38. Non-controlling interest in subsidiaries (cont'd)

| | 30 April 2024 US$'000 | 30 April 2023 US$'000 |
|---|---|---|
| **DMPI** | | |
| Ownership interests held by non-controlling interests | 10.73% | 13% |
| Revenue | 691,934 | 739,026 |
| Profit | 46,590 | 66,455 |
| Other comprehensive income | (750) | 8,441 |
| **Total comprehensive income** | | |
| Attributable to non-controlling interests: | | |
| - Profit | 4,945 | 8,639 |
| - Other comprehensive income | 93 | 1,097 |
| **Total comprehensive income** | 5,038 | 9,736 |
| Noncurrent assets | 495,100 | 492,792 |
| Current assets | 560,959 | 462,949 |
| Noncurrent liabilities | (226,907) | (94,274) |
| Current liabilities | (573,076) | (628,283) |
| **Net assets** | 256,076 | 233,184 |
| Senior perpetual capital securities (non-controlling interest) – See Note 6 | (66,083) | |
| **Net assets excluding senior perpetual capital securities** | 189,993 | 233,184 |
| **Net assets attributable to non- controlling interests excluding senior perpetual capital securities** | 20,386 | 30,314 |
| Cash flows provided by operating activities | 86,081 | 41,112 |
| Cash flows used in investing activities | (147,687) | (183,556) |
| Cash flows provided by used in financing activities, before dividends to non-controlling interests | 54,556 | 137,502 |
| Currency realignment | 1,603 | 45 |
| **Net decrease in cash and cash equivalents** | (5,447) | (4,897) |

In relation to the sale of 12% stake in DMPI, the Group recognized non-controlling interest amounting to US$26.4 million, representing 12% of the net asset value of DMPI as at 30 April 2020 (Note 6).

On 16 December 2020, additional 1% stake was sold to SEA Diner. The increase in ownership interest of SEA Diner in DMPI resulted to an increase in equity reserve amounting to US$9.3 million (Note 6).

On 4 April 2024, DMPI redeemed 2.54% of its shares owned by SEA Diner (Note 6).

## 39. Supplemental Disclosure of Cash Flow Information

The changes in liabilities arising from financing activities of the Group for the year ended 30 April 2024, 2023 and 2022 are as follows:

| | Note | 1 May 2023 US$'000 | Cash inflows US$'000 | Cash outflows US$'000 | Accrued interest but not yet paid US$'000 | Foreign exchange movement US$'000 | Reclassification and others US$'000 | 30 April 2024 US$'000 |
|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | |
| **Fiscal Year 2024** | | | | | | | | |
| Current interest-bearing loans and borrowings | 18 | 820,053 | 2,858,693 | (3,009,649) | – | (17,886) | 267,517 | 918,728 |
| Noncurrent interest-bearing loans and borrowings | 18 | 1,453,300 | 1,903,274 | (1,710,594) | – | (2,849) | (265,816) | 1,377,315 |
| Lease liabilities | 23 | 100,096 | – | (38,242) | 6,158 | (1,643) | 25,050 | 91,419 |
| Accrued interest payable | 22 | 10,441 | – | (190,705) | 195,074 | (122) | – | 14,688 |
| Derivative liabilities | 19, 22 | 6,650 | – | – | – | – | (3,884) | 2,766 |
| Total liabilities from financing activities | | 2,390,540 | 4,761,967 | (4,949,190) | 201,232 | (22,500) | 22,867 | 2,404,916 |

| | Note | 1 May 2022 US$'000 | Cash inflows US$'000 | Cash outflows US$'000 | Accrued interest but not yet paid US$'000 | Foreign exchange movement US$'000 | Reclassification and others US$'000 | 30 April 2023 US$'000 |
|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | |
| **Fiscal Year 2023** | | | | | | | | |
| Current interest-bearing loans and borrowings | 18 | 338,294 | 3,485,753 | (3,343,872) | – | (11,069) | 350,947 | 820,053 |
| Noncurrent interest-bearing loans and borrowings | 18 | 1,229,072 | 1,261,200 | (688,701) | – | (8,729) | (339,542) | 1,453,300 |
| Lease liabilities | 23 | 121,320 | – | (42,691) | 6,615 | (3,134) | 17,986 | 100,096 |
| Accrued interest payable | 22 | 34,122 | – | (144,006) | 120,361 | (36) | – | 10,441 |
| Derivative liabilities | 19, 22 | 7,896 | – | – | – | – | (1,246) | 6,650 |
| Total liabilities from financing activities | | 1,730,704 | 4,746,953 | (4,219,270) | 126,976 | (22,968) | 28,145 | 2,390,540 |

| | Note | 1 May 2021 US$'000 | Cash inflows US$'000 | Cash outflows US$'000 | Accrued interest but not yet paid US$'000 | Foreign exchange movement US$'000 | Reclassification and others US$'000 | 30 April 2022 US$'000 |
|---|---|---|---|---|---|---|---|---|
| **Group** | | | | | | | | |
| **Fiscal Year 2022** | | | | | | | | |
| Current interest-bearing loans and borrowings | 18 | 263,625 | 2,235,913 | (2,170,734) | – | (13,081) | 22,571 | 338,294 |
| Noncurrent interest-bearing loans and borrowings | 18 | 1,022,118 | 612,200 | (376,300) | – | (15,717) | (13,229) | 1,229,072 |
| Lease liabilities | 23 | 128,803 | – | (38,870) | 7,534 | (4,061) | 27,914 | 121,320 |
| Accrued interest payable | 22 | 30,843 | – | (89,359) | 92,690 | (52) | – | 34,122 |
| Derivative liabilities | 19, 22 | – | – | – | – | – | 7,896 | 7,896 |
| Total liabilities from financing activities | | 1,445,389 | 2,848,113 | (2,675,263) | 100,224 | (32,911) | 45,152 | 1,730,704 |

## 39. Supplemental Disclosure of Cash Flow Information (cont'd)

| | Note | 1 May 2023 US$'000 | Cash inflows US$'000 | Cash outflows US$'000 | Accrued interest but not yet paid US$'000 | Reclassification and others US$'000 | 30 April 2024 US$'000 |
|---|---|---|---|---|---|---|---|
| **Company** | | | | | | | |
| **Fiscal Year 2024** | | | | | | | |
| Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts | 18 | 324,898 | 216,600 | (299,538) | – | 249,052 | 491,012 |
| Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts | 18 | 241,959 | 50,000 | – | – | (248,233) | 43,726 |
| Accrued interest payable | 22 | 3,228 | – | (40,850) | 42,330 | – | 4,708 |
| Total liabilities from financing activities | | 570,085 | 266,600 | (340,388) | 42,330 | 819 | 539,446 |

| | Note | 1 May 2022 US$'000 | Cash inflows US$'000 | Cash outflows US$'000 | Accrued interest but not yet paid US$'000 | Reclassification and others US$'000 | 30 April 2023 US$'000 |
|---|---|---|---|---|---|---|---|
| **Company** | | | | | | | |
| **Fiscal Year 2023** | | | | | | | |
| Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts | 18 | 170,571 | 98,500 | (168,071) | – | 223,898 | 324,898 |
| Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts | 18 | 434,587 | 30,000 | – | – | (222,628) | 241,959 |
| Accrued interest payable | 22 | 3,434 | – | (28,932) | 28,726 | – | 3,228 |
| Total liabilities from financing activities | | 608,592 | 128,500 | (197,003) | 28,726 | 1,270 | 570,085 |

## 39. Supplemental Disclosure of Cash Flow Information (cont'd)

| | Note | 1 May 2021 US$'000 | Cash inflows US$'000 | Cash outflows US$'000 | Accrued interest but not yet paid US$'000 | Reclassification and others US$'000 | 30 April 2022 US$'000 |
|---|---|---|---|---|---|---|---|
| **Company** | | | | | | | |
| **Fiscal Year 2022** | | | | | | | |
| Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts | 18 | 69,810 | 168,000 | (89,810) | – | 22,571 | 170,571 |
| Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts | 18 | 293,561 | 165,000 | – | – | (23,974) | 434,587 |
| Accrued interest payable | 22 | 2,341 | – | (11,004) | 12,097 | – | 3,434 |
| Total liabilities from financing activities | | 365,712 | 333,000 | (100,814) | 12,097 | (1,403) | 608,592 |

Reclassification and others include the effect of reclassification of noncurrent portion of interest-bearing loans and borrowings to current due to the passage of time, deferred financing costs, and fair value adjustments of hedge contracts. This also include additions and terminations of lease liabilities.

## 40. Comparative information

During the year, the Group restated the classification of its loans and borrowings to reflect more appropriately the expected settlement period of its ABL, and the classification of certain noncurrent financial assets carried at FVOCI to reflect the noncurrent nature of their investment tenure. Comparative amounts in the statement of financial position were restated for consistency. The amounts are reclassifications within the statement of financial position, and the effects of the reclassifications are summarised as follows.

Statement of financial position

| | Note | Year ended 30 April 2023 (US$'000) | Reclassi-fication (US$'000) | Year ended 30 April 2023 (US$'000) Restated |
|---|---|---|---|---|
| **Noncurrent assets** | | | | |
| Other noncurrent assets – Financial assets carried at FVOCI | 10 | 42,250 | 613 | 42,863 |
| **Current assets** | | | | |
| Prepaid expenses and other current assets - Others | 14 | 59,667 | (613) | 59,054 |
| **Noncurrent liabilities** | | | | |
| Loans and borrowings | 18 | 994,477 | 458,823 | 1,453,300 |
| **Current liabilities** | | | | |
| Loans and borrowings | 18 | 1,278,876 | (458,823) | 820,053 |

## 41. Subsequent events

In May 2024, the Group formalized a plan to sell the real estate at Toppenish and Markesan plant with carrying value of approximately US$8.0 million. These assets will be classified as assets-held-for-sale in the consolidated balance sheet with effect from the 1st quarter until sold.

In August 2024, Del Monte Foods Corporation II Inc ("DMFC"), a subsidiary within DMFHL, entered into a new two-step financing commitment (the "DMFC-ABL") with its ABL lenders and certain other lenders. The DMFC-ABL allows DMFC to borrow up to US$210.0 million additional monies in step-one, and incremental borrowings of up to US$30.0 million in a new facility step-two. The commitment also lacks financial covenants that could lead to default, but failing to meet milestones will necessitate governance changes.

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**INDEPENDENT AUDITOR'S REPORT ON**
**COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS**

The Stockholders and the Board of Directors
Del Monte Pacific Limited and its Subsidiaries
Craigmuir Chambers
PO Box 71 Road Town, Tortola
British Virgin Islands

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Del Monte Pacific Limited and its Subsidiaries (the Group) and the separate financial statements of Del Monte Pacific Limited (the Company), as at 30 April 2024 and 2023 and for each of the three years in the period ended 30 April 2024, and have issued our report thereon dated 7 August 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements and separate 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 International Financial Reporting Standards (IFRSs) 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 and separate financial statements prepared in accordance with IFRSs. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at 30 April 2024 and 2023 and for each of the three years in the period ended 30 April 2024 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Johnny F. Ang
Partner
CPA Certificate No. 0108257
Tax Identification No. 221-717-423
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-101-2021, October 1, 2021, valid until September 30, 2024
PTR No. 10079896, January 5, 2024, Makati City

7 August 2024

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**INDEPENDENT AUDITOR'S REPORT**
**ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
Del Monte Pacific Limited and its Subsidiaries
Craigmuir Chambers
PO Box 71 Road Town, Tortola
British Virgin Islands

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Del Monte Pacific Limited and its Subsidiaries (the Group) as at 30 April 2024 and 2023 and for each of the three years in the period ended 30 April 2024, included in this Form 17-A and have issued our report thereon dated 7 August 2024. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to Consolidated Financial Statements and 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 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 consolidated financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Johnny F. Ang
Partner
CPA Certificate No. 0108257
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BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
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7 August 2024

# Del Monte Pacific Limited and Subsidiaries
# Index to the Consolidated Financial Statements and Supplementary Schedules
**30 April 2024**

**Schedule A – Financial assets**

| **Description of each issue** | **Number of shares or principal amount of bonds and notes** | **Amount shown in the Statements of Financial Position US$'000** | **Value based on market quotations at 30 April 2024 US$'000** | **Income received and accrued US$'000** |
|---|---|---|---|---|
| Cash and cash equivalents | – | 13,123 | 13,123 | 154 |
| Trade and other receivables | – | 220,600 | 220,600 | 914 |
| Investment in unquoted equity | – | 11,665 | 11,665 | – |
| Refundable deposits | – | 1,824 | 1,824 | – |
| Derivative assets | – | 1,179 | 1,179 | – |
| | **–** | **248,391** | **248,391** | **1,068** |

**Schedule B – Amounts receivable from directors, officers, employees and related parties and principal stockholders (other than related parties)**

| Name and designation of debtor | Balance at beginning of year US$'000 | Additions US$'000 | Amounts collected US$'000 | Amounts written off US$'000 | Total US$'000 | Current US$'000 | Non-current US$'000 | Balance at end of year US$'000 |
|---|---|---|---|---|---|---|---|---|
| Advances to officers and employees | 779 | 7,385 | (7,356) | – | 808 | 808 | – | 808 |
| | 779 | 7,385 | (7,356) | – | 808 | 808 | – | 808 |

**Schedule C – Amounts receivable from related parties which are eliminated during the consolidation of the Financial Statements**

| Name and designation of debtor | Balance at beginning of year US$'000 | Additions US$'000 | Amounts collected US$'000 | Amounts assigned US$'000 | Total US$'000 | Current US$'000 | Non-current US$'000 | Balance at end of year US$'000 |
|---|---|---|---|---|---|---|---|---|
| Philippines Packing Management Services Corporation | 1,118 | 2,994 | (2,315) | – | 1,797 | 1,797 | – | 1,797 |
| Del Monte Philippines, Inc. | 235,658 | 290,195 | (183,635) | – | 342,218 | 342,218 | – | 342,218 |
| Central American Resources, Inc. | – | 89,808 | (13,888) | – | 75,920 | 38,063 | 37,857 | 75,920 |
| Dewey Sdn. Bhd. | 12,053 | – | (10) | – | 12,043 | – | 12,043 | 12,043 |
| Dewey Limited | 10,079 | – | – | – | 10,079 | 10,079 | – | 10,079 |
| Del Monte Pacific Resources Limited | 512 | 12,994 | – | (12,994) | 512 | 512 | – | 512 |
| GTL Limited | 20,954 | – | (48) | – | 20,906 | 20,906 | – | 20,906 |
| S&W Fine Foods International Limited | 48,003 | 31,747 | (933) | – | 78,817 | 78,817 | – | 78,817 |
| S&W Japan Limited | 46 | 91 | (100) | – | 37 | 37 | – | 37 |
| DMPL Management Services Pte Ltd. | 19,079 | 1,100 | (915) | – | 19,264 | 19,264 | – | 19,264 |
| DM Pacific Limited-ROHQ | 621 | 2,671 | (1,563) | – | 1,729 | 1,729 | – | 1,729 |
| Del Monte Pacific Limited | 25,187 | 13,773 | – | (12,994) | 25,966 | 25,966 | – | 25,966 |
| DMPL India Pte Ltd | – | – | – | – | – | – | – | – |
| Del Monte Foods Incorporated | 418 | 1,023 | – | – | 1,441 | 1,441 | – | 1,441 |
| South Bukidnon Fresh Trading, Inc. | 796 | 49 | – | – | 845 | 845 | – | 845 |
| Jubilant Year Investments Limited | – | 69,256 | – | – | 69,256 | 1,543 | 67,713 | 69,256 |
| | 374,524 | 515,701 | (203,407) | (25,988) | 660,830 | 543,217 | 117,613 | 660,830 |

**Schedule D – Intangible assets – Other assets**

| **Description** | **Balance at beginning of year US$'000** | **Additions through acquisition US$'000** | **Additions US$'000** | **Charged to cost and expenses Additions / (Deductions) US$'000** | **Charged to other accounts Additions / (Deductions) US$'000** | **Adjustment / Disposal US$'000** | **Currency translation adjustments US$'000** | **Balance at end of year US$'000** |
|---|---|---|---|---|---|---|---|---|
| Goodwill | 203,432 | – | – | – | – | – | – | 203,432 |
| Indefinite life trademarks | 472,363 | – | – | – | – | – | – | 472,363 |
| Amortisable trademarks | 12,061 | – | – | (1,262) | – | – | – | 10,799 |
| Customer relationships | 65,985 | – | – | (5,772) | – | – | – | 60,213 |
| **Total** | **753,841** | – | – | **(7,034)** | – | – | – | **746,807** |

**Schedule E – Long-term debt**

| **Title of issue and type of obligation** | **Currency** | **Amount authorised by indenture US$'000** | **Outstanding balance US$'000** | **Current portion of long-term debt US$'000** | **Non-current portion of long-term debt US$'000** | **Interest rates** | **Final maturity** |
|---|---|---|---|---|---|---|---|
| Unsecured bank loans | | | | | | | |
| Unsecured bank loans | Php | 178,872 | 175,616 | 13,025 | 162,591 | 7.25% - 7.42% | 2025 |
| Unsecured bank loans | US$ | 155,000 | 138,773 | 95,023 | 43,750 | 7.08% - 8.58% | 2024-2026 |
| Unsecured bonds | US$ | 90,000 | 90,000 | 90,000 | – | 3.75% | 2024 |
| Unsecured 5Y bonds | US$ | 11,216 | 11,216 | – | 11,216 | 3.76% | 2025 |
| Secured bank loans | | | | | | | |
| Secured bank loan under Asset-Based Lending (ABL) Credit Agreement | US$ | 575,000 | 472,223 | – | 472,223 | ABL Base B - 11% SOFR 5.32% + Spread of 3.6% or total of 8.92% | 2027 |
| Secured bridging loan | US$ | 50,000 | 45,000 | 45,000 | – | 8.17% | 2025 |
| Secured bank loans | US$ | 175,000 | 164,500 | 164,500 | – | 8.23% - 8.81% | 2025 |
| Term Loan B | US$ | 725,000 | 716,247 | 7,253 | 708,994 | 9.68% | 2029 |
| Long-term Debt | US$ | **1,960,088** | **1,813,575** | **414,801** | **1,398,774** | | |
| Less: Unamortized debt issue cost | | – | 22,077 | 618 | 21,459 | | |
| | | **1,960,088** | **1,791,498** | **414,183** | **1,377,315** | | |

**Schedule F – Indebtedness to related parties**

| Description | Name of related party | Balance at beginning of year | Balance at end of year |
|---|---|---|---|

**Not Applicable**

**Schedule G – Guarantees of securities of other issuers**

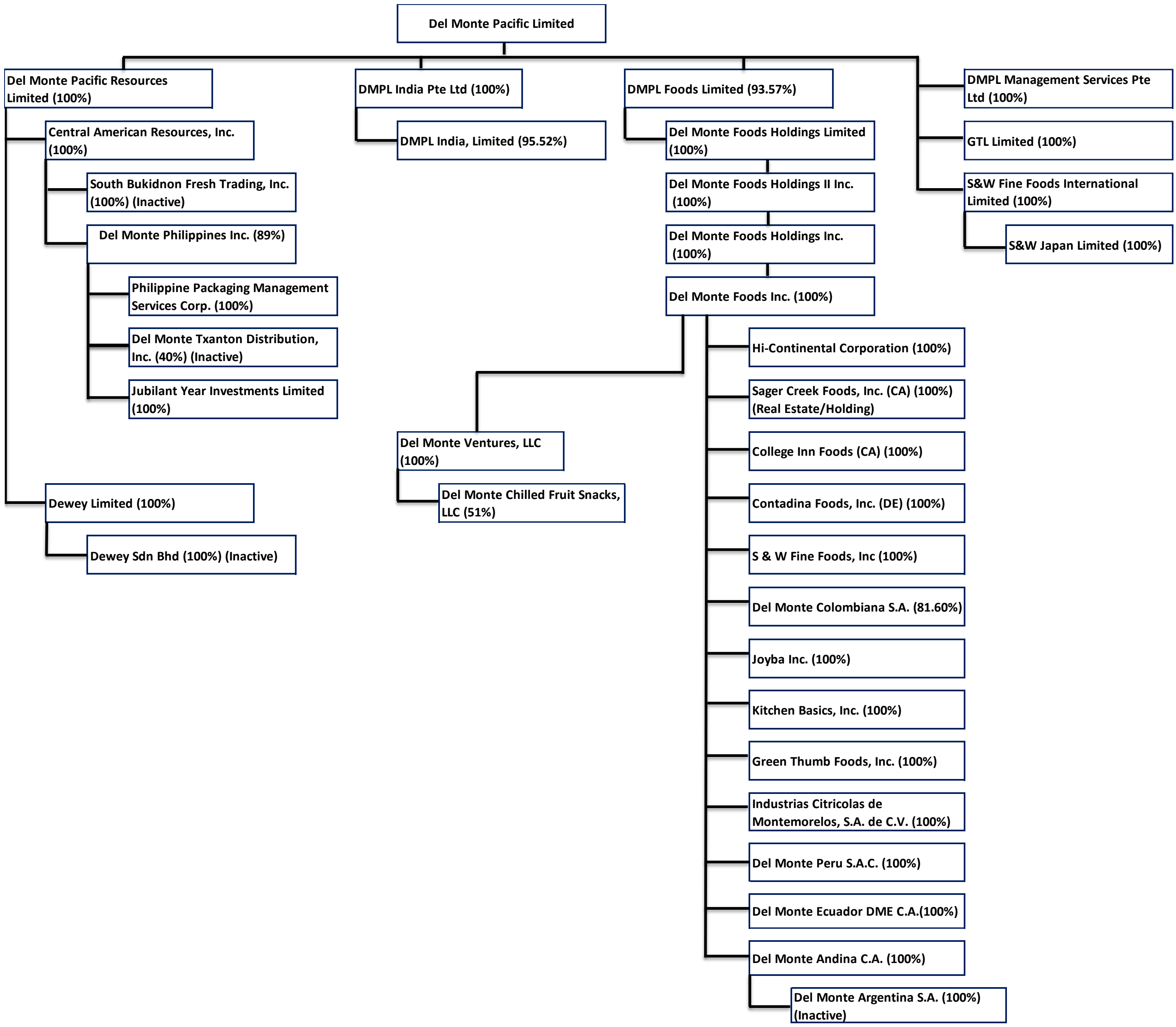
| Name of issuing entity of securities guaranteed by the company for which this statement is filed | Title of issue of each class of securities guaranteed | Total amount guaranteed and outstanding | Amount owned by person for which statement is filed | Nature of guarantee |
|---|---|---|---|---|

**Not Applicable**

**Schedule H – Capital stock**

| | | | | | | Number of shares held | | |
|---|---|---|---|---|---|---|---|---|
| **Description** | **Number of shares authorised ’000** | **Number of shares issued ’000** | **Treasury shares ’000** | **Number of shares issued and outstanding ’000** | **Number of shares reserved for options ’000** | **Related party ’000** | **Directors and officers ’000** | **Others ’000** |
| Ordinary shares | 3,000,000 | 1,944,936 | 976 | 1,943,960 | – | 1,386,276 | 19,462 | 538,222 |
| Preference shares | 600,000 | – | – | – | – | – | – | – |
| | **3,600,000** | **1,944,936** | **976** | **1,943,960** | **–** | **1,386,276** | **19,462** | **538,222** |

## II. Map of Relationships of the Companies within the Group



## III. Financial Ratios

| Ratio | Formula | 30 April 2024 | 30 April 2023 |
|---|---|---|---|
| **Current Ratio or Working Capital Ratio** | Current Assets / Current Liabilities | 1.0 | 1.2 |
| **Quick Ratio** | Current Assets less Inventories less Prepaid expenses and other current assets, Biological Assets and Noncurrent assets held for sale / Current Liabilities | 0.2 | 0.2 |
| **Solvency Ratio** | Total Assets / Total Liabilities | 1.1 | 1.1 |
| **Debt Ratio** | Total Liabilities / Total Assets | 0.9 | 0.9 |
| **Debt-to-Equity Ratio** | Total Liabilities / Total Stockholders' Equity | 11.3 | 7.1 |
| **Asset to Equity Ratio** | Total Assets / Total Stockholders' Equity | 12.3 | 8.1 |
| **Interest Coverage** | Earnings Before Interest and Taxes / Interest Charges | 0.2 | 1.2 |
| **Debt/EBITDA Ratios** | Total Debt / Earnings Before Interest, Taxes, Depreciation and Amortization[1] | 21.9 | 8.4 |
| **Gross Profit Margin** | Revenue - Cost of Sales / Revenue | 17.28% | 25.07% |
| **Net Profit Margin attributable to owners of the company** | Net Profit/(Loss) attributable to owners / Revenue | (5.32%) | 0.70% |
| **Net Profit Margin** | Net Profit/(Loss) / Revenue | (5.44%) | 1.05% |
| **Return on Assets** | Net Profit/(Loss) / Total Assets | (4.24%) | 0.81% |
| **Return on Equity** | Net Profit/(Loss) / Total Stockholders' Equity | (52.12%) | 6.58% |

[1] EBITDA is exclusive of foreign exchange differences, capitalizable depreciation and depreciation expense attributable to bearer plants

## IV. Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration *

| | ***Amount (In US$'000)*** |
|---|---|
| **Unappropriated retained earnings available for dividend declaration, beginning** | **386,538** |
| **Less: Items that are directly debited to Unappropriated Retained Earnings:** | |
| Dividend declaration during the period | (2,542) |
| **Unappropriated retained earnings, as adjusted** | **383,996** |
| **Less: Net (loss) for the current fiscal year** | **(129,157)** |
| **Less: Unrealized income recognized in the profit or loss during the period (net of tax)** | |
| Share in net loss (income) of joint ventures and subsidiaries - net of dividends received | 91,665 |
| Unrealized foreign exchange gain | (72) |
| **Sub-total** | **91,593** |
| **Adjusted net loss** | **(37,564)** |
| **Add (less): Other items that should have been excluded from the determination of the amount of available for dividends distribution** | |
| Movement in deferred tax asset | (110) |
| **Unappropriated retained earnings available for dividend declaration, end** | **346,322** |

**The Company was incorporated in the British Virgin Islands. Thus, it may be subject to different rules on dividend declaration.*