

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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

Antonio E.S. Ungson

Contact Person

+65 6324 6822

Company Telephone Number

SEC FORM (2nd Quarter FY2022)

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Month

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Day

1	7	-	Q
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FORM TYPE

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Month

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Day

Annual Meeting

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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be accomplished by SEC Personnel concerned

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File Number

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended **October 31, 2021**
2. Commission 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. Industry Classification Code: (SEC Use Only)
7. c/o Philippine Resident Agent,
Craigmuir Chambers, PO Box 71 Road Town,
Tortola, British Virgin Islands 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 Code, or Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	1,943,960,024
Preference Shares	30,000,000

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

Yes [/] No []

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

Singapore Exchange Securities Trading Limited - Ordinary Shares
Philippine Stock Exchange - Ordinary and Preference Shares

12. Indicate by check mark whether the registrant:

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

Yes [/] No []

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

Yes [/] No []

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to the Financial Statements (FS) section of this report, FS to FS60

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

Please refer to the Management's Discussion and Analysis of Financial Condition and Results of Operations section of this report.

PART II--OTHER INFORMATION

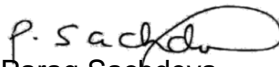
Not Applicable

SIGNATURES

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

Issuer **Del Monte Pacific Limited**

Signature and Title


Parag Sachdeva

Chief Financial Officer and Duly Authorized Officer

Date

December 9, 2021

Del Monte Pacific Limited and its Subsidiaries

Unaudited Interim Condensed Consolidated
Financial Statements
As at 31 October 2021
and for the Three-month and Six-month Periods Ended
31 October 2021 and 2020
(With Comparative Audited Consolidated Statement of
Financial Position as at 30 April 2021)

Del Monte Pacific Limited and its Subsidiaries
Unaudited Interim Condensed Consolidated Financial Statements
As at 31 October 2021 and for the three-month and six-month periods ended 31 October 2021 and 2020

Unaudited Interim Consolidated Statements of Financial Position

(With Comparative Audited Figures as at 30 April 2021)

	Note	As at 31 October 2021 US\$'000 (Unaudited)	As at 30 April 2021 US\$'000 (Audited)
Noncurrent assets			
Property, plant and equipment – net	6	540,253	544,776
Right-of-use assets	30	116,360	135,208
Investments in joint ventures	8	21,169	22,530
Intangible assets and goodwill	7	691,372	694,697
Deferred tax assets – net	22	120,282	130,538
Biological assets	10	2,708	2,655
Pension assets		6,625	7,889
Other noncurrent assets	9	26,898	25,325
		1,525,667	1,563,618
Current assets			
Biological assets	10	44,070	44,913
Inventories	11	884,020	557,602
Trade and other receivables	12, 24	269,816	185,049
Prepaid expenses and other current assets	13	47,034	37,286
Cash and cash equivalents	14, 24	37,248	29,435
		1,282,188	854,285
Total assets		2,807,855	2,417,903
Equity			
Share capital	28	49,449	49,449
Share premium		478,339	478,339
Retained earnings		104,287	83,349
Reserves	15	(37,004)	(29,953)
Equity attributable to owners of the Company		595,071	581,184
Non-controlling interests		65,293	61,312
Total equity		660,364	642,496
Noncurrent liabilities			
Loans and borrowings	16, 24	936,581	953,290
Lease liabilities	30	84,464	103,690
Employee benefits		31,855	31,866
Environmental remediation liabilities	19	265	7,429
Deferred tax liabilities – net	22	9,180	6,599
Other noncurrent liabilities	17	16,014	18,697
		1,078,359	1,121,571
Current liabilities			
Loans and borrowings	16, 24	633,108	332,453
Lease liabilities	30	25,670	25,113
Employee benefits		31,496	38,275
Trade and other current liabilities	20, 24	376,130	254,729
Current tax liabilities		2,728	3,266
		1,069,132	653,836
Total liabilities		2,147,491	1,775,407
Total equity and liabilities		2,807,855	2,417,903

Unaudited Interim Consolidated Statements of Income

	Note	Three months ended		Six months ended	
		31 October		31 October	
		2021	2020	2021	2020
		US\$'000	US\$'000	US\$'000	US\$'000
Revenue	4, 21	650,991	623,453	1,113,125	1,036,511
Cost of sales		(472,510)	(463,708)	(801,224)	(782,660)
Gross profit	4	178,481	159,745	311,901	253,851
Distribution and selling expenses		(60,078)	(57,447)	(102,896)	(95,089)
General and administrative expenses	27	(33,914)	(35,991)	(66,062)	(71,048)
Other expense – net		(1,256)	1,421	(2,937)	664
Results from operating activities		83,233	67,728	140,006	88,378
Finance income	33	(83)	1,043	1,643	3,556
Finance expense	33	(27,437)	(28,897)	(53,881)	(55,988)
Net finance expense		(27,520)	(27,854)	(52,238)	(52,432)
Share in net loss of joint ventures	4	(508)	(206)	(1,550)	(907)
Profit before taxation	4	55,205	39,668	86,218	35,039
Tax expense – current	22	(3,988)	(5,572)	(10,571)	(17,648)
Tax (expense) benefit – deferred	22	(10,540)	(8,791)	(12,890)	5,894
	22	(14,528)	(14,363)	(23,461)	(11,754)
Profit for the period		40,677	25,305	62,757	23,285
Profit attributable to:					
Non-controlling interest		4,876	3,453	8,634	4,682
Owners of the Company		35,801	21,852	54,123	18,603
		40,677	25,305	62,757	23,285
Earnings per share					
Basic earnings per share (U.S. cents)	29	1.59	0.87	2.28	0.45
Diluted earnings per share (U.S. cents)	29	1.59	0.87	2.28	0.45

Unaudited Interim Consolidated Statements of Comprehensive Income

	Three months ended		Six months ended	
	31 October		31 October	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Profit for the period	40,677	25,305	62,757	23,285
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss				
Share in remeasurement of retirement plans	–	3,673	24	7,346
Tax impact on share in remeasurement of retirement plans	–	(900)	(3)	(1,794)
	–	2,773	21	5,552
Items that may be reclassified subsequently to profit or loss				
Share in currency translation differences	(1,140)	2,164	(8,162)	6,377
Share in effective portion of changes in fair value of cash flow hedges of a subsidiary	(1,438)	668	60	2,523
Tax impact on share in cash flow hedges	352	(163)	(15)	(618)
	(2,226)	2,669	(8,117)	8,282
Other comprehensive income (loss) for the period, net of tax	(2,226)	5,442	(8,096)	13,834
Total comprehensive income for the period	38,451	30,747	54,661	37,119
Total comprehensive income attributable to:				
Owners of the Company	33,787	26,706	47,072	31,002
Non-controlling interests	4,664	4,041	7,589	6,117
	38,451	30,747	54,661	37,119

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements.

Unaudited Interim Consolidated Statements of Changes in Equity
Six months ended 31 October 2021 and 2020

	<----- Attributable to owners of the Company ----->											
	Share capital US\$'000 (Note 28)	Share premium US\$'000 (Note 28)	Translation reserve US\$'000	Revalua- tion reserve US\$'000	Remeasure- ment of 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
Fiscal Year 2022												
At 1 May 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 (loss) for the period												
Profit for the period (Note 29)	—	—	—	—	—	—	—	—	54,123	54,123	8,634	62,757
Other comprehensive income												
Currency translation differences	—	—	(7,113)	—	—	—	—	—	—	(7,113)	(1,049)	(8,162)
Remeasurement of retirement plans	—	—	—	—	20	—	—	—	—	20	1	21
Effective portion of changes in fair value of cash flow hedges	—	—	—	—	—	42	—	—	—	42	3	45
Total other comprehensive income (loss)	—	—	(7,113)	—	20	42	—	—	—	(7,051)	(1,045)	(8,096)
Total comprehensive income (loss) for the period	—	—	(7,113)	—	20	42	—	—	54,123	47,072	7,589	54,661
Transactions with owners of the Company recognized directly in equity												
Contributions by and distributions to owners of the Company												
Payment of dividends	—	—	—	—	—	—	—	—	(33,185)	(33,185)	(3,608)	(36,793)
At 31 October 2021	49,449	478,339	(89,084)	14,278	35,069	1,266	1,753	(286)	104,287	595,071	65,293	660,364

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited Interim Consolidated Statements of Changes in Equity
Six months ended 31 October 2021 and 2020

	<----- Attributable to owners of the Company ----->											
	Share capital US\$'000 (Note 28)	Share premium US\$'000 (Note 28)	Translation reserve US\$'000	Revalua- -tion reserve US\$'000	Remeasure- ment of 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
Fiscal Year 2021												
At 1 May 2020	49,449	478,339	(87,997)	13,731	(2,873)	(1,802)	1,753	(286)	60,763	511,077	54,820	565,897
Total comprehensive income (loss) for the period												
Profit for the period (Note 29)	—	—	—	—	—	—	—	—	18,603	18,603	4,682	23,285
Other comprehensive income												
Currency translation differences	—	—	5,419	—	—	—	—	—	—	5,419	958	6,377
Remeasurement of retirement plans	—	—	—	—	5,198	—	—	—	—	5,198	354	5,552
Effective portion of changes in fair value of cash flow hedges	—	—	—	—	—	1,782	—	—	—	1,782	123	1,905
Total other comprehensive income	—	—	5,419	—	5,198	1,782	—	—	—	12,399	1,435	13,834
Total comprehensive income (loss) for the period	—	—	5,419	—	5,198	1,782	—	—	18,603	31,002	6,117	37,119
Transactions with owners of the Company recognized directly in equity												
Contributions by and distributions to owners of the Company												
Sale of shares of a subsidiary	—	—	—	—	—	—	—	—	(182)	(182)	—	(182)
Payment of dividends	—	—	—	—	—	—	—	—	(39,930)	(39,930)	(6,128)	(46,058)
Total contributions by and distributions to owners	—	—	—	—	—	—	—	—	(40,112)	(40,112)	(6,128)	(46,240)
At 31 October 2020	49,449	478,339	(82,578)	13,731	2,325	(20)	1,753	(286)	39,254	501,967	54,809	556,776

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited Interim Consolidated Statements of Cash Flows

		Six months ended	
		31 October	
	Note	2021	2020
		US\$'000	US\$'000
Cash flows from operating activities			
Profit for the period		62,757	23,285
Adjustments for:			
Depreciation of property, plant and equipment	26	77,361	59,800
Amortization of right-of-use assets		19,909	19,011
Amortization of intangible assets	7, 26	3,325	3,325
Impairment loss (reversal) on property, plant and equipment	6	33	(31)
Gain on disposal of property, plant and equipment		(94)	(2,777)
Share in net loss of joint ventures	4	1,550	907
Net loss on derivative settlement		(324)	11
Finance income*	33	(1,643)	(3,556)
Finance expense*	33	53,881	55,988
Tax expense – current	22	10,571	17,648
Tax expense – deferred	22	12,890	(5,894)
		240,216	167,717
Changes in:			
Other assets		(6,309)	9,662
Inventories		(329,838)	(231,847)
Biological assets		(1,464)	8,493
Trade and other receivables		(91,035)	(51,898)
Prepaid expenses and other current assets		(7,376)	1,363
Trade and other payables		113,706	35,864
Employee benefits		(5,553)	12,146
Operating cash flows		(87,653)	(48,500)
Taxes paid		(8,146)	(15,534)
Net cash flows used in operating activities		(95,799)	(64,034)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(89,118)	(64,539)
Proceeds from disposal of property, plant and equipment		211	2,429
Interest received		534	207
Advances to joint venture		–	(490)
Investment in new joint venture	8	(189)	–
Collection of receivables from prior year sale of shares of a subsidiary and settlement of transaction costs		–	106,520
Net cash flows provided by (used in) investing activities		(88,562)	44,127

(continued on next page)

*Includes foreign exchange gains and losses

Unaudited Interim Consolidated Statements of Cash Flows (continued)

		Six months ended	
		31 October	
	Note	2021	2020
		US\$'000	US\$'000
Cash flows from financing activities			
Proceeds from borrowings		1,559,547	3,020,934
Repayment of borrowings		(1,264,215)	(2,892,848)
Interest paid		(43,240)	(21,758)
Payments of lease liabilities		(20,703)	(21,664)
Dividends paid		(36,793)	(46,058)
Payment of debt related costs		–	(18,787)
Net cash flows used in financing activities		194,596	19,819
Net increase (decrease) in cash and cash equivalents		10,235	(88)
Cash and cash equivalents at beginning of period		29,435	33,465
Effect of exchange rate changes on balances held in foreign currency		(2,422)	(552)
Cash and cash equivalents at end of period	14	37,248	32,825

Selected Notes to the Unaudited Interim Condensed Consolidated Financial Statements

These notes form an integral part of the unaudited interim condensed consolidated financial statements.

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

The immediate holding company is NutriAsia Pacific Limited (“NAPL”) whose indirect shareholders are NutriAsia Inc. (“NAI”) and Well Grounded Limited (“WGL”), which at 31 October 2021 and 30 April 2021, 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. Thereafter, the first tranche of the Company’s Preference Shares was listed on 7 April 2017 and the second tranche on 15 December 2017.

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 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 consolidated financial statements of the Group as at and for the six-month periods ended 31 October 2021 and 2020 comprise the Company and its subsidiaries (together referred to as the “Group”, and individually as “Group entities”), and the Group’s interests in joint ventures.

2. Basis of preparation

2.1 Statement of compliance

The accompanying unaudited interim condensed consolidated financial statements as at 31 October 2021 and for the six months ended 31 October 2021 and 2020 have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the 2021 annual audited consolidated financial statements, comprising the consolidated statements of financial position as at 30 April 2021 and 2020 and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended 30 April 2021, 2020, and 2019.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These unaudited interim condensed consolidated financial statements are presented in United States dollars (US\$), which is the Company’s functional currency. All financial information presented in US dollars has been rounded to the nearest thousand, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the unaudited interim condensed consolidated financial statements in conformity with International Financial Reporting Standards (IFRS) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Judgements

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

Note 7 – Assessment of useful life of intangible assets with indefinite useful life

Note 30 – Determination of lease term of contracts with renewal options

Note 31 – Contingencies

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. There are no changes in significant judgment and estimate since 30 April 2021.

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 6 – Useful lives of property, plant and equipment, revaluation of freehold land, estimate of harvest for bearer plant's depreciation
- Note 6 – Impairment of property, plant and equipment
- Note 7 – Useful lives of intangible assets and impairment of goodwill and intangible assets with infinite life
- Note 8 – Recoverability of investments in joint ventures
- Note 10 – Future cost of growing crops and fair value of livestock, harvested crops, and produce prior to harvest and future volume of harvest
- Note 11 – Allowance for inventory obsolescence and net realizable value
- Note 12 – Impairment of trade and nontrade receivables
- Note 18 – Measurement of employee benefit obligations
- Note 19 – Estimation of environmental remediation liabilities
- Note 20 – Estimation of trade promotion accruals
- Note 22 – Measurement of income tax
- Note 22 – Realizability of deferred tax assets
- Note 25 – Determination of fair values
- Note 30 – Determination of incremental borrowing rate for lease liabilities
- Note 31 – Contingencies

3. Significant accounting policies

Changes in Accounting Policies and Disclosures

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

- Amendments to IFRS 16, *COVID-19-related Rent Concessions*. The amendments provide relief to lessees from applying the IFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:
 - The rent concession is a direct consequence of COVID-19;
 - The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;
 - Any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
 - There is no substantive change to other terms and conditions of the lease.

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

- Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16, *Interest Rate Benchmark Reform – Phase 2*. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (“IBOR”) is replaced with an alternative nearly risk-free interest rate (“RFR”):
 - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
 - Relief from discontinuing hedging relationships
 - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The Group shall also disclose information about:

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

The amendments are effective for annual reporting periods beginning on or after 1 May 2021 and apply retrospectively, however, restatement of comparative information is not required. As at 31 October 2021, the Group has an outstanding loan that is subject to IBOR and no alternative risk-free-rate has been agreed yet. Since the negotiation for the alternative risk-free-rate is still ongoing, the impact of adopting this amendment cannot be determined yet as at 31 October 2020. The Group intends to use the practical expedient to treat the contractual changes or changes to cash flows that are directly required by the reform as changes to a floating interest rate.

4. Operating segments

The Group has two types of operating segments: geographical and product. In identifying these operating segments, management generally considers geographical as its primary operating segment.

Geographical segments

Americas

Reported under the Americas segment are sales and profit on sales in USA, Canada and Mexico. Majority of this segment’s sales are principally sold under the Del Monte brand but also includes products under the Contadina, S&W, College Inn and other brands. This segment also includes sales of private label food products. Sales in the Americas are distributed across the United States, in all channels serving retail markets, as well as to the US military, certain export markets, the foodservice industry and other food processors.

Asia Pacific

Reported under Asia Pacific are sales and profit on sales in the Philippines, comprising of Del Monte branded packaged products, including Del Monte traded goods, and Today’s brand; S&W products in Asia and the Middle East both fresh and packaged; and Del Monte packaged products from the Philippines into Indian subcontinent as well as unbranded Fresh and packaged goods.

Europe

Included in this segment are sales of co-branded and unbranded products in Europe.

Product segments

Packaged fruit and vegetable

The packaged fruit and vegetable segment includes sales and profit of processed fruit and vegetable products under the Del Monte, S&W and Today's brands, as well as buyer's labels, that are packaged in different formats such as can, plastic cup, pouch and aseptic bag. Key products under this segment are canned beans, peaches and corn sold in the United States and canned pineapple and tropical mixed fruit in Asia Pacific.

Beverage

Beverage includes sales and profit of 100% pineapple juice in can, juice drinks in various flavors in can, tetra and PET packaging, and pineapple juice concentrate.

Culinary

Culinary includes sales and profit of packaged tomato-based products such as ketchup, tomato sauce, pasta sauce, recipe sauce, pizza sauce, pasta, broth and condiments under four brands, namely Del Monte, S&W, College Inn and Contadina.

Fresh fruit and others

Fresh fruit and others include sales and profit of S&W branded fresh pineapples in Asia Pacific and buyer's label or non-branded fresh pineapples in Asia, and sales and profit of cattle in the Philippines. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals. This also include non-branded sales to South America as well as various product innovations such as Mr. Milk, a new fruit yoghurt milk drink introduced in July 2020.

The Group allocated certain overhead and corporate costs to the various product segments based on sales for each segment relative to the entire Group.

Information about reportable segments

	Americas		Asia Pacific		Europe		Total	
	Three months ended		Three months ended		Three months ended		Three months ended	
	31 October		31 October		31 October		31 October	
	2021	2020	2021	2020	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue								
Packaged fruit and vegetable	391,404	358,958	43,541	34,660	5,808	4,891	440,753	398,509
Beverage	10,212	4,654	31,936	37,869	4,353	1,201	46,501	43,724
Culinary	78,959	86,522	39,216	45,138	21	42	118,196	131,702
Fresh fruit and others	1,181	698	44,360	48,820	–	–	45,541	49,518
Total	481,756	450,832	159,053	166,487	10,182	6,134	650,991	623,453

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Del Monte Pacific Limited and its Subsidiaries
Unaudited Interim Condensed Consolidated Financial Statements
As at 31 October 2021 and for the three-month and six-month periods ended 31 October 2021 and 2020

	Americas Three months ended 31 October		Asia Pacific Three months ended 31 October		Europe Three months ended 31 October		Total Three months ended 31 October	
	2021	2020	2021	2020	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Gross profit (loss)								
Packaged fruit and vegetable	105,934	86,440	15,088	10,709	2,361	1,070	123,383	98,219
Beverage	1,382	284	9,585	11,338	1,334	163	12,301	11,785
Culinary	15,141	16,524	15,499	19,302	7	18	30,647	35,844
Fresh fruit and others	(370)	(421)	12,520	14,318	—	—	12,150	13,897
Total	122,087	102,827	52,692	55,667	3,702	1,251	178,481	159,745

Share in net loss of joint ventures

Packaged fruit and vegetable	—	—	(177)	(16)	—	—	(177)	(16)
Beverage	—	—	(31)	(12)	—	—	(31)	(12)
Culinary	—	—	(283)	(107)	—	—	(283)	(107)
Fresh fruit and others	—	—	(17)	(71)	—	—	(17)	(71)
Total	—	—	(508)	(206)	—	—	(508)	(206)

Profit (loss) before taxation

Packaged fruit and vegetable	34,485	15,148	10,032	6,471	1,672	616	46,189	22,235
Beverage	(100)	(474)	2,173	5,455	943	63	3,016	5,044
Culinary	297	(1,789)	8,702	12,848	2	12	9,001	11,071
Fresh fruit and others	(3,035)	(656)	34	1,974	—	—	(3,001)	1,318
Total	31,647	12,229	20,941	26,748	2,617	691	55,205	39,668

Other information

Capital expenditure	5,125	2,437	41,561	31,377	—	—	46,686	33,814
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	Americas Six months ended 31 October		Asia Pacific Six months ended 31 October		Europe Six months ended 31 October		Total Six months ended 31 October	
	2021	2020	2021	2020	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue								
Packaged fruit and vegetable	638,474	577,525	73,846	60,079	10,699	8,630	723,019	646,234
Beverage	16,434	8,501	69,421	78,914	5,819	2,080	91,674	89,495
Culinary	124,131	136,170	73,547	79,009	77	87	197,755	215,266
Fresh fruit and others	2,593	1,161	98,084	84,355	—	—	100,677	85,516
Total	781,632	723,357	314,898	302,357	16,595	10,797	1,113,125	1,036,511

Gross profit (loss)

Packaged fruit and vegetable	175,566	125,587	24,682	18,027	3,941	1,735	204,189	145,349
Beverage	2,642	566	21,027	25,827	1,643	278	25,312	26,671
Culinary	24,037	27,041	29,801	33,532	25	41	53,863	60,614
Fresh fruit and others	(542)	(1,215)	29,079	22,432	—	—	28,537	21,217
Total	201,703	151,979	104,589	99,818	5,609	2,054	311,901	253,851

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Del Monte Pacific Limited and its Subsidiaries
Unaudited Interim Condensed Consolidated Financial Statements
As at 31 October 2021 and for the three-month and six-month periods ended 31 October 2021 and 2020

	Americas		Asia Pacific		Europe		Total	
	Six months ended		Six months ended		Six months ended		Six months ended	
	31 October		31 October		31 October		31 October	
	2021	2020	2021	2020	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Share in net loss of joint ventures								
Packaged fruit and vegetable	–	–	(565)	(206)	–	–	(565)	(206)
Beverage	–	–	(81)	(51)	–	–	(81)	(51)
Culinary	–	–	(814)	(500)	–	–	(814)	(500)
Fresh fruit and others	–	–	(90)	(150)	–	–	(90)	(150)
Total	–	–	(1,550)	(907)	–	–	(1,550)	(907)
Profit (loss) before taxation								
Packaged fruit and vegetable	43,927	(4,228)	15,923	10,483	2,201	983	62,051	7,238
Beverage	(603)	(1,253)	8,611	15,200	1,033	112	9,041	14,059
Culinary	(784)	(5,754)	18,165	22,631	11	27	17,392	16,904
Fresh fruit and others	(5,614)	(2,935)	3,348	(227)	–	–	(2,266)	(3,162)
Total	36,926	(14,170)	46,047	48,087	3,245	1,122	86,218	35,039
Other information								
Capital expenditure	10,825	8,142	78,293	56,397	–	–	89,118	64,539

Major customer

Revenues from a major customer of the Americas segment for the three months and six months ended 31 October 2021 amounted to US\$155.7 million (30 October 2020: US\$137.5 million) and US\$274.6 million (30 October 2020: US\$236.9 million), respectively, representing 32.3% (30 October 2020: 30.5%) and 35.1% (30 October 2020: 32.7%) of the total Americas segment's net revenue, respectively.

5. Seasonality of operations

The Group's business is subject to seasonal fluctuations as a result of increased demand during the end of year festive season. For Americas, products are sold heavily during the Thanksgiving and Christmas seasons. As such, the Group's sales are usually highest during the five months from August to December.

The Group operates 11 production facilities in the USA, Mexico, and Philippines as at 31 October 2021 and 30 April 2021. Fruit plants are located in California and Washington in the United States and Philippines. Most of its vegetable plants are located in the U.S. Midwest and its tomato plant are 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.

6. Property, plant and equipment

Group Cost/Valuation	<----- At cost ----->				At appraised value	Total US\$'000
	Buildings, land improvements and leasehold improvements US\$'000	Machineries and equipment US\$'000	Construction- in-progress US\$'000	Bearer Plants US\$'000	Freehold land US\$'000	
At 1 May 2021	227,519	593,896	34,953	374,803	63,145	1,294,316
Additions	1,919	2,327	15,547	68,489	—	88,282
Disposals	—	(952)	—	—	—	(952)
Write off - closed fields	—	—	—	(39,315)	—	(39,315)
Reclassifications from CIP	1,628	8,587	(10,215)	—	—	—
Currency realignment	(3,542)	(11,104)	(752)	(17,741)	(754)	(33,893)
At 31 October 2021	227,524	592,754	39,533	386,236	62,391	1,308,438
At 1 May 2020	224,926	561,392	29,151	361,982	63,294	1,240,745
Additions	4,328	3,725	36,430	121,586	—	166,069
Disposals	(8,095)	(9,897)	—	—	(870)	(18,862)
Write off - closed fields	—	—	—	(125,362)	—	(125,362)
Reclassifications from CIP	2,897	28,295	(31,192)	—	—	—
Currency realignment	3,463	10,381	564	16,597	721	31,726
At 30 April 2021	227,519	593,896	34,953	374,803	63,145	1,294,316
Accumulated depreciation and impairment losses						
At 1 May 2021	110,782	415,584	—	214,638	8,536	749,540
Charge for the period	5,175	17,403	—	56,865	—	79,443
Provision (reversal) of impairment loss	(2)	35	—	—	—	33
Write off - closed fields	—	—	—	(39,315)	—	(39,315)
Disposals	—	(451)	—	—	—	(451)
Currency realignment	(1,843)	(8,731)	—	(10,491)	—	(21,065)
At 31 October 2021	114,112	423,840	—	221,697	8,536	768,185
At 1 May 2020	101,750	371,508	—	241,366	8,536	723,160
Charge for the year	10,553	43,990	—	87,715	—	142,258
Write off - closed fields	—	—	—	(125,362)	—	(125,362)
Disposals	(3,223)	(7,702)	—	—	—	(10,925)
Currency realignment	1,702	7,788	—	10,919	—	20,409
At 30 April 2021	110,782	415,584	—	214,638	8,536	749,540
Carrying amounts						
At 31 October 2021	113,412	168,914	39,533	164,539	53,855	540,253
At 30 April 2021	116,737	178,312	34,953	160,165	54,609	544,776

Depreciation recognized in the consolidated statements of cash flows is net of the amount capitalized in inventories.

The Group has amounts in accrued liabilities relating to property, plant and equipment acquisitions of US\$0.8 million as at 31 October 2021 (30 April 2021: US\$2.9 million). Down payments made by the Group for the acquisition of property, plant and equipment amounted to US\$2.9 million as at 31 October 2021 (30 April 2021: US\$1.1 million). The Group has written off fully depreciated assets related to closed fields amounting to US\$39.3 million for the six months ended 31 October 2021 (30 April 2021: US\$125.4 million).

7. Intangible assets and goodwill

	Goodwill	Indefinite life trademarks	Amortizable trademarks	Customer relationship	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost					
At 1 May 2021/ 31 October 2021	203,432	408,043	24,180	107,000	742,655
At 1 May 2020/ 30 April 2021	203,432	408,043	24,180	107,000	742,655
Accumulated amortization					
At 1 May 2021	—	—	9,519	38,439	47,958
Amortization	—	—	650	2,675	3,325
At 31 October 2021	—	—	10,169	41,114	51,283
At 1 May 2020	—	—	8,219	33,089	41,308
Amortization	—	—	1,300	5,350	6,650
At 30 April 2021	—	—	9,519	38,439	47,958
Carrying amounts					
At 31 October 2021	203,432	408,043	14,011	65,886	691,372
At 30 April 2021	203,432	408,043	14,661	68,561	694,697

Amortization expense amounted to US\$3.3 million for the six months ended 31 October 2021 and 2020.

Goodwill

Goodwill arising from the acquisition of Consumer Food Business was allocated to DMFI and its subsidiaries, which is considered as one cash generating unit (“CGU”).

Indefinite life trademarks

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

America trademarks

The indefinite life trademarks of US\$394.0 million arising from the acquisition of Consumer Food Business relate to those of DMFI for the use of the “Del Monte” trademarks in the United States and South America market, and the “College Inn” trademark in the United States, Australia, Canada and Mexico.

The Philippines trademarks

On 1 May 2020, Dewey Sdn Bhd., assigned to Philippine Packing Management Services Corporation, various trademarks which include 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.

Indian sub-continent trademark

In November 1996, a subsidiary, Del Monte Pacific Resources Limited (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 FieldFresh Foods Private Limited (FFPL) and caused the licensing of trademarks to FFPL to market its products under the “Del Monte” brand in India. These trademarks have a carrying value of US\$4.1 million.

Asia S&W trademark

In November 2007, a subsidiary, S&W, entered into an agreement with Del Monte Corporation to acquire the “S&W” trademarks in certain countries in Asia (excluding Australia and New Zealand and including the Middle East), Western Europe and Eastern Europe for a total consideration of US\$10.0 million. The trademark has a carrying value of US\$8.2 million.

Impairment test

Management performs an annual impairment testing for all indefinite life trademarks every end of the year, except for DMFI who performs impairment testing every January. There were no impairment indicators identified.

Amortizable trademarks and customer relationships

	Net Carrying amount		Remaining amortization period (years)	
	31 October 2021 US\$'000	30 April 2021 US\$'000	31 October 2021	30 April 2021
Asia S&W Trademark	—	—	—	—
America S&W trademark	463	563	2.3	2.8
America Contadina trademark	13,548	14,098	12.3	12.8
	<u>14,011</u>	<u>14,661</u>		

Asia S&W trademark

The amortizable trademark pertains to “Label Development” trademark. The trademark was fully amortized on 31 July 2019.

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.

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.

	31 October 2021 US\$'000	30 April 2021 US\$'000
Net carrying amount	65,886	68,561
Remaining amortization period	12.3	12.8

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.

8. Investments in joint ventures

Name of joint venture	Principal activities	Place of Incorporation and Business	Effective Equity Held by the Group	
			As at 31 Oct 2021 %	As at 30 Apr 2021 %
FieldFresh Foods Private Limited (FFPL)	Production and sale of fresh and processed fruits and vegetable food products	India	47.56	47.56
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.	Distribution of milk and dairy products	Philippines	43.50	–

Del Monte - Vinamilk Dairy Philippines, Inc. is a new joint venture entered into by Del Monte Philippines, Inc. with Vietnam Dairy Products Joint Stock Company, a leading regional dairy company to expand further into the dairy sector in the Philippines. This joint venture was incorporated and registered in SEC on 12 July 2021. As at 31 October 2021, the carrying amount of the related investment in joint venture amounted to \$0.2 million.

The summarized financial information of a material joint venture, FFPL and NFHKL, not adjusted for the percentage ownership held by the Group, is as follows:

	31 October 2021 US\$'000	30 April 2021 US\$'000
Assets		
Current assets	23,811	23,501
Noncurrent assets	11,244	11,962
Total assets	35,055	35,463
Liabilities		
Current liabilities	(13,727)	(12,595)
Noncurrent liabilities	(23,097)	(22,572)
Total liabilities	(36,824)	(35,167)
Net assets (liabilities)	(1,769)	296

	31 October 2021 US\$'000	30 April 2021 US\$'000
Results		
Revenue	34,397	71,055
Loss from continuing operations	(2,496)	(2,035)
Other comprehensive income	–	–
Total comprehensive loss	(2,496)	(2,035)

	31 October 2021 US\$'000	30 April 2021 US\$'000
Carrying amount of interest in FFPL at beginning of the period/year	19,741	22,855
Impairment loss	–	(2,096)
Group's share of:		
- Loss from continuing operations	(1,248)	(1,018)
- Other comprehensive income	–	–
Total comprehensive loss	(1,248)	(1,018)
Carrying amount of interest at end of the period/year	18,493	19,741

	31 October 2021 US\$'000	30 April 2021 US\$'000
Carrying amount of interest in NFHKL at beginning of the period/year	2,789	2,462
Additional advances during the year	–	840
Group's share of:		
- Loss from continuing operations	(302)	(513)
- Other comprehensive income	–	–
Total comprehensive loss	(302)	(513)
Carrying amount of interest at end of the period/year	2,487	2,789

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

	31 October 2021 US\$'000	30 April 2021 US\$'000
Group's interest in joint ventures		
FFPL	18,493	19,741
NFHKL	2,487	2,789
Del Monte - Vinamilk Dairy Philippines, Inc.	189	–
Carrying amount of investment in joint ventures	21,169	22,530

Determination of Joint Control and the Type of Joint Arrangement

Joint control is presumed to exist when the investors contractually agreed sharing of control on 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 the arrangements in FFPL, NFHKL and Del Monte - Vinamilk Dairy Philippines, Inc. are joint ventures as these were structured in separate legal vehicles that have rights to the net assets of the arrangements. The terms of the contractual arrangements do not specify that the parties have rights to the assets and obligations for the liabilities relating to the arrangements.

Source of Estimation Uncertainty

In the event a joint venture has suffered recurring operating losses, a test is made to assess whether the investment in joint venture has suffered any impairment by determining the recoverable amount. This determination requires significant judgement and estimation. An estimate is made on 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.

From the time the investment in FFPL was made, the Indian sub-continent trademark (Note 7) and such investment 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.

9. Other noncurrent assets

	31 October 2021 US\$'000	30 April 2021 US\$'000
Advance rentals and deposits	12,491	12,913
Advances to suppliers	4,597	1,075
Excess insurance	3,600	4,442
Receivable from sale and leaseback	2,962	3,156
Note receivables	1,000	1,000
Lease receivable	466	750
Others	1,782	1,989
	<u>26,898</u>	<u>25,325</u>

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

Receivable from sale and leaseback is the noncurrent portion of receivable relating to certain assets sold to DMPI Employees Agrarian Reform Beneficiaries Cooperation (“DEARBC”) and subsequently leased back to the Group in fiscal year 2021. The current portion of US\$0.1 million is presented under “Trade and other receivables”.

As at 31 October 2021 and 30 April 2021, notes receivable of US\$1.0 million relates to the sale by DMFI of certain assets at Plymouth in fiscal year 2019. This receivable will be due on 2 July 2023.

10. Biological assets

	31 October 2021 US\$'000	30 April 2021 US\$'000
Livestock		
At beginning of the period/year	2,655	2,118
Purchases of livestock	442	1,065
Sales of livestock	(265)	(631)
Currency realignment	(124)	103
At end of the period/year	<u>2,708</u>	<u>2,655</u>

	31 October 2021 US\$'000	30 April 2021 US\$'000
Agricultural produce		
At beginning of the period/year	10,878	25,966
Additions	5,665	1,710
Harvested	(4,547)	(17,896)
Currency realignment	(263)	1,098
At end of the period/year	11,733	10,878
Fair value gain on produce prior to harvest	32,337	34,035
At end of the period/year	44,070	44,913

	31 October 2021 US\$'000	30 April 2021 US\$'000
Current	44,070	44,913
Noncurrent	2,708	2,655
Totals	46,778	47,568

11. Inventories

	31 October 2021 US\$'000	30 April 2021 US\$'000
Finished goods		
- at cost	445,197	348,045
- at net realizable value	23,023	23,796
Semi-finished goods		
- at cost	281,486	70,948
- at net realizable value	9,588	12,328
Raw materials and packaging supplies		
- at cost	63,135	47,302
- at net realizable value	61,591	55,183
	884,020	557,602

Total cost of inventories carried at net realizable value amounted to US\$103.0 million as at 31 October 2021 (30 April 2021: US\$104.6 million).

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

	Note	31 October 2021 US\$'000	30 April 2021 US\$'000
At beginning of the period/year		13,254	14,868
Allowance for the period/year	26	759	7,043
Write-off against allowance		(4,783)	(7,323)
Currency realignment		(396)	(1,334)
At end of the period/year		<u>8,834</u>	<u>13,254</u>

The allowance for inventory obsolescence recognized during the period is included in “Cost of sales”.

Source of estimation uncertainty

The Group recognizes allowance on inventory obsolescence when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items. Obsolescence is also established when inventory items are no longer marketable. Obsolete goods when identified are charged to the consolidated statements of income 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 period. 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 are 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 decrease current assets.

12. Trade and other receivables

	31 October 2021 US\$'000	30 April 2021 US\$'000
Trade receivables	248,530	165,370
Nontrade receivables	30,446	28,903
Allowance for expected credit loss – trade	(4,759)	(4,801)
Allowance for expected credit loss – nontrade	(4,401)	(4,423)
Trade and other receivables	269,816	185,049

Set out below is the expected credit risk exposure on the Group's trade receivables using simplified approach (provision matrix):

	31 October 2021					
	Days past due					
	Current	<30 days	30-60 days	61-120 days	Over 120 days	Total
	US'000s	US'000s	US'000s	US'000s	US'000s	US'000s
Trade receivables	189,129	44,541	2,310	2,689	9,861	248,530
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	48.26%	—
Expected credit loss	—	—	—	—	4,759	4,759

	30 April 2021					
	Days past due					
	Current	<30 days	30-60 days	61-120 days	Over 120 days	Total
	US'000s	US'000s	US'000s	US'000s	US'000s	US'000s
Trade receivables	83,812	64,945	4,206	2,059	10,348	165,370
Expected credit loss rate	0.00%	0.00%	0.00%	0.00%	46.40%	—
Expected credit loss	—	—	—	—	4,801	4,801

The recorded allowance for expected credit loss 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.

Source of estimation uncertainty

The Group maintains an allowance for impairment of accounts receivable at a level considered adequate to provide for potential uncollectible receivables based on the applicable expected credit loss (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 behavior and known market factors. The Group reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a continuous basis. Additionally, allowance is also determined, through a provision matrix based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The amount and timing of recorded expenses for any period would differ if the Group made different judgement or utilized different estimates. An increase in the Group's

allowance for impairment would increase the Group's recorded operating expenses and decrease current assets.

13. Prepaid expenses and other current assets

	31 October 2021 US\$'000	30 April 2021 US\$'000
Prepaid expenses	27,883	29,875
Down payment to contractors and suppliers	15,585	4,090
Derivative asset	2,002	1,694
Short-term placements	1,306	1,327
Others	258	300
	47,034	37,286

Prepaid expenses consist of advance payments for insurance, advertising, rent and taxes, among others.

Prepaid expenses as at 31 October 2021 include filing fees related to Initial Public Offering (IPO) registration of DMPI with the Philippine SEC and Philippine Stock Exchange (PSE) totaling US\$0.8 million. Management assessed that the amount can be applied when the IPO happens.

On 4 August 2021, the Company decided to defer the planned IPO of DMPI with PSE (see Note 35).

Down payment to contractors and suppliers pertains to advance payments for the purchase of materials and supplies that will be used for operations.

Short-term placements have maturities of five to six months and earn interest at 0.75%-1.00% per annum.

Derivative

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

As at 31 October 2021 and 30 April 2021, the Group designated each of its derivative contracts, except for call option, 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:

		31 October 2021 US\$'000	30 April 2021 US\$'000
	Note		
Peso Contract		(14)	(80)
Commodity contracts		<u>2,002</u>	<u>1,694</u>
Total		<u>1,988</u>	<u>1,614</u>
Included in:			
Prepaid expenses and other current assets		<u>2,002</u>	<u>1,694</u>
Trade and other current liabilities	20	<u>(14)</u>	<u>(80)</u>
		<u>1,988</u>	<u>1,614</u>

The notional amounts of the Group's commodity contracts were as follows as of 31 October 2021 and 30 April 2021:

	31 October 2021 US\$'000	30 April 2021 US\$'000
Natural gas – Metric Million British Thermal Unit (MMBTU)	–	1,065
Diesel (gallons)	2,243	3,663

Foreign Currency

From time to time, the Group manages its exposure to fluctuations in foreign currency exchange rates by entering into forward contracts to cover a portion of its projected expenditures paid in local currency. These contracts may have a term of up to 24 months. The Group accounted for these contracts as cash flow hedges.

	31 October 2021 US\$'000	30 April 2021 US\$'000
Mexican pesos	863,407	379,628

Amounts Relating to Hedged Items

The amounts at the reporting date relating to items designated as hedged items are as follows:

31 October 2021			
	Change in value used for calculating hedge effectiveness US\$'000	Cash flow hedge reserve US\$'000	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied US\$'000
Commodity price risk			
Inventory purchases	2,831	1,206	—
Foreign exchange risk			
Inventory purchases	35	58	—
30 April 2021			
	Change in value used for calculating hedge effectiveness US\$'000	Cash flow hedge reserve US\$'000	Balances remaining in the cash flow hedge reserve from hedging relationships for which hedge accounting is no longer applied US\$'000
Interest rate risk			
Variable rate instruments	240	—	—
Commodity price risk			
Inventory purchases	(6,363)	1,279	—
Foreign exchange risk			
Inventory purchases	3,552	(61)	—

Amounts Relating to Hedging Instruments (cont'd)

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

	31 October 2021			During the first six months of fiscal 2022			
	Notional amount	Carrying amount		Line item in the statement of financial position where the hedged instrument is included	Change in the value of hedge instrument recognized in OCI	Amount reclassified from hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
	US\$'000						
Commodity price risk							
Commodity contracts							
Natural gas (MMBTU)	–	–	–	Prepaid and Other Current Assets	564	(187)	Cost of sales
Diesel (gallons)	2,243	2,002	–	Prepaid and Other Current Assets	(173)	(565)	Cost of sales
Foreign exchange risk							
Foreign currency forwards	863,407	–	(14)	Prepaid and Other Current Assets	263	(93)	Cost of sales

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	30 April 2021			During fiscal 2021			
	Notional amount	Carrying amount		Line item in the statement of financial position where the hedged instrument is included	Change in the value of hedge instrument recognized in OCI	Amount reclassified from hedging reserve to profit or loss	Line item in profit or loss affected by the reclassification
		Assets	Liabilities				
	US\$'000						
Interest rate risk							
Interest rate swaps	–	–	–	Derivative liabilities – Current	(240)	–	
Commodity price risk							
Commodity contracts							
Natural gas (MMBTU)	1,065	194	–	Prepaid and Other Current Assets	(1,875)	(1,663)	Cost of sales
Diesel (gallons)	3,663	1,500	–	Prepaid and Other Current Assets	(975)	(1,152)	Cost of sales
Foreign exchange risk							
Foreign currency forwards	379,628	–	(80)	Derivative Liabilities – Current Liabilities	(35)	111	Cost of sales

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	
	31 October 2021	30 April 2021
	US\$'000	US\$'000
Balance at beginning of year	1,218	(2,016)
Changes in fair value:		
- Commodity risk	(2,831)	6,363
- Foreign exchange risk	(35)	(3,552)
- Interest rate risk	—	(240)
Amount reclassified to profit or loss		
- Foreign exchange risk	111	3,472
- Commodity risk	2,814	(1,760)
- Interest rate risk	—	—
Tax movements on reserves during the year	(15)	(1,049)
Balance at end of year	1,262	1,218

14. Cash and cash equivalents

	31 October 2021	30 April 2021
	US\$'000	US\$'000
Cash on hand	78	68
Cash in banks	36,281	28,478
Cash equivalents	889	889
Cash and cash equivalents	37,248	29,435

Certain cash in bank accounts earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 0.50% per annum for the period (30 April 2021: 0.01% to 0.50% per annum). Cash equivalents are short-term placements which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest rate of 1.00% per annum in fiscal year 2022 (30 April 2021: 0.88% to 2.00% per annum).

15. Reserves

	31 October 2021 US\$'000	30 April 2021 US\$'000
Translation reserve	(89,084)	(81,971)
Remeasurement of retirement plan	35,069	35,049
Revaluation reserve	14,278	14,278
Hedging reserve	1,266	1,224
Share option reserve	1,753	1,753
Reserve for own shares	(286)	(286)
	<u>(37,004)</u>	<u>(29,953)</u>

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of subsidiaries and joint ventures with functional currencies other than US dollar.

The remeasurement of retirement plan relates to actuarial gains and losses for the defined benefit plans and return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset).

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 consolidated statements of income of the Group.

The share option reserve comprises the cumulative value of employee services received for the issue of share options.

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. As at 31 October 2021 and 30 April 2021, the Group held 975,802 of the Company's shares.

16. Loans and borrowings

	31 October 2021 US\$'000	30 April 2021 US\$'000
Current liabilities		
Unsecured bank loans	290,403	256,125
Secured bank loans	342,705	76,328
	<u>633,108</u>	<u>332,453</u>
Non-current liabilities		
Unsecured bank loans	278,695	291,014
Secured bank loans	657,886	662,276
	<u>936,581</u>	<u>953,290</u>
	<u>1,569,689</u>	<u>1,285,743</u>

Terms and debt repayment schedule

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

	Currency	Nominal interest rate % p. a.	Year of maturity	31 October 2021		30 April 2021	
				Face value US\$'000	Carrying amount US\$'000	Face value US\$'000	Carrying amount US\$'000
Group							
Secured bank loans	PHP	4.125%	2025	29,672	29,510	31,150	30,950
Unsecured bank loans	PHP	2.50%-3.00%	2021- 2025	159,637	159,460	129,164	128,950
Unsecured 3Y bonds	PHP	3.4840%	2023	115,378	114,113	121,185	119,473
Unsecured 5Y bonds	PHP	3.7563%	2025	12,777	12,609	13,346	13,216
Unsecured bank loans	USD	1.59%-3.15%	2021- 2024	282,916	282,916	285,500	285,500
Secured bank loans	USD	3.48%	2023	100,000	98,997	100,000	98,671
Secured bridging loan	USD	3.06%	2023	67,500	67,500	75,000	75,000
Secured senior notes	USD	11.875%	2025	500,000	469,379	500,000	465,155
Secured bank loan under ABL Credit Agreement	USD	Swingline B - 5% ABL Base B - 5% Higher of Libor or 1% + 2.75% or total of 3.75%	2021- 2025	340,800	335,205	75,100	68,828
				1,608,680	1,569,689	1,330,445	1,285,743

The balance of unamortized debt issuance cost follows:

	Six months ended 31 October 2021 US\$'000	Year ended 30 April 2021 US\$'000
At beginning of the period/year	44,702	30
Additions	271	56,153
Amortization	(5,982)	(11,481)
At end of the period/year	38,991	44,702

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Long Term Borrowings

Long-term Borrowings	Original Principal (In '000)	Outstanding Balance as of 31 October 2021 (In '000)	Interest Rate % p.a.	Year of Maturity	Payment Terms (e.g., annually, quarterly, etc.)	Interest paid 1 May 2021 to 31 October 2021 (In '000)
Senior Secured Notes	USD 500,000	USD 500,000	11.875%	2025	Semi-annual interest payments and principal on maturity date.	USD 29,688
Bonds Payable	PHP 6,478,460	PHP 6,478,460	3Y 3.4840% 5Y 3.7563%	2023/ 2025	Quarterly interest payments and principal on maturity date.	PHP 45,980
Secured Loan	USD 75,000	USD 67,500	3.06%	2023	Quarterly interest payment and principal 10% on August 2021, 10% on August 2022 and 80% on maturity date.	USD 1,153
Unsecured Loan	USD 75,000	USD 75,000	1.63%	2024	Quarterly interest payment and principal 15% on 11 equal quarterly installments starting January 2022 and 85% on maturity date.	USD 633
Secured Loan	USD 100,000	USD 100,000	3.48%	2023	Semi-annual interest payments and principal on maturity date.	USD 1,778
Unsecured Loan	PHP 1,500,000	PHP 1,500,000	3.00%	2025	Quarterly interest payment; and principal on eight quarterly installments starting February 2024	PHP 23,046
Secured Loan	PHP 1,500,000	PHP 1,500,000	4.125%	2025	Quarterly interest payment; and principal on nine quarterly installments starting August 2023	PHP 30,487
Unsecured Loan	USD 57,300	USD 55,866	2.75%	2024	Quarterly interest payment and principal 5%, 10% and 85% in fiscal year 2022, 2023 and 2024, respectively.	USD 796

ABL Credit Agreement

On 15 May 2020, Del Monte Foods Holdings Limited (DMFHL) entered into an agreement to refinance the ABL Credit Agreement with JP Morgan Chase as the administrative agent, and other lenders and agents parties thereto, to provide for senior secured financing of up to \$450.0 million, subject to availability under the borrowing base, with a term of three years until 15 May 2023. On 15 May 2020, \$100.2 million was drawn on this facility. Loans under the ABL Credit Agreement bear interest based on either the Eurodollar rate or the alternative base rate, plus an applicable margin.

On 29 April 2021, the ABL Credit 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.

As at 31 October 2021, there were US\$340.8 million (30 April 2021: US\$75.1 million) of loans outstanding and US\$24.6 million of letters of credit issued (30 April 2021: US\$24.6 million). The net availability to DMFHL Group under the ABL Credit Agreement was US\$84.6 million as at 31 October 2021 (30 April 2021: US\$350.3 million). The weighted average interest rate was approximately 4.25% on 31 October 2021 (30 April 2021: 5.12%). The ABL Credit Agreement provided for a sub limit for letters of credit and for borrowings on same day notice, referred to as “swingline loans.”

Security interests

Restrictive and Financial Covenants. The ABL Credit Agreement includes restrictive covenants limiting the DMFHL Group’s ability, and the ability of the DMFHL 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 DMFHL Group’s capital stock, make investments, loans or advances, prepay certain indebtedness, engage in certain transactions with affiliates, amend agreements governing certain subordinated indebtedness adverse to the lenders, and change the Group’s lines of business.

Financial Maintenance Covenants. The ABL Credit Agreement generally does not require that the DMFHL Group including DMFI comply with financial maintenance covenants.

Unsecured Bank Loans

Certain unsecured bank loan agreements contain various affirmative and negative covenants that are typical of these types of facilities such as financial covenants relating to required debt-to-equity ratio, interest cover and maximum annual capital expenditure restrictions. These covenants include requirements for delivery of periodic financial information and restrictions and limitations on indebtedness, investments, acquisitions, guarantees, liens, asset sales, disposals, mergers, changes in business, dividends and other transfers.

The Group is compliant with its loan covenants as at 31 October 2021 and 30 April 2021.

17. Other noncurrent liabilities

	31 October 2021 US\$'000	30 April 2021 US\$'000
Workers' compensation	15,540	17,150
Accrued vendors liabilities	474	553
Other payables	–	994
	16,014	18,697

Workers' compensation would cover 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 tort or negligence.

The current portion of workers' compensation is included in "Trade and other current liabilities" in the consolidated statement of financial position (see note 20).

18. Employee Benefits

Certain Group companies contribute to the post-employment defined benefit plans such as the following:

The DMPI Plan

DMPI has both funded defined benefit and defined contribution retirement plans (collectively the "Plan") which cover all of its regular employees. Contributions and costs are determined in accordance with the actuarial study made for the Plan. Annual cost is determined using the projected unit credit method. DMPI's latest actuarial valuation date was 30 April 2021. Valuations are obtained on a periodic basis.

Starting on the date of membership of an employee in the Plan, DMPI shall contribute to the retirement fund 7.00% of the member's salary as defined every month. In addition, DMPI shall contribute periodically to the fund the amounts which may be required to meet the guaranteed minimum benefit provision of the plan. Such contributions shall not be allocated nor credited to the individual accounts of the members, but shall be retained in a separate account to be used in cases where the guaranteed minimum benefit applies.

Benefits are based on the total amount of contributions and earnings credited to the personal retirement account of the plan member at the time of separation or the 125% of the final basis salary multiplied by the number of credited years of service under the plan, whichever is higher. The manner of payment is lump sum, payable immediately.

The retirement plan meets the minimum retirement benefit specified under Republic Act (RA) No. 7641, The Philippine Retirement Pay Law.

The fund is administered by a trustee bank under the supervision of the Board of Trustees of the Plan which is responsible for the Plan's investment strategy.

DMPI does not expect to make contributions to the plan in fiscal year 2022.

The ROHQ Plan

The ROHQ has a funded defined benefit plan wherein starting on the date of membership of an employee in the ROHQ Plan, the ROHQ contributes to the retirement fund 7.00% of the member's salary every month. In addition, the ROHQ contributes periodically to the fund the amounts which may be required to meet the plan's guaranteed minimum benefit provision. Such contributions shall not be allocated nor credited to the individual accounts of the members, but shall be retained in a separate account to be used in cases where guaranteed minimum benefit applies.

Benefits are based on the total amount of contributions and earnings credited to the personal retirement account of the plan member at the time of separation or 125% of the final basis salary multiplied by the number of credited years of service under the plan, whichever is higher. The manner of payment is lump sum, payable on retirement. The ROHQ's annual contribution to the pension plan consists of payments covering the current service cost for the year plus payments towards funding the actuarial accrued liability, if any.

The ROHQ does not expect to make contributions to the plan in fiscal year 2022.

The DMFI Plan

DMFI sponsors a qualified defined benefit pension plan (the "DMFI Plan") and several unfunded defined benefit post-retirement plans providing certain medical, dental, and life insurance benefits to eligible retired, salaried, non-union hourly and union employees. The DMFI Plan comprises of two parts:

- The first part is a cash balance plan ("Part B") which provides benefits for eligible salaried employees and provides that a participant's benefit derives from the accumulation of monthly compensation and interest credits. Compensation credits are calculated based upon the participant's eligible compensation and age each month. Interest credits are calculated each month by applying an interest factor to the previous month's ending balance. Participants may elect to receive their benefit in the form of an annuity or a lump sum. Part B of the plan was frozen to new participants effective 31 December 2016, which the active participation of certain participants was grandfathered subject to meeting participation requirements.
- The second part is an arrangement which provides for grandfathered and suspended hourly participants a traditional pension benefit based upon service, final average compensation and age at termination. This plan was frozen since 31 December 1995, which the active participation of certain participants was grandfathered and the active participation of other participants was suspended.

DMFI currently meets and plans to continue to meet the minimum funding levels required under local legislation, which imposes certain consequences on DMFI's defined benefit plan if it does not meet the minimum funding levels. DMFI has not made any contributions during the six months ended 31 October 2021 and fiscal year 2021.

In fiscal year 2020, there were amendments to the DMFI Plan and the post-retirement benefit plan. Under these DMFI Plan amendments, certain benefits were eliminated effective 31 December 2019 and 30 April 2022 and the plan obligations associated with these amendments decreased by US\$9.1 million. Under the post-retirement amendments, certain benefits will be eliminated effective 30 April 2022 and the plan obligations associated with this amendment would be decreased by US\$5.9 million. Both amendments were recognized immediately in

“General and administrative expenses” in the fiscal year 2020 consolidated statements of income.

DMFI does not expect to make contributions to the plan in fiscal year 2022.

19. Environmental remediation liabilities

		31 October 2021	30 April 2021
	Note	US\$'000	US\$'000
At beginning of the period/year		7,429	9,587
Provision made during the period/year		–	486
Provisions used during the period/year		–	(375)
Provisions released during the period/year		(3,964)	(2,269)
Reclass to current portion	20	(3,200)	–
At end of the period/year		<u>265</u>	<u>7,429</u>

The current portion of environmental liabilities is included in “Trade and other current liabilities” in the consolidated statements of financial position (see note 20).

20. Trade and other current liabilities

		31 October 2021	30 April 2021
	Note	US\$'000	US\$'000
Trade payables		224,216	142,188
Accrued operating expenses:			
Interest		32,559	30,843
Freight and warehousing		19,192	7,274
Advertising		16,300	10,853
Trade promotions		12,868	8,764
Taxes and insurance		12,659	8,739
Professional fees		6,101	8,236
Utilities		3,349	3,584
Environmental remediation		1,862	260
Salaries, bonuses and other employee benefits		1,588	4,566
Tinplate and consigned stocks		–	2,222
Miscellaneous		14,884	12,170
Overdrafts		20,742	7,574
Accrued payroll expenses		4,730	4,812
Withheld from employees (taxes and social security cost)		1,901	1,548
Contract liabilities		1,901	543
Advances from customers		277	214
VAT payables		171	259
Derivative liabilities		14	80
Other payables		776	–
		<u>376,130</u>	<u>254,729</u>

Accrued miscellaneous include management fees and other outside services, land and other rental, credit card payable and other importation incidental costs.

21. Revenue

Disaggregation of revenue is presented in Note 4.

Contract balances

The following table provides information about trade receivables and contract liabilities from contracts with customers.

		31 October 2021 US\$'000	30 April 2021 US\$'000
	Note		
Receivables, included in Trade and other receivables			
- Gross of ECL allowance	12	248,530	165,370
Contract liabilities	20	1,901	543

Contract liabilities pertain to advances from customers which are generally expected to be recognized as revenue within periods 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.

22. Income taxes

	Three months ended 31 October 2021 US\$'000		Six months ended 31 October 2021 US\$'000	
	2021 US\$'000	2021 US\$'000	2021 US\$'000	2020 US\$'000
Current tax expense				
- Current year	3,988	5,572	10,571	17,648
Deferred tax expense (credit)				
- Origination and reversal of temporary differences	10,540	8,791	12,890	(5,894)
	14,528	14,363	23,461	11,754
Reconciliation of effective tax rate				
Profit (loss) before taxation	55,205	39,668	86,218	35,039
Taxation on profit at applicable tax rates	10,644	8,587	15,981	7,490
Final tax on dividend	2,480	2,592	5,465	3,831
Non-deductible expenses	1,269	1,189	1,862	1,682
Non-taxable income	(1)	(3)	(3)	(5)
Change in unrecognized deferred tax asset	–	1,823	–	(1,434)
Others	136	175	156	190
	14,528	14,363	23,461	11,754

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	31 October	30 April	31 October	30 April
	2021	2021	2021	2021
	US\$'000	US\$'000	US\$'000	US\$'000
Group				
Provisions	8,032	8,466	—	—
Employee benefits	13,803	13,935	—	—
Property, plant and equipment - net	—	—	(17,073)	(17,228)
Intangible assets and goodwill	—	—	(84,959)	(79,671)
Effective portion of changes in fair value of cash flow hedges	—	—	(410)	(395)
Tax loss carry-forwards	160,423	166,114	—	—
Inventories	2,127	2,127	—	—
Biological assets	—	—	(2,035)	(1,796)
Interest	25,765	24,450	—	—
Undistributed profits from subsidiaries	—	—	(4,011)	(2,168)
Charitable contributions	3,254	3,254	—	—
Others	6,186	6,851	—	—
Deferred tax assets (liabilities)	219,590	225,197	(108,488)	(101,258)
Set off of tax	(99,308)	(94,659)	99,308	94,659
Deferred Taxes	120,282	130,538	(9,180)	(6,599)

	Six months ended	
	31 October	
	2021	2020
	US\$'000	US\$'000
Applicable tax rates		
- Philippines (non-PEZA)	25%	30%
- Philippines (PEZA)*	5%	5%
- India	31%	31%
- Singapore	17%	17%
- United States of America	25%	25%
- Mexico	30%	30%

**based on gross profit for the year*

Sources of estimation uncertainty

The Group has exposure to income taxes in several foreign jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

23. Stock 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 10 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).

Fair value of share options/awards and assumptions

Date of grant of options/awards	7 March 2008	30 April 2013	1 July 2015	12 May 2009	29 April 2011	30 April 2013	22 August 2013	1 July 2015
	<-----ESOP----->			<----- Del Monte Pacific RSP ----->				
Fair value at measurement date	US\$0.12	US\$0.18	US\$0.29	US\$0.37	US\$0.40	US\$0.18	US\$0.65	US\$0.29
Share price (Singapore Dollars) at grant date	0.615	0.810	0.385	0.540	0.485	0.810	0.840	0.385
Exercise price (Singapore Dollars)	0.627	0.627	0.578	—	—	—	—	—
Expected volatility	5.00%	2.00%	2.00%	—	—	—	—	—
Time to maturity	2 years	2 years	2 years	—	—	—	—	—
Risk-free interest rate	3.31%	1.51%	2.51%	—	—	—	—	—

The expected volatility is based on the historic volatility (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

Del Monte Foods Holding Equity Compensation Plan

During the second quarter of fiscal year 2016, DMFHI established a new plan, the 2015 Executive Long-Term Incentive Plan (“LTIP”), which intends to provide key executives with the opportunity to receive grants of stock options, cash-based awards and other stock-based awards. 9,000,000 shares of common stock of DMFHI were reserved for grant under the plan. In fiscal year 2016, the Company granted nonqualified stock options and cash incentive awards under the plan.

In September 2016, the authorized shares reserved for grant under the plan was increased from 9,000,000 to 15,000,000. As at 31 October 2021 and 30 April 2021, 14,776,500 shares were available for future grant.

The fair value for stock options granted was estimated at the date of grant using a Black-Scholes option pricing model. This model estimates the fair value of the options based on a number of assumptions, such as expected option life, interest rates, the current fair market value and expected volatility of common stock and expected dividends. The expected term of options granted was based on the “simplified” method. Expected stock price volatility was determined based on the historical volatilities of comparable companies over a historical period that matches the expected based on the “simplified” method. Expected stock price volatility was determined based on the historical volatilities of comparable companies over a historical period that matches the expected life of the options. The risk-free interest rate was based on the expected U.S. Treasury rate over the expected life. The dividend yield was based on the expectation that no dividends will be paid.

The following table presents the weighted-average assumptions for performance-based stock options granted for the periods indicated:

	3 November 2015
Expected life (in years)	5.5
Expected volatility	38.49%
Risk-free interest rate	1.64%

Stock option activity and related information during the periods indicated are as follows:

	31 October 2021		30 April 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at beginning of year	223,500	5	283,500	5
Cancelled	—	5	(60,000)	5
Forfeited	—	—	—	5
Outstanding at end of year	223,500	5	223,500	5
Exercisable at end of year	223,500	—	223,500	—

24. Accounting classification and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Financial assets at amortized cost US\$'000	Derivatives US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000	Fair value US\$'000
31 October 2021						
Cash and cash equivalents	14	37,248	—	—	37,248	37,248
Trade and other receivables*	9, 12	273,244	—	—	273,244	273,244
Short-term placements	13	1,306	—	—	1,306	1,306
Notes receivables	9	1,000	—	—	1,000	1,000
Refundable deposit**	9	2,089	—	—	2,089	2,089
Derivative assets	13	—	2,002	—	2,002	2,002
		314,887	2,002	—	316,889	316,889
Lease liabilities	30	—	—	110,134	110,134	110,134
Loans and borrowings***	16	—	—	1,569,689	1,569,689	1,650,435
Trade and other current liabilities****	20	—	—	371,866	371,866	371,866
Derivative liabilities	13, 20	—	14	—	14	14
		—	14	2,051,689	2,051,703	2,132,449

* includes noncurrent portion of receivables from sale and leaseback and lease receivables

** included under advance rentals and deposits

*** for basis of fair value of lease liabilities and loans and borrowings (see note 25)

**** excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables

	Note	Financial assets at amortized cost US\$'000	Derivatives US\$'000	Other financial liabilities US\$'000	Total carrying amount US\$'000	Fair value US\$'000
30 April 2021						
Cash and cash equivalents	14	29,435	—	—	29,435	29,435
Trade and other receivables*	9, 12	188,955	—	—	188,955	188,955
Short-term placements	13	1,327	—	—	1,327	1,327
Notes receivables	9	1,000	—	—	1,000	1,000
Refundable deposit**	9	2,066	—	—	2,066	2,066
Derivative assets	13	—	1,694	—	1,694	1,694
		222,783	1,694	—	224,477	224,477
Lease liabilities	30	—	—	128,803	128,803	144,092
Loans and borrowings***	16	—	—	1,285,743	1,285,743	1,473,367
Trade and other current liabilities****	20	—	—	252,085	252,085	252,085
Derivative liabilities	17, 20	—	80	—	80	80
		—	80	1,666,631	1,666,711	1,869,624

* includes noncurrent portion of receivables from sale and leaseback and lease receivables

** included under advance rentals and deposits

*** for basis of fair value of lease liabilities and loans and borrowings (see note 25)

**** excludes derivative liabilities, advances from customers, contract liabilities, withheld from employees (taxes and social security cost) and VAT payables

25. Determination of fair values

Fair value hierarchy

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

- 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 consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing the categorization 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.

	Note	31 October 2021			Totals
		Level 1	Level 2	Level 3	
Financial assets					
Derivative assets	13	–	2,002	–	2,002
Notes receivable	9	–	–	1,000	1,000
Non-financial assets					
Fair value of agricultural produce harvested under inventories		–	–	4,286	4,286
Fair value of agricultural produce	10	–	–	44,070	44,070
Freehold land	6	–	–	53,855	53,855
Financial liabilities					
Derivative liabilities	13, 20		14	–	14
Lease liabilities		–	–	116,064	116,064
Loans and borrowings		–	1,167,345	483,090	1,650,435
	Note	30 April 2021			Totals
		Level 1	Level 2	Level 3	
Financial assets					
Derivative assets	13	–	1,694	–	1,694
Notes receivable	9	–	–	1,000	1,000
Non-financial assets					
Fair value of agricultural produce harvested under inventories		–	–	5,389	5,389
Fair value of agricultural produce	10	–	–	44,913	44,913
Freehold land	6	–	–	54,609	54,609
Financial liabilities					
Derivative liabilities	13, 20	–	80	–	80
Lease liabilities		–	–	144,092	144,092
Loans and borrowings		–	880,845	592,522	1,473,367

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.

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Financial instruments measured at fair value

Type	Valuation technique
Commodities contracts	Market comparison technique: The commodities are traded over-the-counter and are valued based on the Chicago Board of Trade quoted prices for similar instruments in active markets or corroborated by observable market data available from the Energy Information Administration. The values of these contracts are based on the daily settlement prices published by the exchanges on which the contracts are traded.
Derivative liabilities	The estimated fair value of the additional Redeemable and Controllable Preference Shares (RCPS) and call option as at 31 October 2021, is based on the Cos-Ross-Rubinstein (CRR) binomial tree model of valuing derivatives. The value of these derivatives is driven primarily by DMPI's forecasted net income which is not based on observable market data.

Financial instruments not measured at fair value

Type	Valuation technique
Financial liabilities, note receivable and refundable deposits	The fair value of the secured senior notes, first lien term loans, second lien term loans, note receivable and refundable deposits are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date (Level 2).
Other financial assets and liabilities	The notional amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are, because of the short period to maturity, assumed to approximate their fair values.

Other non-financial assets

Assets	Valuation technique	Significant unobservable inputs
Freehold land	The fair value of freehold land is determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of property being valued. The valuation method used is sales comparison approach. This is a comparative approach that 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. The market value per square meter ranges from US\$75.4 to US\$79.3. The market value per acre ranges from US\$4,252 to US\$94,556.
Livestock (cattle for slaughter and cut meat)	Sales Comparison Approach: the valuation model is based on selling price of livestock of similar age, weight, breed and genetic make-up (Level 3).	The unobservable inputs are age, average weight and breed.

Assets	Valuation technique	Significant unobservable inputs
Harvested crops – sold as fresh fruit	The fair values of harvested crops are based on the most reliable estimate of selling prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the fresh fruit reduced by costs to sell (Level 3).	The unobservable input is the estimated pineapple selling price per ton specific for fresh products.
Harvested crops – used in processed products	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the processed product reduced by costs to sell (concentrates, pineapple beverages, sliced pineapples, etc.) and adjusted for margin associated to further processing (Level 3).	The unobservable input is the estimated pineapple selling price and gross margin per ton specific for processed products.
Unharvested crops – fruits growing on the bearer plants	The growing produce are measured at fair value from the time of maturity of the bearer plant until harvest. Management used future selling prices and gross margin of finished goods, adjusted to remove the margin associated to further processing, less future growing costs applied to the estimated volume of harvest as the basis of fair value.	The unobservable inputs are estimated pineapple selling price and gross margin per ton for fresh and processed products, estimated volume of harvest and future growing costs.

26. Profit for the period

The following non-cash items have been included in arriving at profit for the period:

	Note	Three months ended		Six months ended	
		31 October		31 October	
		2021	2020	2021	2020
		US\$'000	US\$'000	US\$'000	US\$'000
Provision for inventory obsolescence		260	1,436	759	1,295
Provision of allowance for ECL (trade and nontrade)		15	264	26	113
Amortization of intangible assets	7	1,662	1,662	3,325	3,325
Amortization of right-of-use assets	30	11,879	10,130	19,169	17,499
Depreciation of property, plant and equipment		38,505	34,327	77,361	59,800

27. General and administrative expenses

This account consists of the following:

	Three months ended		Six months ended	
	31 October		31 October	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Personnel costs	19,479	19,989	37,556	38,548
Professional and contracted services	5,367	5,703	11,311	12,260
Computer cost	2,824	4,275	6,204	9,037
Facilities expense	2,228	2,361	4,313	4,489
Employee-related expenses	622	465	1,268	970
Travelling and business meals	491	135	629	227
Postage and telephone	260	276	550	576
Research and development projects	193	269	340	379
Utilities	177	175	319	303
Machinery and equipment maintenance	136	156	207	261
Materials and supplies	66	112	194	240
Auto operating and maintenance costs	31	34	99	93
Miscellaneous overhead	2,040	2,041	3,072	3,665
	33,914	35,991	66,062	71,048

Miscellaneous overhead consists of donation, corporate initiatives, and other expenses.

28. Share capital

	31 October 2021		30 April 2021	
	No. of shares		No. of shares	
	('000)	US\$'000	('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	30,000	30,000	30,000	30,000
	1,974,936	49,449	1,974,936	49,449

The details of the Company's preference shares are as follows:

Preference Shares	Par Value	Share Capital	Share Premium	Contributed Capital
		US\$'000	US\$'000	US\$'000
Series A-1	US\$1.00	20,000	180,000	200,000
Series A-2	US\$1.00	10,000	90,000	100,000
		30,000	270,000	300,000

The Series A-1 and A-2 Preference shares are non-convertible, have no maturity date and are redeemable on the option of the Company on the fifth anniversary from the issue date (the “Step Up Date”) or on any dividend payment date thereafter. The preference shares bear a cumulative non-participating cash dividend at an initial dividend rate of 6.625% and 6.50% per annum for Series A-1 and A-2 preference shares, respectively, applicable from the issue date up to the Step-Up Date. The dividends are payable semi-annually every 7 April and 7 October of each year, being the last day of each 6-month period following the issue date. If the preference shares have not been redeemed on the Step Up Date, the dividend rate shall be adjusted on the Step Up Date to the sum of the 10-year U.S. Treasury Bond rate (prevailing as of the Step Up Date) plus initial spread plus margin of 2.50% per annum (the “Step Up Rate”). The initial spread shall be 4.605% and 4.44% per annum for Series A-1 and A-2 preference shares, respectively. However, if the initial dividend rate is higher than the applicable Step-Up Rate, there shall be no adjustment to the dividend rate, and the initial dividend rate shall continue to be the dividend rate. The preference shares rank ahead of the ordinary shares in the event of a liquidation.

Dividends

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, except for the amount payable to NAPL which was fully settled in September 2021.

The Group does not declare dividends based on first quarter and third quarter results. Undeclared preference dividends as at 31 October 2021 amounted to US\$1.3 million.

Capital management

The Board’s policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group’s capital comprises its share capital, retained earnings and total reserves as presented in the consolidated statements of financial position. The Board monitors the return on capital, which the Group defines as profit or loss for the year divided by total shareholders’ equity. The Board also monitors the level of dividends paid to ordinary shareholders.

The bank loans of the Group contain various covenants with respect to capital maintenance and ability to incur additional indebtedness. The Board ensures that loan covenants are considered as part of its capital management through constant monitoring of covenant results through interim and full year results.

There were no changes in the Group’s approach to capital management during the fiscal year.

29. Earnings per share

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

	Three months ended 31 October		Six months ended 31 October	
	2021	2020	2021	2020
Earnings per share is based on:				
Profit attributable to owners of the Company (US\$'000)	35,801	21,852	54,123	18,603
Cumulative preference share dividends (US\$'000)	(4,938)	(4,938)	(9,875)	(9,875)
	30,863	16,914	44,248	8,728
Weighted average number of ordinary shares ('000):				
Outstanding ordinary shares at 1 August /1 May	1,943,960	1,943,960	1,943,960	1,943,960
Effect of shares awards granted	—	—	—	—
Weighted average number of ordinary shares at end of period (basic)	1,943,960	1,943,960	1,943,960	1,943,960
Basic/diluted earnings per share (in U.S. cents)	1.59	0.87	2.28	0.45

30. Leases

Group as a lessee

Set out below are the carrying amount of right-of-use assets recognized and the movements during the period:

	Buildings, land improvements and leasehold improvements US\$'000	Land US\$'000	Machineries and equipment US\$'000	Total US\$'000
Cost/Valuation				
At 1 May 2021	128,492	50,166	37,384	216,042
Additions	112	3,125	–	3,237
Disposal	(25)	–	(2)	(27)
Transfers/Adjustments	–	(760)	–	(760)
Currency realignment	(1,719)	(2,377)	–	(4,096)
At 31 October 2021	126,860	50,154	37,382	214,396
At 1 May 2020	116,023	51,277	38,450	205,750
Additions	11,926	8,290	46	20,262
Disposals	–	(735)	(1,112)	(1,847)
Transfers/Adjustments	(591)	(900)	–	(1,491)
Changes in lease term	–	(10,202)	–	(10,202)
Currency realignment	1,134	2,436	–	3,570
At 30 April 2021	128,492	50,166	37,384	216,042
	Buildings, land improvements and leasehold improvements US\$'000	Land US\$'000	Machineries and equipment US\$'000	Total US\$'000
Accumulated amortization				
At 1 May 2021	43,632	14,521	22,681	80,834
Amortization	10,390	4,121	4,703	19,214
Transfers/Adjustments	–	(760)	–	(760)
Currency realignment	(457)	(795)	–	(1,252)
At 31 October 2021	53,565	17,087	27,384	98,036
At 1 May 2020	20,752	6,932	11,981	39,665
Amortization	22,725	7,974	10,700	41,399
Disposals	–	(735)	–	(735)
Transfers/Adjustments	(43)	(90)	–	(133)
Currency realignment	198	440	–	638
At 30 April 2021	43,632	14,521	22,681	80,834
Carrying amounts				
At 31 October 2021	73,295	33,067	9,998	116,360
At 30 April 2021	84,860	35,645	14,703	135,208

The following are the amounts recognized in consolidated statements of income for three months and six months ended 31 October:

	Three months ended 31 October		Six months ended 31 October	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Amortization expense of right-of-use assets	11,879	10,130	19,169	17,499
Interest expense on lease liabilities	1,497	1,832	3,195	3,835
Expenses relating to short-term leases	4,128	5,756	6,269	7,883
Variable lease payments	218	(108)	218	267
Total amount recognized in consolidated statement of income	17,722	17,610	28,851	29,484

Amortization expense is net of amount capitalized to inventory amounting to US\$0.7 million and US\$1.5 million for the six months ended 31 October 2021 and 2020, respectively.

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

	31 October 2021 US\$'000	30 April 2021 US\$'000
At the beginning of period/year	128,803	158,525
Additions	729	14,174
Accretion of interest	3,724	8,412
Payments of principal	(20,703)	(43,377)
Change in lease term	–	(10,199)
Adjustments	–	(1,119)
Terminations	(28)	(122)
Currency realignment	(2,391)	2,509
At the end of period/year	110,134	128,803
Current	25,670	25,113
Non-current	84,464	103,690
	110,134	128,803

31. Commitments and contingencies

Purchase commitments

The Group had 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 and packaging services. As at the reporting date, the Group has commitments for future minimum payments under non-cancellable agreements at approximately US\$683.0 million.

Contingencies

DMPI has a pending case with the Court of Tax Appeals En Banc (CTA EB) pertaining to deficiency withholding tax on wages assessment covering taxable year 2013 amounting to ₱6.8 million (US\$0.1 million). The Bureau of Internal Revenue filed a motion for reconsideration on 31 October 2019 which was denied by the CTA 2nd Division in a resolution dated 1 October 2019. The BIR has filed a petition for review with the CTA EB. As at 31 October 2021, the said petition is pending resolution.

DMPI could be subject to tax assessments which might arise from routine tax audits. In cases where such assessments were disputed, DMPI's Management had assessed that DMPI would be able to defend its position and the potential outcome is not expected to be material to the consolidated financial statements.

As mentioned in Note 34, the Call Option Agreement with Sea Diner provides for a conditional obligation for a subsidiary, CARI, to sell additional shares to SEA Diner at an agreed price subject to certain conditions (amount of IPO pre-market capitalisation and IPO consummation on or before 30 April 2022). While Management had assessed that the Group's derivative liability to sell additional shares to SEA Diner has a carrying value of nil or immaterial as at 31 October 2021 and 30 April 2021 there is still a possibility that the IPO will not be consummated and the call option will be exercised by Sea Diner.

32. Related parties

Related party transactions

For the purposes of these consolidated 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.

Other than disclosed elsewhere in the consolidated financial statements, transactions with related parties are as follows:

Category/ Transaction	Period	Amount of the transaction US\$'000	Outstanding balance – receivables/ (payables) US\$'000	Terms	Conditions
Under Common Control					
Shared information technology & JY Campos Centre Fit-out services	October 2021	60	68	Due and demandable;	Unsecured;
	April 2021	185	308	non-interest bearing	no impairment
Sale of apple juice concentrate/materials	October 2021	2	–	Due and demandable;	Unsecured;
	April 2021	28	5	non-interest bearing	no impairment
Purchases	October 2021	21	4	Due and demandable;	Unsecured;
	April 2021	64	9	non-interest bearing	no impairment
Tollpack fees	October 2021	–	11	Due and demandable;	Unsecured;
	April 2021	–	21	non-interest bearing	no impairment
Security Deposit	October 2021	7	(8)	Due and demandable;	Unsecured;
	April 2021	9	–	non-interest bearing	no impairment
Other Related Party					
Management fees from DMPI Retirement fund	October 2021	51	65	Due and demandable;	Unsecured;
	April 2021	69	2	non-interest bearing	no impairment
Rental to DMPI Retirement	October 2021	908	(180)	Due and demandable;	Unsecured
	April 2021	1,747	(7)	non-interest bearing	
Rental to NAI Retirement	October 2021	326	(60)	Due and demandable;	Unsecured
	April 2021	602	–	non-interest bearing	
Security Deposit/Advances to NAI	October 2021	–	–	Short-term;	Unsecured;
	April 2021	703	–	non-interest bearing	no impairment
Advances to NAPL	October 2021	430	430	Short-term;	Unsecured;
	April 2021	–	–	non-interest bearing	no impairment

(continued on next page)

Category/ Transaction	Period	Amount of the transaction US\$'000	Outstanding balance – receivables/ (payables) US\$'000	Terms	Conditions
Joint Ventures					
Sales	October 2021	3,835	6,267	Due and demandable;	Unsecured;
	April 2021	6,303	4,475	non-interest bearing	no impairment
Purchases	October 2021	884	(1,070)	Due and demandable;	Unsecured;
	April 2021	1,079	(987)	non-interest bearing	no impairment
	October 2021	6,524	5,527		
	April 2021	10,789	3,826		

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

All outstanding balances at financial reporting date are unsecured, interest-free, to be settled in cash, and are collectible or payable on demand. As at 31 October 2021 and 30 April 2021, the Group has not made any provision for ECL relating to amounts owed by related parties.

33. Net Finance Expense

	Three months ended 31 October		Six months ended 31 October	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Finance income				
Foreign exchange gain	(281)	917	1,275	3,265
Interest income from:				
Bank deposits	7	15	22	29
Others	191	110	346	262
	(83)	1,042	1,643	3,556
Finance expense				
Interest expenses on:				
Bank loans	(22,704)	(24,203)	(44,328)	(46,685)
Amortization of debt issue cost, discount	(2,958)	(2,831)	(5,982)	(5,354)
Leases	(1,494)	(1,832)	(3,195)	(3,835)
Foreign exchange loss	(281)	(30)	(376)	(114)
	(27,437)	(28,896)	(53,881)	(55,988)
Net finance expense	(27,520)	(27,854)	(52,238)	(52,432)

34. Share Purchase Agreement and Shareholders' Agreement with Sea Diner Holdings (S) Pte. Ltd.

On 24 January 2020, the Company, Central American Resources, Inc. ("CARI"), Del Monte Philippines, Inc. ("DMPI") and SEA Diner, a company incorporated in Singapore, entered into a Share Purchase Agreement and Shareholders' Agreement whereby CARI will sell 335,678,400 existing common shares equivalent to 12% ownership interest in DMPI to SEA Diner for a consideration of US\$120.0 million, subject to fulfilment of certain conditions precedent. These common shares are convertible to voting, convertible, participating and RCPS of DMPI.

The Board and the stockholders of DMPI approved the conversion of the convertible common shares to RCPS subject to the completion of the transaction and the Enabling Resolutions which further defined the terms of the RCPS on 3 March 2020. As at 30 April 2020, the Company, CARI and DMPI had fulfilled the conditions precedent under the Share Purchase Agreement. The closing date of the agreement is on 20 May 2020.

Terms of the RCPS

The terms of the RCPS are as follow:

- The RCPS holders participate in the dividends on an as-converted basis, that is, if common shareholders are entitled to dividends, then the RCPS holders will correspondingly be entitled to dividends on an as-converted basis.
- The investor as an RCPS holder will have proportional shareholder voting rights in DMPI on an as-converted basis. There will also be certain reserved matters (for example, matters not in the ordinary course of business) which the investor will have the right to approve.
- SEA Diner, as long as it holds RCPS, may, at any time, exercise its right to convert the RCPS into common shares of DMPI at a ratio of one (1) RCPS to one (1) common share of DMPI. The RCPS is automatically converted into common share in the event of IPO of DMPI.
- Upon the occurrence of any of certain agreed "RCPS Default Events", SEA Diner may require the Company, CARI or DMPI to redeem all of the RCPS at the agreed redemption price, which is the amount of RCPS consideration plus the agreed rate of return (compounded on a per annum basis) calculated from 20 May 2020 up to the date of redemption.
- In case of "Other Redemption Events", redemption shall be subject to the mutual agreement of the parties. If DMPI does not consent to the RCPS holder's written redemption request, the internal rate of return would be increased annually by 3%, and this increased rate of return shall apply for each year that the RCPS remain outstanding and shall be compounded on a per annum basis.

On 3 August 2020, the SEC approved the amendment of DMPI's Articles of Incorporation to reflect the conversion of 335,678,400 convertible common shares to RCPS and the removal of the conversion feature of the remaining convertible common shares.

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

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

On 1 March 2021, the SEC approved the amendment of DMPI's Articles of Incorporation to change DMPI's authorized capital stock to common shares. Consequently, the 335,678,400 RCPS issued to SEA Diner were converted to 335,678,400 common shares.

Call Option Agreement

On 24 January 2020, the Company, CARI, DMPI and SEA Diner entered into a call option agreement wherein SEA Diner would be entitled to a call option or the right to buy from CARI additional DMPI shares ("Option Shares"). The exercise price for each Option Share is US\$0.357 (computed based on the DMPI equity valuation of US\$1 billion / existing total issued share capital of the DMPI shares of 2,797,320,003 as at the date of the Agreement).

The call option is exercisable within the Option Period which is a period:

(A) commencing on:

- (i) in the event where an IPO of DMPI is consummated on or before 30 April 2022, and:
 - (a) such IPO of DMPI is consummated at a price per DMPI share which implies an IPO pre-money market capitalisation of US\$2,000,000,000 or lower, the date on which such IPO of DMPI is consummated; or
 - (b) such IPO of DMPI is consummated at a price per DMPI share which implies an IPO pre-money market capitalisation of more than US\$2,000,000,000 and following such IPO, the SEA Diner sells any DMPI shares at a price per DMPI share which implies that DMPI's valuation is at or lower than an IPO pre-money market capitalisation of US\$2,000,000,000, the date on which the SEA Diner makes such sale of DMPI shares; or
- (ii) 30 April 2022, if DMPI does not consummate an IPO on or before 30 April 2022; and

(B) ending on the earliest of:

- (i) the date falling ten (10) years after the date of completion of the closing date;
- (ii) the date falling five (5) years after the consummation of an IPO of DMPI; and
- (iii) the date on which the SEA Diner receives an amount in respect of a redemption of its DMPI shares pursuant to the Agreement that provides the SEA Diner with a rate of return of no less than eight (8) per cent.

Source of estimation uncertainty

The Call Option Agreement may give rise to an obligation on the part of CARI to sell additional shares to SEA Diner at the stipulated price subject to certain conditions stated therein. Management assessed that the Group's derivative liability to sell additional shares to SEA Diner has a carrying value of nil or immaterial as at 31 October 2021 and 30 April 2021 as the estimated pre-money market capitalisation has been established to be higher than the threshold in the Agreement, and the exercise of the call option is subject to mutual consent of both parties.

The fair value of the derivative liability related to the call option is measured using Cox-Ross-Rubinstein ("CRR") binomial tree model. The inputs to this model are taken from a combination of observable markets and unobservable market data. Changes in inputs about these factors could affect the reported fair value of the derivative liabilities and impact profit or loss.

35. Other Matters

- a. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity.
- b. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favorable or unfavorable impact on net sales or revenues or income from continuing operations.
- c. Other than those disclosed in other notes, there were no known events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation and there were no changes in contingent liabilities and contingent assets since the last annual consolidated statements of financial position date
- d. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationship of the Group with unconsolidated entities or other persons created during the reporting period.
- e. The effects of seasonality or cyclicity on the interim operations of the Group's businesses are explained in Note 5, Seasonality of operations.
- f. The Group's material commitments for capital expenditure projects have been approved but are still ongoing and not yet completed as of end of 31 October 2021. These consist of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business. The said projects will be carried forward to the next quarter until its completion. The fund to be used for these projects will come from available cash, short and long-term loans.
- g. The Group is the subject of, or a party to, various suits and pending or threatened litigations. While it is not feasible to predict or determine the ultimate outcome of these matters, the Group believes that none of these legal proceedings will have a material adverse effect on its consolidated financial position.
- h. The retained earnings is restricted for the payment of dividends to the extent representing the accumulated equity in net earnings of the subsidiaries and unrealized asset revaluation reserve. The accumulated equity in net earnings of the subsidiaries is not available for

dividend distribution until such time that the Company receives the dividends from the subsidiaries.

i. Deferment of DMPI IPO Due to Volatile Market Conditions

In light of increased market volatility, on 4 August 2021, the Board of the Company, in consultation with its advisors, had decided to delay the IPO of DMPI on the PSE. The Board believed that it is in the best interests of the Company, its shareholders and potential investors to defer the listing until conditions improve.

The Board remains committed to listing DMPI and continues to believe strongly in the growth and resilience of its business.

Annex A

Key Performance Indicators

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

A. Current Ratio

	31-Oct-21	31-Oct-20	30-Apr-21	Benchmark
Current Ratio	1.1993	1.0897	1.3066	Minimum of 1.20

Decrease in current ratio versus last year was driven by higher trade payables and current borrowings in the US due to pack season

B. Debt to Equity

	31-Oct-21	31-Oct-20	30-Apr-21	Benchmark
Debt to Equity	3.2520	3.8127	2.7633	Maximum of 2.50

Increase in debt to equity versus last year was driven by higher borrowings from ABL Agreement.

C. Net Profit Margin

	31-Oct-21	31-Oct-20	30-Apr-21	Benchmark
Net Profit Margin attributable to owners of the company	4.86%	1.79%	2.92%	Minimum of 3%

Improved margins from higher sales of higher-margin branded products in the USA, lower costs and interest expense.

D. Return on Asset*

	31-Oct-21	31-Oct-20	30-Apr-21	Benchmark
Return on Asset	4.13%	0.49%	3.16%	Minimum of 1.21

Higher last twelve months net profit compared to last year mainly driven by higher results from US operations.

E. Return on Equity*

	31-Oct-21	31-Oct-20	30-Apr-21	Benchmark
Return on Equity	17.56%	2.37%	11.90%	Minimum of 8%

Higher last twelve months net profit compared to last year mainly driven by higher results from US operations.

**Based on last twelve months returns*

Material Changes in Accounts

A. Trade and other receivables

Mainly due to timing of collection of revenue.

B. Inventories

Build-up on inventory in the US for the coming peak season.

C. Prepaid expenses and other current assets

Mainly driven by higher downpayments to suppliers during peak season.

D. Trade and other current liabilities

Higher trade payables in the US due to peak season.

E. Loans and borrowings

Driven by loan drawdowns of DMFI for working capital in preparation for the peak season.

Liquidity and Covenant Compliance

Certain unsecured bank loan agreements contain various covenants that are typical of these types of facilities such as financial covenants relating to required debt-to-equity ratio, interest cover, and maximum annual capital expenditure restrictions.

The following financial covenants apply to the Company and its subsidiaries, as Borrower, excluding DMFHL and its subsidiaries, including, but not limited to, DMFI.

- For the US\$57.3 million loan and US\$75.0 million loan to Development Bank of the Philippines (DBP), the debt shall not exceed 3 times the equity.
- For the Php1.5 billion loan to DBP, and DMPI bonds, DMPI's debt service coverage ratio shall not fall below 1.2x and its debt shall not exceed 2.5 times the equity.

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

As at 31 October 2021 and 30 April 2021, the Company is in compliance with the covenants stipulated in its loan agreements.

Annex B

DEL MONTE PACIFIC, LTD.

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

		Six months ended 31 October	
Ratio	Formula	2021	2020
(i) Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.2	1.1
Quick Ratio	(Current Assets - Inventory - Prepaid expense - Biological - Assets held for sale) / Current Liabilities	0.3	0.3
(ii) Solvency Ratio	Total Assets / Total Debt*	1.3	1.3
Financial Leverage Ratios:			
Debt Ratio	Total Debt*/Total Assets	0.8	0.8
Debt-to-Equity Ratio	Total Debt*/Total Stockholders' Equity	3.3	3.8
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	4.3	4.8
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT)** / Interest Charges	2.6	1.6
(v) Profitability Ratios			
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	28.02%	24.49%
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Sales	4.86%	1.79%
Net Profit Margin	Net Profit / Sales	5.64%	2.25%
Return on Assets	Net Income*** / Total Assets	4.13%	0.49%
Return on Equity	Net Income*** / Total Stockholders' Equity	17.56%	2.37%

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

** EBIT = Profit before tax plus finance expenses excluding foreign exchange gain/loss

*** Last twelve months net income



DEL MONTE PACIFIC LIMITED

Management Discussion and Analysis of Unaudited Financial Condition and Results of Operations for the Second Quarter and First Half Ended 31 October 2021

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AUDIT

Second Quarter FY2022 results covering the period from 1 August 2021 to 31 October 2021 have neither been audited nor reviewed by the Group's auditors.

ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's FY2021 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2021. Adoption of these new standards did not have any significant impact on the Group's consolidated financial statements.

- Amendments to IFRS 16, *COVID-19-related Rent Concessions*
- Amendments to IFRS 9, IFRS 7, IFRS 4 and IFRS 16, *Interest Rate Benchmark Reform – Phase 2*

DISCLAIMER

This announcement may contain statements regarding the business of Del Monte Pacific Limited and its subsidiaries (the "Group") that are of a forward-looking nature and are therefore based on management's assumptions about future developments. Such forward looking statements are typically identified by words such as 'believe', 'estimate', 'intend', 'may', 'expect', and 'project' and similar expressions as they relate to the Group. Forward looking statements involve certain risks and uncertainties as they relate to future events. Actual results may vary materially from those targeted, expected or projected due to various factors.

Representative examples of these factors include (without limitation) general economic and business conditions, change in business strategy or development plans, weather conditions, crop yields, service providers' performance, production efficiencies, input costs and availability, competition, shifts in customer demands and preferences, market acceptance of new products, industry trends, and changes in government and environmental regulations. Such factors that may affect the Group's future financial results are detailed in the Annual Report. The reader is cautioned to not unduly rely on these forward-looking statements.

Neither the Group nor its advisers and representatives shall have any liability whatsoever for any loss arising, whether directly or indirectly, from any use or distribution of this announcement or its contents.

This announcement is for information only and does not constitute an invitation or offer to acquire, purchase or subscribe to shares in Del Monte Pacific.

SIGNED UNDERTAKING FROM DIRECTORS AND EXECUTIVE OFFICERS

The Company confirms that the undertakings from all its Directors and Executive Officers as required in the format as set out in Appendix 7.7 under Rule 720(1) have been procured.

DIRECTORS' ASSURANCE

Confirmation by Directors Pursuant to Clause 705(5) of the Listing Manual of SGX-ST.

We confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of Del Monte Pacific Limited which may render these interim financial statements to be false or misleading in any material aspect.

For and on behalf of the Board of Directors of Del Monte Pacific Limited

(Signed)
Rolando C. Gapud
Executive Chairman

(Signed)
Joselito D. Campos, Jr.
Executive Director

15 December 2021

NOTES ON THE 2Q FY2022 DMPL RESULTS

- On 30 April 2020, the Group recognized the sale of a 12% stake in Del Monte Philippines, Inc. (DMPI) and started recognizing this as non-controlling interest (NCI) on 1 May 2020. On 16 December 2020, the Group recognized an additional sale of 1% stake in DMPI thereby increasing the NCI share to 13%. In addition, DMPL's effective stake in Del Monte Foods, Inc. (DMFI) increased to 93.6% starting 15 May 2020 and had henceforth recognized a 6.4% NCI. These two comprise the NCI line in the P&L. Net profit/(loss) is net of NCI. Please refer also to profit and loss summary of DMFI and DMPI on pages 19 to 20 (gross of NCI).
- FY means Fiscal Year for the purposes of this MD&A.
- The Group adopted the amendments to IAS 16 and IAS 41 (Agriculture: Bearer Plants) in April 2017. The change in accounting standard was applied retrospectively. This involved reclassifying a portion of biological assets to plant, property and equipment leading to much higher depreciation expense. However, for EBITDA calculation, the Group retained the old calculation using the lower depreciation.

FINANCIAL HIGHLIGHTS – SECOND QUARTER AND FIRST HALF ENDED 31 OCTOBER 2021

in US\$'000 unless otherwise stated*	For the three months ended 31 October			For the six months ended 31 October		
	Fiscal Year 2022	Fiscal Year 2021	% Change	Fiscal Year 2022	Fiscal Year 2021	% Change
Turnover	650,991	623,453	4.4	1,113,125	1,036,511	7.4
Gross profit	178,481	159,745	11.7	311,901	253,851	22.9
Gross margin (%)	27.4	25.6	1.8	28.0	24.5	3.5
EBITDA	107,360	94,368	13.8	182,343	136,803	33.3
Operating profit	83,233	67,728	22.9	140,006	88,378	58.4
Operating margin (%)	12.8	10.9	1.9	12.6	8.5	4.1
Net profit attributable to owners of the Company	35,801	21,852	63.8	54,123	18,603	190.9
Net margin (%)	5.5	3.5	2.0	4.9	1.8	3.1
EPS (US cents)	1.59	0.87	82.8	2.28	0.45	406.7
EPS before preference dividends (US cents)	1.84	1.12	64.3	2.78	0.96	189.6
Net debt	1,532,441	1,464,768	4.6	1,532,441	1,464,768	4.6
Gearing (%)**	232.1	263.1	(31.0)	232.1	263.1	(31.0)
Net debt to adjusted EBITDA***	4.3	5.8	(1.4)	4.3	5.8	(1.4)
Cash flow from operations	(144,290)	(122,818)	(17.5)	(95,799)	(64,034)	(49.6)
Capital expenditure	46,686	33,814	38.1	89,118	64,539	38.1
Inventory (days)	149	126	23	162	138	24
Receivables (days)	29	26	3	34	35	(1)
Account Payables (days)	51	47	4	53	51	2

*The Company's reporting currency is US dollars. For conversion to S\$, the following exchange rates can be used: 1.34 in October 2021 and 1.39 in October 2020. For conversion to PhP, these exchange rates can be used: 49.36 in October 2021 and 49.38 in October 2020.

**Gearing = Net Debt / Equity

***Adjusted EBITDA = Last twelve months without one-off items

REVIEW OF OPERATING PERFORMANCE

Second Quarter

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

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

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

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

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

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

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

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

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

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

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

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

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

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

First Half

For the first half of FY2022, the Group generated sales of US\$1.1 billion, up 7.4% versus prior year period. DMFI generated US\$775.6 million or 69.7% of Group sales, higher by 8.5% driven by improved volume across major categories primarily canned vegetables and fruits following improvement in supply and distribution gains. DMFI's branded retail and foodservice sales grew by a combined 14.7% which more than offset the decline in low-margin private label sales as planned.

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

New products contributed 5.1% to DMFI's total sales in the first half.

The strong sales performance in the first half resulted in DMFI generating a gross profit of US\$196.3 million, 31.7% higher than the US\$149.1 million in the prior year. This led to significantly higher margin of 25.3% from 20.9%, mainly driven by better sales mix with higher branded sales, favorable cost rate due to lower FY2021 pack cost, partially offset by freight headwinds.

Coming from a high base a year ago, the Philippine market sales were down 2.1% and 2.2% in US dollar and peso terms, respectively, driven by COVID-19 restrictions and pantry loading that was experienced last year. Compared to the same period two years ago, sales in the Philippines increased by 7.6%, while retail sales improved by 13.9%. New products launched in the past 3 years contributed 6.8% to total Philippine market sales. The foodservice channel has begun its recovery from the pandemic-induced horeca closures, expanding by 51.6% in the first half, but yet to fully recover to pre-pandemic levels, down 28.9% versus two years ago.

Export sales of processed pineapples, including S&W packaged products, significantly increased by 45.2% driven by strong sales of packaged fruit and beverages in the USA and Europe, including premium canned pineapple (Del Monte Deluxe Gold) and juices in the USA. Sales of S&W canned pineapple, corn and beans in North Asia and juices in the Middle East also performed well. The premium fresh fruit segment, mostly branded S&W MD2 pineapple, also grew in the first half by 4.6% on the back of expanded distribution coverage with 1,500 new stores for the Company's top three distributors in China. Approximately 3,000 Goodme and 1,000 ChaBaiDao fruit tea shops also used S&W pineapple in their offerings.

DMPL ex-DMFI delivered higher gross margin of 31.4% from 30.9% in the same period last year mainly coming from higher prices in line with inflation, and lower cost from plantation and manufacturing efficiencies.

DMPL's share in the FieldFresh joint venture in India was unfavorable at US\$1.2 million loss from a US\$0.9 million loss in the prior year period due to decline in sales from modern trade due to COVID-19 restrictions and inflationary trends impacting margins. B2B business is recovering and e-commerce sales continue to surge.

DMFI delivered an EBITDA of US\$108.3 million, significantly up by 58.9% versus the US\$68.2 million in the prior year due to higher gross profit as explained above, lower marketing spend and administrative expenses. DMFI generated a net profit of US\$27.5 million, a turnaround versus the net loss of US\$5.2 million in the prior year first half.

DMPI, achieved sales of US\$362.1 million, up 10.7% versus the prior year period, and generated a net profit of US\$51.6 million, up 21.8%. DMPI had benefited from the reduced corporate tax rate of 25% with the passage of the Corporate Recovery and Tax Incentives for Enterprises Act (CREATE) in March 2021. More than half of DMPI's sales are in the Philippines, with the balance in the international market and others.

DMPL ex-DMFI generated an EBITDA of US\$76.7 million, higher by 12.3% and a net profit of US\$42.0 million, higher by 25.6% versus the US\$33.5 million last year driven by higher margins as discussed above.

The Group generated an EBITDA of US\$182.3 million, 33.3% higher versus prior year's US\$136.8 million, and a net profit of US\$54.1 million, almost triple last year's US\$18.6 million, mainly driven by the strong performance of DMFI and the international markets.

With DMFI's continued improvement in operating performance, achieving revenue growth and higher profitability in the first quarter, Standard & Poor upgraded its credit ratings in October 2021 from "B-" to "B". This was the second upgrade in six months.

The Group notably improved its net debt/adjusted EBITDA to 4.3x from 5.8x last year and gearing to 2.3x from 2.6x due to increased shareholder's equity attributed to earnings.

VARIANCE FROM PROSPECT STATEMENT

The Group incurred a net profit of US\$54.1 million for the six months ended October 2021. The Group further expects to generate a net profit for the balance of the year and a net profit for the full year which is in line with earlier guidance.

BUSINESS OUTLOOK

In an environment with increased emphasis on health and wellness, the Del Monte Pacific Group is well-positioned to respond to consumer trends given its nutritious and long shelf-life products which enable consumers to prepare meals at home and build their immunity. This trend has been supported with campaigns highlighting the functional health benefits of its products. The Group's iconic brands, Del Monte, S&W, Contadina and College Inn, are trusted names with over a century-long heritage of quality.

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

DMPL is well-positioned to build on the momentum achieved in FY2021 and expects to offset the impact of higher costs. The Group is proactively addressing inflationary impact from commodity headwinds and increased

transportation costs through revenue and cost drivers including driving efficiencies and productivity across operations. Barring unforeseen circumstances, the Group expects to generate a higher net profit in FY2022.

The Group will continue to optimize its production facilities while implementing strict safety measures and protecting its people against COVID-19.

REVIEW OF TURNOVER, GROSS PROFIT AND OPERATING PROFIT

AMERICAS

For the three months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2022	FY2021	% Chg	FY2022	FY2021	% Chg	FY2022	FY2021	% Chg
Packaged vegetable	205,105	167,848	22.2	77,494	62,924	23.2	50,098	40,499	23.7
Packaged fruit	186,299	191,110	(2.5)	28,440	23,516	20.9	3,763	(5,444)	169.1
Beverage	10,212	4,654	119.4	1,382	284	386.6	437	(245)	278.4
Culinary	78,959	86,522	(8.7)	15,141	16,524	(8.4)	4,243	3,051	39.1
Others	1,181	698	69.2	(370)	(421)	12.1	(2,988)	(618)	(383.5)
Total	481,756	450,832	6.9	122,087	102,827	18.7	55,553	37,243	49.2

For the six months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2022	FY2021	% Chg	FY2022	FY2021	% Chg	FY2022	FY2021	% Chg
Packaged vegetable	320,030	265,349	20.6	121,791	87,748	38.8	77,233	47,663	62.0
Packaged fruit	318,444	312,176	2.0	53,775	37,839	42.1	4,715	(14,520)	132.5
Beverage	16,434	8,501	93.3	2,642	566	366.8	452	(721)	162.7
Culinary	124,131	136,170	(8.8)	24,037	27,041	(11.1)	6,556	3,079	112.9
Others	2,593	1,161	123.3	(542)	(1,215)	55.4	(5,461)	(2,860)	(90.9)
Total	781,632	723,357	8.1	201,703	151,979	32.7	83,495	32,641	155.8

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.

Sales in the Americas increased by 6.9% to US\$481.8 million from continued robust performance of its core branded segments attributed to supply and distribution gains and shipments in preparation for holiday promotional activity. The foodservice business also grew significantly although on a small base as the economy reopened in the US with a majority of the population vaccinated.

Gross profit was higher by 18.7% this quarter driven by higher branded sales and selective price increases across channels to offset inflation.

Americas reported an operating profit for the quarter of US\$55.6 million, 49.2% higher versus prior year quarter's US\$37.2 million mainly due to improved margins as discussed above.

ASIA PACIFIC

For the three months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2022	FY2021	% Chg	FY2022	FY2021	% Chg	FY2022	FY2021	% Chg
Packaged vegetable	414	439	(5.7)	85	8	962.5	72	9	700.0
Packaged fruit	43,127	34,221	26.0	15,003	10,701	40.2	11,018	7,054	56.2
Beverage	31,936	37,869	(15.7)	9,585	11,338	(15.5)	2,915	6,071	(52.0)
Culinary	39,216	45,138	(13.1)	15,499	19,302	(19.7)	9,808	13,702	(28.4)
Others	44,360	48,820	(9.1)	12,520	14,318	(12.6)	1,048	2,855	(63.3)
Total	159,053	166,487	(4.5)	52,692	55,667	(5.3)	24,861	29,691	(16.3)

For the six months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2022	FY2021	% Chg	FY2022	FY2021	% Chg	FY2022	FY2021	% Chg
Packaged vegetable	931	916	1.6	196	155	26.5	162	131	23.7
Packaged fruit	72,915	59,163	23.2	24,486	17,872	37.0	17,590	11,637	51.2
Beverage	69,421	78,914	(12.0)	21,027	25,827	(18.6)	9,878	16,667	(40.7)
Culinary	73,547	79,009	(6.9)	29,801	33,532	(11.1)	20,236	24,549	(17.6)
Others	98,084	84,355	16.3	29,079	22,432	29.6	5,117	1,436	256.3
Total	314,898	302,357	4.1	104,589	99,818	4.8	52,983	54,420	(2.6)

Reported under this segment 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.

Asia Pacific's sales in the second quarter decreased by 4.5% to US\$159.1 million from US\$166.5 million mainly due to lower sales in the Philippines as discussed below and lower export sales of fresh pineapples mainly from lower supply due to timing of harvest. We expect this to be limited to second quarter only.

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

EUROPE

For the three months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2022	FY2021	% Chg	FY2022	FY2021	% Chg	FY2022	FY2021	% Chg
Packaged fruit	5,808	4,891	18.7	2,361	1,070	120.7	1,793	697	157.2
Beverage	4,353	1,201	262.4	1,334	163	718.4	1,023	84	nm
Culinary	21	42	(50.0)	7	18	(61.1)	3	13	(76.9)
Total	10,182	6,134	66.0	3,702	1,251	195.9	2,819	794	255.0

For the six months ended 31 October

In US\$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2022	FY2021	% Chg	FY2022	FY2021	% Chg	FY2022	FY2021	% Chg
Packaged fruit	10,699	8,630	24.0	3,941	1,735	127.1	2,384	1,138	109.5
Beverage	5,819	2,080	179.8	1,643	278	491.0	1,132	150	654.7
Culinary	77	87	(11.5)	25	41	(39.0)	12	29	(58.6)
Total	16,595	10,797	53.7	5,609	2,054	173.1	3,528	1,317	167.9

Included in this segment are sales of co-branded and unbranded products in Europe.

For the second quarter, Europe's sales increased by 66.0% to US\$10.2 million from US\$6.1 million in prior year's quarter. Gross profit also significantly increased by 95.9%, and Europe generated an operating income of US\$2.8 million an increase from prior year period's operating income of US\$0.8 million driven by higher volume and better prices for pineapple juice concentrate.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the three months ended 31 October			For the six months ended 31 October		
	FY2022	FY2021	Explanatory Notes	FY2022	FY2021	Explanatory Notes
Cost of Goods Sold	72.6	74.4	Driven by DMFI from lower FY21 pack costs	72.0	75.5	Same as 2Q
Distribution and Selling Expenses	9.2	9.2	nm	9.2	9.2	nm
G&A Expenses	5.2	5.8	Driven by DMFI from lower computer costs, professional and contracted services.	5.9	6.9	Same as 2Q
Other Operating Expenses (Income)	0.2	(0.2)	Net miscellaneous income last year due to one-time gain on sale of Gilroy's seed plant in the US	0.3	(0.1)	Same as 2Q

REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

In US\$'000	For the three months ended 31 October				For the six months ended 31 October			
	FY2022	FY2021	%	Explanatory Notes	FY2022	FY2021	%	Explanatory Notes
Depreciation and amortization	(51,988)	(46,297)	(12.3)	Driven by DMPI from higher depreciation of bearer plants attributed to increase in harvested tons	(100,595)	(82,136)	(22.5)	Same as 2Q
Reversal/ (Provision) of asset impairment	14	16	(12.5)	nm	(33)	31	(206.5)	Driven by DMFI from impairment losses in Hanford's vege dip project.
Reversal/ (Provision) for inventory obsolescence	(181)	(168)	(7.7)	Higher provision for DMPI's materials and supplies	55	(27)	303.7	Driven by reversal of obsolescence on DMPI's finished goods
Reversal/ (Provision) for doubtful debts	15	(38)	139.5	Reversal of bad debts this quarter was related to nontrade receivables of DMPI	26	113	(77.0)	Driven by DMPI from lower bad debts reversed this quarter versus last year
Net gain/(loss) on disposal of fixed assets	(8)	2,828	(100.3)	Higher gain last year was driven by disposal of assets in the US	94	2,777	(96.6)	Same as 2Q
Foreign exchange gain/(loss)- net	(562)	887	(163.4)	Driven by depreciation of Philippine and Mexican peso	899	3,152	(71.5)	Driven by DMPI from forex gain on revaluation/ settlement of foreign currency denominated accounts
Interest income	198	125	58.4	Driven by DMPI from interest income on receivable from sale and leaseback of land	368	290	26.9	Same as 2Q
Interest expense	(27,156)	(28,866)	5.9	Lower IFRS 16 interest in DMFI and lower market interest rates in the Philippines	(53,505)	(55,874)	4.2	Same as 2Q
Share in net loss of JV	(508)	(206)	(146.6)	Higher losses in FieldFresh driven by declines in Fresh sales impacting profit	(1,550)	(907)	(70.9)	Driven by declines in Modern Trade due to COVID 19 restrictions and inflationary trends impacting margins
Taxation expense	(14,528)	(14,363)	(1.1)	Higher taxes as a result of higher income from DMFI compared to last year	(23,461)	(11,754)	(99.6)	Same as 2Q

REVIEW OF GROUP ASSETS AND LIABILITIES

Balance Sheet	31 Oct 2021 (Unaudited)	31 Oct 2020 (Unaudited)	30 April 2021 (Audited)	% Variance vs April FY21	Explanatory Notes
In US\$'000					
ASSETS					
Property, plant and equipment - net	540,253	531,733	544,776	(0.8)	Decrease mainly driven by depreciation during the first half of the year
Right-of-use (ROU) assets	116,360	153,145	135,208	(13.9)	Mainly due to amortization during the first half of the year
Investment in joint ventures	21,169	24,900	22,530	(6.0)	Decrease driven by joint venture losses
Intangible assets and goodwill	691,372	698,022	694,697	(0.5)	nm
Other noncurrent assets	26,898	14,777	25,325	6.2	Driven by DMPI from higher downpayment for capital expenditures mainly 307 Line and FDM Cooker
Deferred tax assets - net	120,282	145,965	130,538	(7.9)	Reduction on tax loss carryforward for DMFI as it continues to generate net profit
Pension assets	6,625	5,756	7,889	(16.0)	Accruals of retirement and fringe benefits in DMPI
Biological assets	46,778	57,463	47,568	(1.7)	nm
Inventories	884,020	718,408	557,602	58.5	Build-up on inventory in the US for the coming peak season
Trade and other receivables	269,816	256,834	185,049	45.8	Timing of collection of sales
Prepaid expenses and other current assets	47,034	39,766	37,286	26.1	Mainly driven by higher downpayments to suppliers during peak season
Cash and cash equivalents	37,248	32,825	29,435	26.5	Driven by loan drawdowns of DMFI
EQUITY					
Share capital	49,449	49,449	49,449	nm	nm
Share premium	478,339	478,339	478,339	nm	nm
Retained earnings	104,287	39,254	83,349	25.1	Net profit partially offset by dividends declared
Reserves	(37,004)	(65,075)	(29,953)	(23.5)	Driven by translation adjustment
Non-controlling interest	65,293	54,809	61,312	6.5	Share in net profit partially offset by dividends received
LIABILITIES					
Loans and borrowings	1,569,689	1,497,593	1,285,743	22.1	Driven by loan drawdowns of DMFI for working capital in preparation for the peak season
Lease liabilities	110,134	145,386	128,803	(14.5)	Driven by lease payments
Other noncurrent liabilities	16,014	23,019	18,697	(14.3)	Decrease in liability related to DMFI's worker's compensation due to settlement and accrual reversal
Employee benefits	63,351	106,023	70,141	(9.7)	Driven by DMFI due to payout of benefits in July
Environmental remediation liabilities	265	9,545	7,429	(96.4)	Settlement related to closed Mendota plant
Deferred tax liabilities - net	9,180	10,025	6,599	39.1	Driven by increase in deferred taxes related to final tax on intercompany dividends
Trade and other current liabilities	376,130	325,581	254,729	47.7	Higher trade payables in the US due to pack season
Current tax liabilities	2,728	5,646	3,266	(16.5)	Timing of tax payment for DMPI

SHARE CAPITAL

Total shares outstanding were 1,973,960,024 (common shares 1,943,960,024 and preference shares 30,000,000) as of 31 October 2021 and 2020. Share capital was US\$49.5 million as of 31 October 2021 and 2020. Market price options and share awards were granted pursuant to the Company's Executive Stock Option Plan and Restricted Share Plan as set out in the table below.

Date of Grant	Options	Share Awards	Recipient(s)
7 March 2008	1,550,000	1,725,000	Key Executives
20 May 2008	–	1,611,000	CEO
12 May 2009	–	3,749,000	Key Executives
29 April 2011	–	2,643,000	CEO
21 November 2011	–	67,700	Non-Executive Director
30 April 2013	150,000	486,880	Key Executives
22 August 2013	–	688,000	Executive/Non-Executive Directors
1 July 2015	75,765	57,918	Executive/Non-Executive Directors

The number of shares outstanding included 975,802 shares held by the Company as treasury shares as at 31 October 2021 and 2020. There was no sale, disposal and cancellation of treasury shares during the quarter and as at 31 October 2021.

In April 2019, the Company converted its advances to wholly owned subsidiaries Del Monte Pacific Resources Limited (DMPRL) and DMPL India, Pte. Ltd. (DMPLI) in the amounts of US\$167.6 million and US\$70.1 million, respectively, into additional paid in capital. The conversion was approved by the Board of directors on 30 April 2019.

In April 2017, the Company successfully completed the offering and listing of 20 million Series A-1 Preference Shares at an offer price of US\$10 per share in the Philippines generating US\$200 million in proceeds. In December 2017, the Company raised and listed another US\$100 million of Preference Shares (10 million Series A-2 shares).

The Company used the net proceeds to substantially refinance the US\$350 million BDO Unibank, Inc. loan that was due in February 2019.

BORROWINGS AND NET DEBT

<i>Liquidity in US\$'000</i>	31 Oct 2021 (Unaudited)	31 Oct 2020 (Unaudited)	30 April 2021 (Audited)
Gross borrowings	(1,569,689)	(1,497,593)	(1,285,743)
Current	(633,108)	(626,853)	(332,453)
Secured	(342,705)	(313,729)	(76,328)
Unsecured	(290,403)	(313,124)	(256,125)
Non-current	(936,581)	(870,740)	(953,290)
Secured	(657,886)	(630,882)	(662,276)
Unsecured	(278,695)	(239,858)	(291,014)
Less: Cash and bank balances	37,248	32,825	29,435
Net debt	(1,532,441)	(1,464,768)	(1,256,308)

The Group's net debt (borrowings less cash and bank balances) amounted to US\$1.5 billion as at 31 October 2021, higher than the US\$1.3 billion as at 30 April 2021 due to increase in DMFI's ABL (working capital) loans.

DIVIDENDS

In October 2021, the Company paid dividends to holders of the following:

- The Series A-1 Preference Shares at the fixed rate of 6.625% per annum, or equivalent to US\$ 0.33125 per Series A-1 Preference Share for the six-month period from 8 April 2021 to 7 October 2021 (the “Series A-1 Dividend”); and,
- The Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US\$ 0.325 per Series A-2 Preference Share for the six-month period from 8 April 2021 to 7 October 2021 (the “Series A2 Dividend”).

The cash dividends were paid on 7 October 2021, the dividend payment date.

Except for the payment for preferred dividends, no other dividends have been declared for this quarter and for the corresponding prior year quarter.

INTERESTED PERSON TRANSACTIONS

The aggregate value of IPT conducted pursuant to shareholders’ mandate obtained in accordance with Chapter 9 of the Singapore Exchange’s Listing Manual was as follows:

In US\$’000		Aggregate value of all IPTs (excluding transactions less than S\$100,000 and transactions conducted under shareholders’		Aggregate value of all IPTs conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than	
For the six months ended 31 October	Nature of Relationship	FY2022	FY2021	FY2022	FY2021
NutriAsia, Inc	Affiliate of the Company	-	-	132	912
NutriAsia Pacific Limited	Affiliate of the Company	-	-	430	-
DMPI Retirement Fund	Retirement Fund of Subsidiary’s Employees	-	-	910	870
NutriAsia, Inc Retirement Fund	Retirement Fund of Affiliate’s Employees	-	-	333	297
Aggregate Value		-	-	1,805	2,079

DEL MONTE PACIFIC LIMITED

UNAUDITED CONSOLIDATED INCOME STATEMENT

Amounts in US\$'000	For the three months ended 31 October			For the six months ended 31 October		
	FY2022 (Unaudited)	FY2021 (Unaudited)	%	FY2022 (Unaudited)	FY2021 (Unaudited)	%
Turnover	650,991	623,453	4.4	1,113,125	1,036,511	7.4
Cost of sales	(472,510)	(463,708)	(1.9)	(801,224)	(782,660)	(2.4)
Gross profit	178,481	159,745	11.7	311,901	253,851	22.9
Distribution and selling expenses	(60,078)	(57,447)	(4.6)	(102,896)	(95,089)	(8.2)
General and administration expenses	(33,914)	(35,991)	5.8	(66,062)	(71,048)	7.0
Other operating income/(loss)	(1,256)	1,421	(188.4)	(2,937)	664	(542.3)
Profit from operations	83,233	67,728	22.9	140,006	88,378	58.4
Financial income*	(83)	1,043	(108.0)	1,643	3,556	(53.8)
Financial expense*	(27,437)	(28,897)	5.1	(53,881)	(55,988)	3.8
Share in net loss of joint venture	(508)	(206)	(146.6)	(1,550)	(907)	(70.9)
Profit/(loss) before taxation	55,205	39,668	39.2	86,218	35,039	146.1
Taxation	(14,528)	(14,363)	(1.1)	(23,461)	(11,754)	(99.6)
Profit/(loss) after taxation	40,677	25,305	60.7	62,757	23,285	169.5
Profit(loss) attributable to:						
Owners of the Company	35,801	21,852	63.8	54,123	18,603	190.9
Non-controlling interest	4,876	3,453	41.2	8,634	4,682	84.4
Profit/(loss) for the period	40,677	25,305	60.7	62,757	23,285	169.5
Notes:						
Depreciation and amortization	(51,988)	(46,297)	(12.3)	(100,595)	(82,136)	(22.5)
Reversal of (provision for) asset impairment	14	16	(12.5)	(33)	31	(206.5)
Reversal of (provision for) inventory obsolescence	(181)	(168)	(7.7)	55	(27)	303.7
Provision for doubtful debts	15	(38)	139.5	26	113	(77.0)
Gain (loss) on disposal of fixed assets	(8)	2,828	(100.3)	94	2,777	(96.6)
*Financial income comprise:						
Interest income	198	125	58.4	368	290	26.9
Foreign exchange gain	(281)	918	(130.6)	1,275	3,266	(61.0)
	(83)	1,043	(108.0)	1,643	3,556	(53.8)
*Financial expense comprise:						
Interest expense	(27,156)	(28,866)	5.9	(53,505)	(55,874)	4.2
Foreign exchange loss	(281)	(31)	(806.5)	(376)	(114)	(229.8)
	(27,437)	(28,897)	5.1	(53,881)	(55,988)	3.8

nm – not meaningful

Earnings per ordinary share in US cents	For the three months ended 31 October		For the six months ended 31 October	
	FY2022	FY2021	FY2022	FY2021
Earnings per ordinary share based on net profit attributable to shareholders:				
(i) Based on weighted average no. of ordinary shares	1.59	0.87	2.28	0.45
(ii) On a fully diluted basis	1.59	0.87	2.28	0.45

**Includes US\$1,892m for DMFI, US\$6,803m for DMPI and (US\$61m) for FieldFresh in in the first half ended 31 October of FY2022 and (US\$366) for DMFI, US\$5,092 for DMPI and (US\$44) for FieldFresh in the first half ended 31 October of FY2021. Includes US\$1,562 for DMFI, US\$3,340 for DMPI and (US\$27) for FieldFresh in second quarter ended 31 October of FY2022 and US\$623 for DMFI, US\$2,840 for DMPI and (US\$10) for FieldFresh in the second quarter ended 31 October of FY2021.

DEL MONTE PACIFIC LIMITED **UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**

<i>Amounts in US\$'000</i>	For the three months ended			For the six months ended		
	31 October			31 October		
	FY2022 (Unaudited)	FY2021 (Unaudited)	%	FY2022 (Unaudited)	FY2021 (Unaudited)	%
Profit /(Loss) for the period	40,677	25,305	60.7	62,757	23,285	169.5
Other comprehensive income (after reclassification adjustment):						
<i>Items that will or may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating of foreign operations	(1,140)	2,164	(152.7)	(8,162)	6,377	(228.0)
Effective portion of changes in fair value of cash flow hedges	(1,438)	668	(315.3)	60	2,523	(97.6)
Income tax expense on cash flow hedge	352	(163)	316.0	(15)	(618)	97.6
	<u>(2,226)</u>	2,669	(183.4)	<u>(8,117)</u>	8,282	(198.0)
<i>Items that will not be classified to profit or loss</i>						
Remeasurement of retirement benefit	-	3,673	(100.0)	24	7,346	(99.7)
Income tax expense on retirement benefit	-	(900)	100.0	(3)	(1,794)	99.8
	<u>-</u>	2,773	(100.0)	<u>21</u>	5,552	(99.6)
Other comprehensive loss for the period	(2,226)	5,442	(140.9)	(8,096)	13,834	(158.5)
Total comprehensive income/(loss) for the period	38,451	30,747	25.1	54,661	37,119	47.3
Attributable to:						
Owners of the Company	33,787	26,706	26.5	47,072	31,002	51.8
Non-controlling interests	4,664	4,041	15.4	7,589	6,117	24.1
Total comprehensive income /(loss)for the period	38,451	30,747	25.1	54,661	37,119	47.3

Please refer to page 3 for the Notes

DEL MONTE PACIFIC LIMITED **UNAUDITED STATEMENT OF FINANCIAL POSITION**

Amounts in US\$'000	Group			Company		
	31 Oct 2021 (Unaudited)	31 Oct 2020 (Unaudited)	30 April 2021 (Audited)	31 Oct 2021 (Unaudited)	31 Oct 2020 (Unaudited)	30 April 2021 (Audited)
Non-Current Assets						
Property, plant and equipment - net	540,253	531,733	544,776	-	-	-
Right-of-use (ROU) assets	116,360	153,145	135,208	35	75	25
Investment in subsidiaries	-	-	-	939,376	836,795	901,015
Investment in joint ventures	21,169	24,900	22,530	2,486	2,952	2,789
Intangible assets and goodwill	691,372	698,022	694,697	-	-	-
Other noncurrent assets	26,898	14,777	25,325	-	-	-
Deferred tax assets - net	120,282	145,965	130,538	88	34	90
Pension assets	6,625	5,756	7,889	-	-	-
Biological assets	2,708	2,411	2,655	-	-	-
	1,525,667	1,576,709	1,563,618	941,985	839,856	903,919
Current Assets						
Inventories	884,020	718,408	557,602	-	-	-
Biological assets	44,070	55,052	44,913	-	-	-
Trade and other receivables	269,816	256,834	185,049	86,299	83,312	82,282
Prepaid expenses and other current assets	47,034	39,766	37,286	918	107	998
Cash and cash equivalents	37,248	32,825	29,435	2,203	3,519	2,104
	1,282,188	1,102,885	854,285	89,420	86,938	85,384
Noncurrent assets held for sale	-	-	-	-	-	-
	1,282,188	1,102,885	854,285	89,420	86,938	85,384
Total Assets	2,807,855	2,679,594	2,417,903	1,031,405	926,794	989,303
Equity attributable to equity holders of the Company						
Share capital	49,449	49,449	49,449	49,449	49,449	49,449
Share premium	478,339	478,339	478,339	478,478	478,478	478,478
Retained earnings	104,287	39,254	83,349	104,287	39,254	83,349
Reserves	(37,004)	(65,075)	(29,953)	(37,004)	(65,075)	(29,953)
Equity attributable to owners of the Company	595,071	501,967	581,184	595,210	502,106	581,323
Non-controlling interest	65,293	54,809	61,312	-	-	-
Total Equity	660,364	556,776	642,496	595,210	502,106	581,323
Non-Current Liabilities						
Loans and borrowings	936,581	870,740	953,290	297,364	248,392	293,561
Lease liabilities	84,464	120,617	103,690	-	-	-
Other noncurrent liabilities	16,014	23,019	18,697	-	-	-
Employee benefits	31,855	76,767	31,866	423	244	376
Environmental remediation liabilities	265	9,545	7,429	-	-	-
Deferred tax liabilities - net	9,180	10,025	6,599	-	-	-
	1,078,359	1,110,713	1,121,571	297,787	248,636	293,937
Current Liabilities						
Trade and other current liabilities	376,130	325,581	254,729	41,008	53,411	44,233
Loans and borrowings	633,108	626,853	332,453	97,400	122,641	69,810
Lease liabilities	25,670	24,769	25,113	-	-	-
Current tax liabilities	2,728	5,646	3,266	-	-	-
Employee benefits	31,496	29,256	38,275	-	-	-
	1,069,132	1,012,105	653,836	138,408	176,052	114,043
Total Liabilities	2,147,491	2,122,818	1,775,407	436,195	424,688	407,980
Total Equity and Liabilities	2,807,855	2,679,594	2,417,903	1,031,405	926,794	989,303
NAV per ordinary share (US cents)	15.18	10.39	14.46	15.19	10.40	14.47
NTAV per ordinary share (US cents)	(20.39)	(25.52)	(21.27)	15.19	10.40	14.47

DEL MONTE PACIFIC LIMITED **UNAUDITED STATEMENTS OF CHANGES IN EQUITY**

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Totals	Non-controlling interest	Total equity
Group												
Fiscal Year 2022												
At 1 May 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 period												
Profits for the year	-	-	-	-	-	-	-	-	54,123	54,123	8,634	62,757
Other comprehensive income												
Currency translation differences recognized directly in equity	-	-	(7,113)	-	-	-	-	-	-	(7,113)	(1,049)	(8,162)
Remeasurement of retirement plan, net of tax	-	-	-	-	20	-	-	-	-	20	1	21
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	42	-	-	-	42	3	45
Total other comprehensive income	-	-	(7,113)	-	20	42	-	-	-	(7,051)	(1,045)	(8,096)
Total comprehensive (loss)/income for the period	-	-	(7,113)	-	20	42	-	-	54,123	47,072	7,589	54,661
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Payment of Dividends	-	-	-	-	-	-	-	-	(33,185)	(33,185)	(3,608)	(36,793)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(33,185)	(33,185)	(3,608)	(36,793)
At 31 October 2021	49,449	478,339	(89,084)	14,278	35,069	1,266	1,753	(286)	104,287	595,071	65,293	660,364

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

<i>Amounts in US\$'000</i>	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasurement of retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Totals	Non-controlling interest	Total equity
Group												
Fiscal Year 2021												
At 1 May 2020	49,449	478,339	(87,997)	13,731	(2,873)	(1,802)	1,753	(286)	60,763	511,077	54,820	565,897
Total comprehensive income for the period												
Loss for the year	-	-	-	-	-	-	-	-	18,603	18,603	4,682	23,285
Other comprehensive income												
Currency translation differences recognized directly in equity	-	-	5,419	-	-	-	-	-	-	5,419	958	6,377
Remeasurement of retirement plan, net of tax	-	-	-	-	5,198	-	-	-	-	5,198	354	5,552
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	1,782	-	-	-	1,782	123	1,905
Total other comprehensive income	-	-	5,419	-	5,198	1,782	-	-	-	12,399	1,435	13,834
Total comprehensive (loss)/income for the period	-	-	5,419	-	5,198	1,782	-	-	18,603	31,002	6,117	37,119
Transactions with owners recorded directly in equity												
Contributions by and distributions to owners												
Sale of shares of subsidiary	-	-	-	-	-	-	-	-	(182)	(182)	-	(182)
Payment of Dividends	-	-	-	-	-	-	-	-	(39,930)	(39,930)	(6,128)	(46,058)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(40,112)	(40,112)	(6,128)	(46,240)
At 31 October 2020	49,449	478,339	(82,578)	13,731	2,325	(20)	1,753	(286)	39,254	501,967	54,809	556,776

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

<i>Amounts in US\$'000</i>					Remeasure- ment of					
	Share capital	Share premium	Translation reserve	Revaluation reserve	retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Total equity
Company										
Fiscal Year 2022										
At 1 May 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 period										
Profits for the year	-	-	-	-	-	-	-	-	54,123	54,123
Other comprehensive income										
Currency translation differences recognized directly in equity	-	-	(7,113)	-	-	-	-	-	-	(7,113)
Remeasurement of retirement plan, net of tax	-	-	-	-	20	-	-	-	-	20
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	42	-	-	-	42
Total other comprehensive income	-	-	(7,113)	-	20	42	-	-	-	(7,051)
Total comprehensive (loss)/income for the period	-	-	(7,113)	-	20	42	-	-	54,123	47,072
Transactions with owners recorded directly in equity										
Contributions by and distributions to owners										
Payment of Dividends	-	-	-	-	-	-	-	-	(33,185)	(33,185)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(33,185)	(33,185)
At 31 October 2021	49,449	478,478	(89,084)	14,278	35,069	1,266	1,753	(286)	104,287	595,210

DEL MONTE PACIFIC LIMITED
UNAUDITED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

<i>Amounts in US\$'000</i>					Remeasure- ment of					
	Share capital	Share premium	Translation reserve	Revaluation reserve	retirement plan	Hedging Reserve	Share Option reserve	Reserve for own shares	Retained earnings	Total equity
Company										
Fiscal Year 2021										
At 1 May 2020	49,449	478,478	(87,997)	13,731	(2,873)	(1,802)	1,753	(286)	60,763	511,216
Total comprehensive income for the period										
Loss for the year	-	-	-	-	-	-	-	-	18,603	18,603
Other comprehensive income										
Currency translation differences recognized directly in equity	-	-	5,419	-	-	-	-	-	-	5,419
Remeasurement of retirement plan, net of tax	-	-	-	-	5,198	-	-	-	-	5,198
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	1,782	-	-	-	1,782
Total other comprehensive income	-	-	5,419	-	5,198	1,782	-	-	-	12,399
Total comprehensive (loss)/income for the period	-	-	5,419	-	5,198	1,782	-	-	18,603	31,002
Transactions with owners recorded directly in equity										
Contributions by and distributions to owners										
Sale of shares of subsidiary	-	-	-	-	-	-	-	-	(182)	(182)
Payment of Dividends	-	-	-	-	-	-	-	-	(39,930)	(39,930)
Total contributions by and distributions to owners	-	-	-	-	-	-	-	-	(40,112)	(40,112)
At 31 October 2020	49,449	478,478	(82,578)	13,731	2,325	(20)	1,753	(286)	39,254	502,106

DEL MONTE PACIFIC LIMITED **UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**

Amounts in US\$'000	For the three months ended		For the six months ended	
	31 October		31 October	
	FY2022	FY2021	FY2022	FY2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash flows from operating activities				
Profit (loss) for the period	40,677	25,305	62,757	23,285
Adjustments for:				
Depreciation of property, plant and equipment	38,505	33,993	77,361	59,800
Amortization of right-of-use assets	11,821	10,642	19,909	19,011
Amortization of intangible assets	1,662	1,662	3,325	3,325
Impairment loss on property, plant and equipment	(14)	(16)	33	(31)
Gain/(loss) on disposal of property, plant and equipment	8	(2,828)	(94)	(2,777)
Share in net loss of joint venture	508	206	1,550	907
Finance income	83	(1,043)	(1,643)	(3,556)
Finance expense	27,437	28,897	53,881	55,988
Tax expense - current	3,988	5,572	10,571	17,648
Tax expense (deferred)	10,540	8,791	12,890	(5,894)
Net loss (gain) on derivative financial instrument	(116)	(366)	(324)	11
Operating profit before working capital changes	135,099	110,815	240,216	167,717
Changes in:				
Other assets	(6,387)	7,869	(6,309)	9,662
Inventories	(203,857)	(137,225)	(329,838)	(231,847)
Biological assets	(1,155)	6,095	(1,464)	8,493
Trade and other receivables	(86,231)	(99,145)	(91,035)	(51,898)
Prepaid and other current assets	(5,989)	1,161	(7,376)	1,363
Trade and other payables	27,554	(9,429)	113,706	35,864
Employee Benefit	1,964	5,730	(5,553)	12,146
Operating cash flow	(139,002)	(114,129)	(87,653)	(48,500)
Income taxes paid	(5,288)	(8,689)	(8,146)	(15,534)
Net cash flows used in operating activities	(144,290)	(122,818)	(95,799)	(64,034)
Cash flows from investing activities				
Interest received	309	88	534	207
Proceeds from disposal of property, plant and equipment	63	1,985	211	2,429
Purchase of property, plant and equipment	(46,686)	(33,814)	(89,118)	(64,539)
Collection of receivables from prior year sale of shares of subsidiary and settlement of transaction costs	-	(23)	-	106,520
Advances to joint venture	-	(490)	-	(490)
Additional investment in joint venture	-	-	(189)	-
Net cash flows provided by (used in) investing activities	(46,314)	(32,254)	(88,562)	44,127
Cash flows from financing activities				
Interest paid	(3,848)	(8,077)	(43,240)	(21,758)
Proceeds of borrowings	881,557	1,549,222	1,559,547	3,020,934
Repayment of borrowings	(635,841)	(1,328,873)	(1,264,215)	(2,892,848)
Payments of lease liability	(8,569)	(12,409)	(20,703)	(21,664)
Dividends paid	(25,301)	(39,930)	(36,793)	(46,058)
Payments of debt related costs	-	(2,396)	-	(18,787)
Net cash flows provided by financing activities	207,998	157,537	194,596	19,819
Net increase (decrease) in cash and cash equivalents	17,394	2,465	10,235	(88)
Cash and cash equivalents, beginning	19,582	31,822	29,435	33,465
Effect of exchange rate fluctuations on cash held in foreign currency	272	(1,462)	(2,422)	(552)
Cash and cash equivalents at end of period	37,248	32,825	37,248	32,825

PROFIT AND LOSS SUMMARY OF MAJOR SUBSIDIARIES

DEL MONTE FOODS HOLDINGS LIMITED AND SUBSIDIARIES UNAUDITED CONSOLIDATED INCOME STATEMENT

<i>Amounts in US\$'000</i>	For the three months ended 31 October			For the six months ended 31 October		
	FY2022 (Unaudited)	FY2021 (Unaudited)	%	FY2022 (Unaudited)	FY2021 (Unaudited)	%
Turnover	477,477	446,731	6.9	775,577	714,891	8.5
Cost of sales	(358,411)	(344,927)	(3.9)	(579,234)	(565,817)	(2.4)
Gross profit	119,066	101,804	17.0	196,343	149,074	31.7
Distribution and selling expenses	(40,192)	(39,130)	(2.7)	(66,459)	(63,937)	(3.9)
General and administration expenses	(24,325)	(26,977)	9.8	(47,076)	(53,944)	12.7
Other operating income/(loss)	(1,191)	1,145	(204.0)	(2,789)	(127)	nm
Profit from operations	53,358	36,842	44.8	80,019	31,066	157.6
Interest income	10	28	(64.3)	20	74	(73.0)
Interest expense	(20,691)	(21,988)	5.9	(40,554)	(42,144)	3.8
Forex exchange gain (loss)	(349)	603		(341)	1,925	(117.7)
Profit/(loss) before taxation	32,328	15,485	108.8	39,144	(9,079)	531.1
Taxation	(8,057)	(5,792)	(39.1)	(9,747)	3,468	(381.1)
Profit/(loss) after taxation	24,271	9,693	150.4	29,397	(5,611)	623.9

DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED INCOME STATEMENT

	For the three months ended 31 October					
	FY2022	FY2021	%	FY2022	FY2021	%
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	In PHP'000			In US\$'000		
Turnover	9,274,004	8,760,799	5.9	186,138	180,127	3.3
Cost of sales	(6,397,716)	(5,993,964)	(6.7)	(128,392)	(123,290)	(4.1)
Gross profit	2,876,288	2,766,835	4.0	57,746	56,837	1.6
Distribution and selling expenses	(952,085)	(872,390)	(9.1)	(19,139)	(17,897)	(6.9)
General and administration expenses	(236,633)	(249,738)	5.2	(4,741)	(5,139)	7.7
Other operating income/(loss)	(21,981)	(52,083)	57.8	(436)	(1,061)	58.9
Profit from operations	1,665,589	1,592,624	4.6	33,430	32,740	2.1
Interest income	15,546	3,858	303.0	312	80	290.0
Interest expense	(179,061)	(170,190)	(5.2)	(3,594)	(3,510)	(2.4)
Forex exchange gain (loss)	(15,497)	15,019	(203.2)	(328)	322	(201.9)
Profit before taxation	1,486,577	1,441,311	3.1	29,820	29,632	0.6
Taxation	(192,661)	(291,435)	33.9	(3,861)	(5,999)	35.6
Profit after taxation	1,293,916	1,149,876	12.5	25,959	23,633	9.8

	For the six months ended 31 October					
	FY2022	FY2021	%	FY2022	FY2021	%
	(Unaudited)	(Unaudited)		(Unaudited)	(Unaudited)	
	In PHP'000			In US\$'000		
Turnover	17,873,673	16,158,818	10.6	362,108	327,234	10.7
Cost of sales	(12,408,429)	(11,195,801)	(10.8)	(251,386)	(226,727)	(10.9)
Gross profit	5,465,244	4,963,017	10.1	110,722	100,507	10.2
Distribution and selling expenses	(1,687,934)	(1,501,162)	(12.4)	(34,196)	(30,400)	(12.5)
General and administration expenses	(497,210)	(473,874)	(4.9)	(10,073)	(9,596)	(5.0)
Other operating income/(loss)	(67,571)	(69,587)	2.9	(1,369)	(1,409)	2.8
Profit from operations	3,212,529	2,918,394	10.1	65,084	59,102	10.1
Interest income	26,675	9,320	186.2	540	189	185.7
Interest expense	(346,164)	(344,772)	(0.4)	(7,013)	(6,982)	(0.4)
Forex exchange gain	54,675	64,260		1,108	1,301	(14.8)
Profit before taxation	2,947,715	2,647,202	11.4	59,719	53,610	11.4
Taxation	(402,973)	(557,000)	27.7	(8,164)	(11,280)	27.6
Profit after taxation	2,544,742	2,090,202	21.7	51,555	42,330	21.8

**DEL MONTE PHILIPPINES, INC. AND SUBSIDIARIES
OPERATING SEGMENT BY PRODUCT**

	For the three months ended 31 October						For the six months ended 31 October					
	FY22	FY21	% Chg	FY22	FY21	% Chg	FY22	FY21	% Chg	FY22	FY21	% Chg
	(In PHP'000)			(In US\$'000)			(In PHP'000)			(In US\$'000)		
Revenues												
Convenience Cooking and Desert	3,406,537	3,467,164	(1.7)	68,456	71,153	(3.8)	6,154,943	6,027,798	2.1	124,695	122,070	2.2
Healthy Beverages and Snacks	1,638,789	1,707,286	(4.0)	32,856	35,295	(6.9)	3,333,838	3,672,815	(9.2)	67,541	74,379	(9.2)
Premium Fresh Fruit	1,365,868	1,593,299	(14.3)	27,352	32,714	(16.4)	2,938,670	2,817,182	4.3	59,535	57,051	4.4
Packaged fruit and Beverages - Export	2,093,748	1,290,099	62.3	42,067	26,562	58.4	3,822,928	2,480,427	54.1	77,450	50,231	54.2
Others	19,422	30,809	(37.0)	390	631	(38.2)	36,915	49,324	(25.2)	748	999	(25.1)
Changes in fair value – PAS 41	749,640	672,142	11.5	15,017	13,772	9.0	1,586,379	1,111,272	42.8	32,139	22,504	42.8
Total	9,274,004	8,760,799	5.9	186,138	180,127	3.3	17,873,673	16,158,818	10.6	362,108	327,234	10.7
Gross income												
Convenience Cooking and Desert	1,374,291	1,382,149	(0.6)	27,625	28,353	(2.6)	2,442,491	2,373,997	2.9	49,483	48,076	2.9
Healthy Beverages and Snacks	475,566	538,520	(11.7)	9,526	11,170	(14.7)	1,013,054	1,260,068	(19.6)	20,524	25,518	(19.6)
Premium Fresh Fruit	660,758	672,848	(1.8)	13,241	13,803	(4.1)	1,378,375	1,154,698	19.4	27,925	23,384	19.4
Packaged fruit and Beverages - Export	444,345	136,407	225.7	8,959	2,801	219.9	656,802	242,222	171.2	13,306	4,905	171.3
Others	8,862	9,541	(7.1)	178	196	(9.2)	16,360	15,574	5.0	332	315	5.4
Changes in fair value - PAS 41	(87,534)	27,370	(419.8)	(1,783)	514	(446.9)	(41,838)	(83,542)	49.9	(848)	(1,691)	49.9
Total	2,876,288	2,766,835	4.0	57,746	56,837	1.6	5,465,244	4,963,017	10.1	110,722	100,507	10.2
Earnings before interest and tax												
Convenience Cooking and Desert	856,426	872,689	(1.9)	17,206	17,921	(4.0)	1,572,539	1,547,704	1.6	31,859	31,343	1.6
Healthy Beverages and Snacks	114,666	239,282	(52.1)	2,264	5,026	(55.0)	401,468	731,470	(45.1)	8,133	14,813	(45.1)
Premium Fresh Fruit	425,777	413,275	3.0	8,531	8,475	0.7	892,030	700,889	27.3	18,072	14,194	27.3
Packaged fruit and Beverages - Export	332,002	45,001	637.8	6,707	922	627.4	429,320	73,329	485.5	8,698	1,485	485.7
Others	8,757	10,027	(12.7)	177	205	(13.7)	13,665	12,804	6.7	277	260	6.5
Changes in fair value - PAS 41	(87,536)	27,369	(419.8)	(1,783)	513	(447.6)	(41,818)	(83,542)	49.9	(847)	(1,692)	49.9
Total	1,650,092	1,607,643	2.6	33,102	33,062	0.1	3,267,204	2,982,654	9.5	66,192	60,403	9.6

Note: For the six months ended 31 October 2021, PHP amounts were translated to US\$ using an average forex rate of 49.36 (FY21: 49.38).

DMPI's Product Segments

Convenience Cooking and Dessert

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

Healthy Beverages and Snacks

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

Packaged Fruits and Beverages – Export

This segment includes packaged fruit and beverages products sold internationally.

Packaged Fruit

Packaged fruit includes sales of fruit products that are packaged in different formats such as can, plastic cup, pouch and aseptic bag, and which are sold under the *S&W* brand and the *Del Monte* brand for parties who have the license rights to *Del Monte* in other markets, as well as under the private labels of non-affiliated parties. A portion of MD2 pineapples that are not exported as fresh fruit are used to produce *Nice Fruit* frozen pineapple products and not-from concentrate juices or packaged as a premium version of DMPI's *Del Monte*-branded packaged pineapples, *Deluxe Gold*. *Deluxe Gold* products, which were launched in May 2020, are exported primarily to the United States through an affiliate.

Beverages

Beverages includes sales of *100% Pineapple Juice* and juice drinks in various flavors in can and Tetra Pak packaging and pineapple juice concentrate. In addition, this segment also covers not-from-concentrate juices. Not-from concentrate juice is prepared solely from the juice of whole pineapple at DMPI's Not-From-Concentrate juicing plant and contains no additional ingredients. DMPI produces 100% MD2 Not-From-Concentrate pineapple juice for export to certain countries within Asia for industrial use and for resale to consumers under buyer's own labels.

Premium Fresh Fruit

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

Others

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