Del Monte Pacific Limited and its Subsidiaries

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

Unaudited Interim Consolidated Statements of Financial Position

(With Comparative Audited Figures as at 30 April 2021)

	Note	As at 31 July 2021 US$'000 (Unaudited)	As at 30 April 2021 US$'000 (Audited)
Noncurrent assets			
Property, plant and equipment – net	6	**534,804**	544,776
Right-of-use assets	24	**125,650**	135,208
Investments in joint ventures	8	**21,677**	22,530
Intangible assets and goodwill	7	**693,034**	694,697
Deferred tax assets – net		**128,089**	130,538
Biological assets	10	**2,634**	2,655
Pension assets		**7,147**	7,889
Other noncurrent assets	9	**22,243**	25,325
		1,535,278	1,563,618
Current assets			
Biological assets	10	**43,285**	44,913
Inventories	11	**681,878**	557,602
Trade and other receivables	12, 18	**184,953**	185,049
Prepaid expenses and other current assets	13	**42,840**	37,286
Cash and cash equivalents	14, 18	**19,582**	29,435
Noncurrent assets held for sale	6	**753**	–
		973,291	854,285
Total assets		**2,508,569**	2,417,903
Equity			
Share capital	22	**49,449**	49,449
Share premium		**478,339**	478,339
Retained earnings		**78,361**	83,349
Reserves		**(34,990)**	(29,953)
Equity attributable to owners of the Company		**571,159**	581,184
Non-controlling interests		**61,697**	61,312
Total equity		**632,856**	642,496
Noncurrent liabilities			
Loans and borrowings	15, 18	**945,234**	953,290
Lease liabilities	24	**89,484**	103,690
Employee benefits		**31,861**	31,866
Environmental remediation liabilities		**265**	7,429
Deferred tax liabilities – net		**6,805**	6,599
Other noncurrent liabilities	16	**18,864**	18,697
		1,092,513	1,121,571
Current liabilities			
Loans and borrowings	15, 18	**378,036**	332,453
Lease liabilities	24	**26,580**	25,113
Employee benefits		**30,353**	38,275
Trade and other current liabilities	17, 18	**341,977**	254,729
Current tax liabilities		**6,254**	3,266
		783,200	653,836
Total liabilities		**1,875,713**	1,775,407
Total equity and liabilities		**2,508,569**	2,417,903

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

Unaudited Interim Consolidated Statements of Income

	Note	Three months ended 31 July 2021 US$'000	Three months ended 31 July 2020 US$'000
Revenue		**462,134**	413,058
Cost of sales		**(328,714)**	(318,952)
Gross profit		**133,420**	94,106
Distribution and selling expenses		**(42,818)**	(37,642)
General and administrative expenses	21	**(32,148)**	(35,057)
Other expense – net		**(1,681)**	(757)
Results from operating activities		**56,773**	20,650
Finance income		**1,726**	2,513
Finance expense		**(26,444)**	(27,091)
Net finance expense		**(24,718)**	(24,578)
Share in net loss of joint ventures	4	**(1,042)**	(701)
Profit (loss) before taxation		**31,013**	(4,629)
Tax expense – current		**(7,077)**	(12,494)
Tax benefit – deferred		**(1,856)**	15,103
		(8,933)	2,609
Profit (loss) for the period		**22,080**	(2,020)
Profit (loss) attributable to:			
Non-controlling interest		**3,758**	1,229
Owners of the Company		**18,322**	(3,249)
Earnings / (loss) per share			
Basic earnings (loss) per share (U.S. cents)	23	**0.69**	(0.42)
Diluted earnings (loss) per share (U.S. cents)	23	**0.69**	(0.42)

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

Unaudited Interim Consolidated Statements of Comprehensive Income

	Three months ended 31 July	
	2021	**2020**
	US$'000	**US$'000**
Profit (loss) for the period	**22,080**	(2,020)
Other comprehensive income (loss)		
Items that will not be reclassified subsequently to profit or loss		
Share in remeasurement of retirement plans	**24**	3,673
Tax impact on share in remeasurement of retirement plans	**(3)**	(894)
	21	2,779
Items that may be reclassified subsequently to profit or loss		
Share in currency translation differences	**(7,022)**	4,213
Share in effective portion of changes in fair value of cash flow hedges of a subsidiary	**1,498**	1,855
Tax impact on share in cash flow hedges	**(367)**	(455)
	(5,891)	5,613
Other comprehensive income (loss) for the period, net of tax	**(5,870)**	8,392
Total comprehensive income for the period	**16,210**	6,372
Total comprehensive income attributable to:		
Owners of the Company	**13,285**	4,296
Non-controlling interests	**2,925**	2,076
	16,210	6,372

Unaudited Interim Consolidated Statements of Changes in Equity
Three months ended 31 July 2021 and 2020

	<------ Attributable to owners of the Company ------>											
	Share capital US$'000 (Note 22)	**Share premium US$'000** (Note 22)	**Translation reserve US$'000**	**Revaluation reserve US$'000**	**Remeasurement 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 23)	–	–	–	–	–	–	–	–	18,322	18,322	3,758	22,080
Other comprehensive income												
Currency translation differences	–	–	(6,115)	–	–	–	–	–	–	(6,115)	(907)	(7,022)
Remeasurement of retirement plans	–	–	–	–	20	–	–	–	–	20	1	21
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	1,058	–	–	–	1,058	73	1,131
Total other comprehensive income (loss)	–	–	(6,115)	–	20	1,058	–	–	–	(5,037)	(833)	(5,870)
Total comprehensive income (loss) for the period	–	–	(6,115)	–	20	1,058	–	–	18,322	13,285	2,925	16,210
Transactions with owners of the Company recognized directly in equity												
Contributions by and distributions to owners of the Company												
Payment of dividends	–	–	–	–	–	–	–	–	(23,310)	(23,310)	(2,540)	(25,850)
Total contributions by and distributions to owners	–	–	–	–	–	–	–	–	(23,310)	(23,310)	(2,540)	(25,850)
At 31 July 2021	49,449	478,339	(88,086)	14,278	35,069	2,282	1,753	(286)	78,361	571,159	61,697	632,856

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

Unaudited Interim Consolidated Statements of Changes in Equity
Three months ended 31 July 2021 and 2020

	<----- Attributable to owners of the Company									----->		
	Share capital US$'000 (Note 22)	Share premium US$'000 (Note 22)	Translation reserve US$'000	Revaluation reserve US$'000	Remeasurement 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 (loss) for the period (Note 23)	–	–	–	–	–	–	–	–	(3,249)	(3,249)	1,229	(2,020)
Other comprehensive income												
Currency translation differences	–	–	3,631	–	–	–	–	–	–	3,631	582	4,213
Remeasurement of retirement plans	–	–	–	–	2,603	–	–	–	–	2,603	176	2,779
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	1,311	–	–	–	1,311	89	1,400
Total other comprehensive income	–	–	3,631	–	2,603	1,311	–	–	–	7,545	847	8,392
Total comprehensive income (loss) for the period	–	–	3,631	–	2,603	1,311	–	–	(3,249)	4,296	2,076	6,372
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	–	–	–	–	–	–	–	–	(158)	(158)	–	(158)
Payment of dividends	–	–	–	–	–	–	–	–	–	–	(6,128)	(6,128)
Total contributions by and distributions to owners	–	–	–	–	–	–	–	–	(158)	(158)	(6,128)	(6,286)
At 31 July 2020	49,449	478,339	(84,366)	13,731	(270)	(491)	1,753	(286)	57,356	515,215	50,768	565,983

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

Unaudited Interim Consolidated Statements of Cash Flows

	Note	Three months ended 31 July 2021 US$'000	2020 US$'000
Cash flows from operating activities			
Profit (loss) for the period		**22,080**	(2,020)
Adjustments for:			
Depreciation of property, plant and equipment	20	**38,856**	25,807
Amortization of right-of-use assets		**8,088**	8,369
Amortization of intangible assets	7, 20	**1,663**	1,663
Reversal of impairment loss on property, plant and equipment	6	**47**	(15)
Gain (loss) on disposal of property, plant and equipment		**(102)**	51
Share in net loss of joint ventures	4	**1,042**	701
Net loss on derivative settlement		**(208)**	377
Finance income*		**(1,726)**	(2,513)
Finance expense*		**26,444**	27,091
Tax expense – current		**7,077**	12,494
Tax expense – deferred		**1,856**	(15,103)
		105,117	56,902
Changes in:			
Other noncurrent assets		**78**	1,793
Inventories		**(125,981)**	(94,622)
Biological assets		**(309)**	2,398
Trade and other receivables		**(4,804)**	47,247
Prepaid and other current assets		**(1,387)**	202
Trade and other payables		**102,305**	45,293
Employee benefits		**(7,517)**	6,416
Operating cash flows		**67,502**	65,629
Taxes paid		**(2,858)**	(6,845)
Net cash flows provided by operating activities		**64,644**	58,784
Cash flows from investing activities			
Purchase of property, plant and equipment	4	**(42,432)**	(30,725)
Proceeds from disposal of property, plant and equipment		**148**	444
Interest received		**225**	119
Additional investment in joint venture		**(189)**	–
Collection of receivables from prior year sale of shares of subsidiary and settlement of transaction costs		–	106,543
Net cash flows provided by (used in) investing activities		**(42,248)**	76,381

(continued on next page)

*Includes foreign exchange gains and losses

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

Unaudited Interim Consolidated Statements of Cash Flows (Continued)

	Note	Three months ended 31 July 2021 US$'000	Three months ended 31 July 2020 US$'000
Cash flows from financing activities			
Proceeds from borrowings		**677,990**	1,471,712
Repayment of borrowings		**(628,374)**	(1,563,975)
Interest paid		**(39,392)**	(15,284)
Payments of lease liability		**(13,929)**	(7,652)
Dividends paid		**(25,850)**	(6,128)
Payment of debt related costs		**–**	(16,391)
Net cash flows used in financing activities		**(29,555)**	(137,718)
Net decrease in cash and cash equivalents		**(7,159)**	(2,553)
Cash and cash equivalents at beginning of period		**29,435**	33,465
Effect of exchange rate changes on balances held in foreign currency		**(2,694)**	910
Cash and cash equivalents at end of period	14	**19,582**	31,822

Selected Notes to 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 July 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. 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 financial statements of the Group as at and for the year ended 31 July 2021 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 July 2021 and for the three months ended 31 July 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 accompanying 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 financial statements are presented in United States (US$) dollars, 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 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.

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.

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

  The amendments are effective for annual reporting periods beginning on or after May 1, 2021 and apply retrospectively, however, restatement of comparative information is not required. The Group is currently assessing the impact of adopting this standard.

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 would 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 31 July		Three months ended 31 July		Three months ended 31 July		Three months ended 31 July	
	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	**247,070**	218,567	**30,305**	25,419	**4,891**	3,739	**282,266**	247,725
Beverage	**6,222**	3,847	**37,485**	41,045	**1,466**	879	**45,173**	45,771
Culinary	**45,172**	49,648	**34,331**	33,871	**56**	45	**79,559**	83,564
Fresh fruit and others	**1,412**	463	**53,724**	35,535	**–**	–	**55,136**	35,998
Total	**299,876**	272,525	**155,845**	135,870	**6,413**	4,663	**462,134**	413,058
Gross profit								
Packaged fruit and vegetable	**69,632**	39,147	**9,594**	7,318	**1,580**	665	**80,806**	47,130
Beverage	**1,260**	282	**11,442**	14,489	**309**	115	**13,011**	14,886
Culinary	**8,896**	10,517	**14,302**	14,230	**18**	23	**23,216**	24,770
Fresh fruit and others	**(172)**	(794)	**16,559**	8,114	**–**	–	**16,387**	7,320
Total	**79,616**	49,152	**51,897**	44,151	**1,907**	803	**133,420**	94,106
Share in net loss of joint ventures								
Packaged fruit and vegetable	**–**	**–**	**(388)**	(190)	**–**	**–**	**(388)**	(190)
Beverage	**–**	**–**	**(50)**	(39)	**–**	**–**	**(50)**	(39)
Culinary	**–**	**–**	**(531)**	(393)	**–**	**–**	**(531)**	(393)
Fresh fruit and others	**–**	**–**	**(73)**	(79)	**–**	**–**	**(73)**	(79)
Total	**–**	–	**(1,042)**	(701)	**–**	–	**(1,042)**	(701)
Profit (loss) before taxation								
Packaged fruit and vegetable	**9,442**	(19,376)	**5,891**	4,012	**529**	367	**15,862**	(14,997)
Beverage	**(503)**	(779)	**6,438**	9,745	**90**	49	**6,025**	9,015
Culinary	**(1,081)**	(3,965)	**9,463**	9,783	**9**	**15**	**8,391**	5,833
Fresh fruit and others	**(2,579)**	(2,279)	**3,314**	(2,201)	**–**	**–**	**735**	(4,480)
Total	**5,279**	(26,399)	**25,106**	21,339	**628**	431	**31,013**	(4,629)
Other information								
Capital expenditure	**5,700**	5,705	**36,732**	25,020	**–**	–	**42,432**	30,725

Major customer

Revenues from a major customer of the Americas segment for the three months ended 31 July 2021 and 2020 amounted to US$118.8 million and US$99.3 million, respectively representing 39.6% and 36.4% 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 U.S., Mexico, and Philippines. 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

	<------------------------ At cost	------------------------>			At appraised value	
	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$'000	Total US$'000
Group						
Cost/Valuation						
At 1 May 2021	**227,519**	**593,896**	**34,953**	**374,803**	**63,145**	**1,294,316**
Additions	**721**	**1,251**	**8,556**	**11,956**	**–**	**22,484**
Disposals	**–**	**(669)**	**–**	**–**	**–**	**(669)**
Write off - closed fields	–	–	–	**(5,441)**	–	**(5,441)**
Reclassifications from CIP	**652**	**6,170**	**(6,822)**	**–**	**–**	**–**
Reclassifications to AHFS [1]	**–**	**–**	**(753)**	**–**	**–**	**(753)**
Currency realignment	**(3,118)**	**(9,649)**	**(653)**	**(9,964)**	**(655)**	**(24,039)**
At 31 July 2021	**225,774**	**590,999**	**35,281**	**371,354**	**62,490**	**1,285,898**
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 year	**2,606**	**8,785**	**–**	**9,925**	**–**	**21,316**
Reversal of impairment loss	**(1)**	**48**	**–**	**–**	**–**	**47**
Write off - closed fields	**–**	**–**	**–**	**(5,441)**	**–**	**(5,441)**
Disposals	**–**	**(205)**	**–**	**–**	**–**	**(205)**
Currency realignment	**(1,600)**	**(7,569)**	**–**	**(4,994)**	**–**	**(14,163)**
At 31 July 2021	**111,787**	**416,643**	**–**	**214,128**	**8,536**	**751,094**
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 July 2021	**113,987**	**174,356**	**35,281**	**157,226**	**53,954**	**534,804**
At 30 April 2021	116,737	178,312	34,953	160,165	54,609	544,776

[1] During the first quarter, the Group reclassified an apartment acquired in the U.S. as assets held for sale.

The Group has amounts in accrued liabilities relating to property, plant and equipment acquisitions of US$1.0 million as of 31 July 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$0.8 million as of 30 July 2021 (30 April 2021: to US$1.1 million).

7. Intangible assets and goodwill

	Goodwill US$'000	Indefinite life trademarks US$'000	Amortizable trademarks US$'000	Customer relationship US$'000	Total US$'000
Cost					
At 1 May 2021/ 31 July 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	–	–	325	1,338	1,663
At 31 July 2021	–	–	9,844	39,777	49,621
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 July 2021	**203,432**	**408,043**	**14,336**	**67,223**	**693,034**
At 30 April 2021	203,432	408,043	14,661	68,561	694,697

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 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

A subsidiary, Philippine Packing Management Services Corporation, owned 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.

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Indian sub-continent trademark

In November 1996, a subsidiary, DMPRL, entered into an agreement with an affiliated company to acquire the exclusive right to use the "Del Monte" trademarks in the Indian sub-continent territories and Myanmar in connection with the production, manufacture, sale and distribution of food products and the right to grant sub-licenses to others ("Indian sub-continent trademark"). In 2007, the Company acquired shares in 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. There are no indicators that indefinite life trademarks are impaired as at the reporting date.

	Net Carrying amount		Remaining amortization period (years)	
	31 July 2021 US$'000	30 April 2021 US$'000	31 July 2021	30 April 2021
Asia S&W Trademark	–	–	–	–
America S&W trademark	**513**	563	**2.6**	2.8
America Contadina trademark	**13,823**	14,098	**12.6**	12.8
	14,336	14,661		

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 July 2021 US$'000	30 April 2021 US$'000
Net carrying amount	**67,223**	68,561
Remaining amortization period	**12.6**	12.8

Management has included the amortizable trademarks and customer relationships in the CGU annual impairment assessment and has likewise concluded no impairment exists at the reporting date.

Source of estimation uncertainty

The Group estimates the useful lives of its amortizable trademarks and customer relationships based on the period over which the assets are expected to be available for use. The estimated useful lives of the trademarks and customer relationships are reviewed periodically and are updated if expectations differ from previous estimates due to legal or other limits on the use of the assets. A reduction in the estimated useful lives of amortizable trademarks and customer relationships would increase recorded amortization expense and decrease noncurrent assets.

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 Jul 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 JSC, a leading regional dairy company to expand further into the dairy sector in the Philippines.

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 July 2021 US$'000	30 April 2021 US$'000
Assets		
Current assets	**25,721**	23,501
Noncurrent assets	**11,544**	11,962
Total assets	**37,265**	35,463
Liabilities		
Current liabilities	**(13,223)**	(12,595)
Noncurrent liabilities	**(24,919)**	(22,572)
Total liabilities	**(38,142)**	(35,167)
Net assets	**(877)**	296

	31 July 2021 US$'000	30 April 2021 US$'000
Results		
Revenue	**15,527**	71,055
Loss from continuing operations	**(1,401)**	(2,035)
Other comprehensive income	**–**	–
Total comprehensive loss	**(1,401)**	(2,035)

	31 July 2021 US$'000	30 April 2021 US$'000
Carrying amount of interest in FFPL at beginning of the period	**19,741**	22,855
Impairment loss	**–**	(2,096)
Group's share of:		
- Loss from continuing operations	**(700)**	(1,018)
- other comprehensive income	**–**	–
total comprehensive loss	**(700)**	(1,018)
Carrying amount of interest at end of the period/year	**19,041**	19,741

	31 July 2021 US$'000	30 April 2021 US$'000
Carrying amount of interest in NFHKL at beginning of the period	**2,789**	2,462
Additional advances during the year	**–**	840
Group's share of:		
- loss from continuing operations	**(342)**	(513)
- other comprehensive income	**–**	–
total comprehensive income	**(342)**	(513)
Carrying amount of interest at end of the period/year	**2,447**	2,789

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

	31 July 2021 US$'000	30 April 2021 US$'000
Group's interest in joint ventures		
FFPL	**19,041**	19,741
NFHKL	**2,447**	2,789
Del Monte - Vinamilk Dairy Philippines, Inc.	**189**	–
Carrying amount of investment in joint ventures	**21,677**	22,530

Source of Estimation Uncertainty

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

Since its acquisition, the Indian sub-continent trademark (Note 7) and the investment in FFPL 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 July 2021 US$'000	30 April 2021 US$'000
Advance rentals and deposits	**10,209**	13,493
Excess insurance	**4,442**	4,442
Receivable from sale and leaseback	**2,522**	3,156
Advances to suppliers	**1,341**	1,036
Note receivables	**1,000**	1,000
Lease receivable	**596**	750
Others	**2,133**	1,448
	22,243	25,325

Advance rentals and deposits consists a) 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, and b) security deposits made to Nutri-Asia, Inc. in connection with the Group's intention to avail of the additional production capacity under the toll manufacturing agreement. The security deposit will be returned when tolling agreement for the additional capacity is finalized or in the event that the additional capacity does not materialize.

Excess insurance relates mainly to reimbursements from insurers to cover certain workers' compensation claims liabilities.

Receivable from sale and leaseback is the noncurrent portion of receivable relating to assets sold to DMPI Employees Agrarian Reform Beneficiaries Cooperation ("DEARBC") and subsequently leased back to the Group in 2021. The current portion of US$0.6 million is presented under "Trade and other receivables".

Advances to suppliers represents advance payments made on capital projects.

As at 31 July 2021 and 30 April 2021, note receivables of US$1.0 million relates to the sale of certain assets of Plymouth in fiscal year 2019. This receivable is due on 2 July 2023.

Lease receivable is the noncurrent portion of receipts to be received from the Group's sublease agreements.

10. Biological assets

	31 July 2021 US$'000	30 April 2021 US$'000
Livestock		
At beginning of the period/year	**2,655**	2,118
Purchases of livestock	**234**	1,065
Sales of livestock	**(143)**	(631)
Currency realignment	**(112)**	103
At end of the period/year	**2,634**	2,655

	31 July 2021 US$'000	30 April 2021 US$'000
Agricultural produce		
At beginning of the period/year	**10,878**	25,966
Additions	**3,360**	1,710
Harvested	**(3,133)**	(17,896)
Currency realignment	**(1,466)**	1,098
At end of the period/year	**9,639**	10,878
Fair value gain on produce prior to harvest	**33,646**	34,035
At end of the period/year	**43,285**	44,913

	31 July 2021 US$'000	30 April 2021 US$'000
Current	**43,285**	44,913
Noncurrent	**2,634**	2,655
Totals	**45,919**	47,568

11. Inventories

	31 July 2021 US$'000	30 April 2021 US$'000
Finished goods		
- at cost	**400,490**	348,045
- at net realisable value	**23,275**	23,796
Semi-finished goods		
- at cost	**105,345**	70,948
- at net realisable value	**14,238**	12,328
Raw materials and packaging supplies		
- at cost	**81,301**	47,302
- at net realisable value	**57,229**	55,183
	681,878	557,602

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

	Note	31 July 2021 US$'000	30 April 2021 US$'000
At beginning of the period/year		**13,254**	14,868
Allowance for the period/year	20	**499**	7,043
Write-off against allowance		**(3,222)**	(7,323)
Currency realignment		**(327)**	(1,334)
At end of the period/year		**10,204**	13,254

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 income statement and are written off. In addition to an allowance for specifically identified obsolete inventory, estimation is made on a group basis based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Group reviews on a monthly basis the condition of its inventory. The assessment of the condition of the inventory either increases or decreases the expenses or total inventory.

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories expected to be realized. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at the reporting date.

The Group reviews on a continuous basis the product movement, changes in customer demands and introductions of new products to identify inventories which are to be written down to the net realizable values. The write-down of inventories is reviewed periodically to reflect the accurate valuation in the financial records. An increase in write-down of inventories would increase the recorded cost of sales and operating expenses and decrease current assets.

12. Trade and other receivables

	31 July 2021 US$'000	**30 April 2021 US$'000**
Trade receivables	**168,484**	165,370
Non trade receivables	**25,628**	28,903
Allowance for doubtful accounts – trade	**(4,761)**	(4,801)
Allowance for doubtful accounts – nontrade	**(4,398)**	(4,423)
Trade and other receivables	**184,953**	**185,049**

The aging of trade and non-trade receivables at the reporting date is:

	Gross		**Impairment losses**	
At 31 July 2021	**Trade US$'000**	**Non trade US$'000**	**Trade US$'000**	**Non trade US$'000**
Not past due	**121,174**	**10,867**	**–**	**–**
Past due 0 - 60 days	**32,408**	**3,344**	**–**	**–**
Past due 61 - 90 days	**4,068**	**471**	**–**	**–**
Past due 91 - 120 days	**1,166**	**725**	**–**	**–**
More than 120 days	**9,668**	**10,221**	**(4,761)**	**(4,398)**
	168,484	**25,628**	**(4,761)**	**(4,398)**

	Gross		**Impairment losses**	
At 30 April 2021	**Trade US$'000**	**Non trade US$'000**	**Trade US$'000**	**Non trade US$'000**
Not past due	83,812	14,731	–	–
Past due 0 - 60 days	64,945	2,889	–	–
Past due 61 - 90 days	4,206	623	–	–
Past due 91 - 120 days	2,059	664	–	–
More than 120 days	10,348	9,996	(4,801)	(4,423)
	165,370	28,903	(4,801)	(4,423)

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 receivables at a level considered adequate to provide for potential uncollectible receivables based on the applicable ECL methodology. The level of this allowance is evaluated by the 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 July 2021 US$'000	30 April 2021 US$'000
Prepaid expenses	**31,170**	29,875
Downpayment to contractors and suppliers	**6,603**	4,090
Derivative asset	**3,320**	1,694
Short-term placements	**1,309**	1,327
Others	**438**	300
	42,840	37,286

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

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

Short-term placements have maturities of 5-6 months and earn interest at 0.875%-1.00% per annum.

14. Cash and cash equivalents

	31 July 2021 US$'000	30 April 2021 US$'000
Cash on hand	**80**	68
Cash in banks	**19,502**	28,478
Cash equivalents	**–**	889
Cash and cash equivalents	**19,582**	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% 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 0.88% to 1.00% (30 April 2021: 0.875% to 2.00%) per annum.

15. Loans and borrowings

	31 July 2021 US$'000	30 April 2021 US$'000
Current liabilities		
Unsecured bank loans	**264,555**	256,125
Secured bank loans	**113,481**	76,328
	378,036	332,453
Non-current liabilities		
Unsecured bank loans	**281,999**	291,014
Secured bank loans	**663,235**	662,276
	945,234	953,290
	1,323,270	1,285,743

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 July 2021 Face value US$'000	31 July 2021 Carrying amount US$'000	30 April 2021 Face value US$'000	30 April 2021 Carrying amount US$'000
Group							
Secured bank loans	PHP	4.125%	2025	29,867	29,690	31,150	30,950
Unsecured bank loans	PHP	2.25%-3.00%	2021-2025	140,773	140,581	129,164	128,950
Unsecured 3Y bonds	PHP	3.4840%	2023	116,134	114,707	121,185	119,473
Unsecured 5Y bonds	PHP	3.7563%	2025	12,861	12,682	13,346	13,216
Unsecured bank loans	USD	1.60%-3.15%	2021-2024	278,584	278,584	285,500	285,500
Secured bank loans	USD	3.48%	2023	100,000	98,833	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	467,212	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%	2021-2023	119,500	113,481	75,100	68,828
				1,365,219	1,323,270	1,330,445	1,285,743

The balance of unamortized debt issuance cost follows:

	Three months ended 31 July 2021 US$'000	Year ended 30 April 2021 US$'000
Beginning of period/year	**44,702**	30
Additions	**271**	56,153
Amortization	**(3,024)**	(11,481)
End of period/year	**41,949**	44,702

Long Term Borrowings

Long-term Borrowings	Original Principal (In '000)	Outstanding Balance (In '000)	Interest Rate % p.a.	Year of Maturity	Payment Terms (e.g., annually, quarterly, etc.)	Interest paid 1 May 2021 to 31 July 2021 (In '000)
Senior Secured Notes [7]	USD 500,000	USD 500,000	11.875%	2025	Semi-annual interest payments and principal on maturity date.	USD 29,688
Bonds Payable [4]	PHP 6,478,460	PHP 6,478,460	3Y 3.4840% 5Y 3.7563%	2023/ 2025	Quarterly interest payments and principal on maturiry date	PHP 45,980
Secured Loan [1]	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 1,141
Unsercured Loan [3]	USD 75,000	USD 75,000	1.69%	2024	Quarterly interest payment and principal 15% on eleven equal quarterly installments starting January 2022 and 85% on maturity date.	USD 320
Secured Loan [2]	USD 100,000	USD 100,000	3.48%	2023	Semi-annual interest payments and principal on maturity date.	USD 1,778
Unsecured Loan [5]	PHP 1,500,000	PHP 1,500,000	3.00%	2025	Quarterly interest payment; and principal on eight quarterly installments starting February 2024	PHP 10,875
Secured Loan [6]	PHP 1,500,000	PHP 1,500,000	4.125%	2025	Quarterly interest payment; and principal on nine quarterly installments starting August 2023	PHP 15,297
Unsecured Loan [3]	USD 57,300	USD 56,584	2.75%	2024	Quarterly interest payment and principal 5%, 10% and 85% in fiscal year 2022, 2023 and 2024, respectively.	USD 398

[1] The secured bridging loans of US$0.5 million as at 30 April 2020 represent the remaining balance for the bridging loan that was obtained by the Company to finance the acquisition of Sager Creek and its related costs. In 2017, the Company signed a two-year extension of the US$350.0 million Banco de Oro Unibank, Inc. ("BDO") loans from 10 February 2017 to 2019. In 2019, the Company settled an additional US$0.5 million and extended the maturity date from February 2019 to August 2020. In 2020, the Company settled another US$53.0 million bringing the balance to US$0.5

million. The loans are secured by pledge by CARI of its shares in DMPI. This loan was fully paid in October 2020 via a new long- term loan obtained amounting to US$75.0 million under the US$350.0 million facility. The new loan matures in August 2023.

In 2015, the Company obtained loans from BDO amounting to US$130.0 million to refinance its existing bridge loans with the same bank and other bridge loans with other lenders and for general corporate requirements. The loans are secured by DMPI suretyship. The Company settled US$53.5 million in 2019 and another US$2.0 million in 2020, bringing the balance to US$74.5 million. This loan was also fully paid via the US$75.0 million long term loan obtained from BDO in October 2020.

The Company paid an installment due of US$7.5 million bringing the balance to US$67.5 million. This BDO bridging loan requires the Company to continuously maintain a debt to equity ratio of 3:8 and interest coverage of 2.0x. The Company is compliant with these covenants as at 31 July 2021 and 30 April 2021.

[2] On 15 May 2020, the Company obtained long-term loan from Bank of the Philippine Islands ("BPI") amounting to US$100.0 million maturing in 15 May 2023, to finance the Company's subscription of equity shares in DMPL Foods Limited, the proceeds of which were used by DMFI to partially pay its borrowings. The loans are secured by first ranking security interest over DMPI shares.

[3] In fiscal year 2021, the Company obtained additional long-term loans from Development Bank of the Philippines ("DBP") amounting to US$57.3 million maturing in April 2024 (fiscal year 2020: US$75.0 million maturing in October 2024), to refinance existing debt.

[4] On 30 October 2020, DMPI issued peso-denominated fixed rate bonds with an aggregate principal amount of US$99.6 million (Php5.0 billion) with an oversubscription option of up to US$49.8 million (Php2.5 billion).

The following are the series of the bonds:
(i) 3.4840% p.a. three-year fixed-rate bonds due 2023 and
(ii) 3.7563% p.a. five-year fixed-rate bonds due 2025.

The net proceeds of the bonds were used by the DMPI to repay its existing short-term and unsecured loans. As of 31 July 2021, US$116.1 million (Php5.8 billion) three-year fixed-rate and US$12.9 million (Php645.9 million) five-year fixed-rate bonds were issued.

[5] On 6 November 2020, DMPI availed of an unsecured long-term credit facility with DBP amounting to US$29.9 million (Php1.5 billion) at a variable interest rate maturing in 2025 to refinance existing debts. The loan shall be repaid in 5 years, inclusive of a 3-year grace period on the principal, the principal payable in 8 equal quarterly installments to commence at the end of the 13th quarter from the initial drawdown date until fully paid.

[6] On 23 October 2020, DMPI obtained a long-term loan facility with BDO amounting to US$29.9 million (Php1.5 billion) payable over 9 equal quarterly installments with the first repayment date due on 3 August 2023 and last repayment date on 3 August 2025

at a fixed interest rate of 4.125% per annum. This loan is guaranteed by DMPL as its Surety.

[7] On 15 May 2020, the Group issued U$500.0 million of 11.875% Senior Secured Notes. The Notes will mature on 15 May 2025 and are redeemable at the option of the Group beginning in May 2022.

The Senior Secured Notes and the note guarantees will be secured by (i) first-priority liens, subject to permitted liens, on the Notes Priority Collateral and (ii) second-priority liens, subject to permitted liens, on the ABL Priority Collateral now owned or acquired in the future by the Issuer and the guarantors. Obligations under the ABL Facility and certain hedging and cash management obligations will be secured by a first-priority lien on the ABL Priority Collateral and a second-priority lien on the Notes Priority Collateral (provided that such obligations will not be secured by liens on any real property that constitutes Notes Priority Collateral).

ABL Credit Agreement

On 15 May 2020, 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 will bear interest based on either the Eurodollar rate of the alternative base rate, plus an applicable margin.

On 29 April 2021, the ABL agreement was extended to five years to the earliest of (a) 29 April 2026 and (b) 91 days prior to the maturity of the Senior Secured Notes or any Refinancing Indebtedness in respect thereof.

Interest Rates. Effective 15 May 2020, borrowings under the ABL Credit Agreement bear interest of 1.75% in the case of the Alternative Base rate (ABR) plus applicable margin (from 2.0% or 1.75% or 1.5% depending on average excess availability). In the case of Eurodollar loans, 2.75% plus applicable margin (from 2.5% or 2.75% or 3.0% depending on average excess availability). Effective 29 April 2021, borrowings under the ABL Credit Agreement bear interest of 1.0% in the case of the Alternative Base rate (ABR) plus applicable margin (from 0.75% or 1.0% or 1.25% depending on average excess availability). In the case of Eurodollar loans, 2.0% plus applicable margin (from 1.75% or 2.0% or 2.25% depending on average excess availability).

Commitment Fees. Effective 15 May 2020, the Group is required to pay a commitment fee of 0.375% or 0.500% depending on the amount of unused commitments under the ABL Credit Agreement for the prior fiscal quarter. Effective 29 April 2021, the Group is required to pay a commitment fee of 0.250% or 0.375% depending on the amount of unused commitments under the ABL Credit Agreement for the prior fiscal quarter.

Availability under the ABL Credit Agreement. Effective 15 May 2020 and the amendment thereto, the borrowing base, determined at the time of calculation, is an amount equal to: the sum of (a) (i) 85% of the book value of the parties'non-investment grade eligible accounts at such time and (ii) 90% of the book value of the parties'investment grade eligible accounts, (b) the lesser of (i) the amount equal to 85% multiplied by the net orderly liquidation value of eligible inventory percentage identified in the most recent inventory appraisal ordered by the administrative agent multiplied by the book value of the parties' eligible inventory and (ii) 75%

multiplied by the cost of the parties' eligible inventory valued on a first-in-first-out basis, and minus (c) customary reserves.

As of 31 July 2021, there were US$119.5 million (30 April 2021: US$75.1 million) of loans outstanding and US$24.6 million of letters of credit issued (30 April 2021: USS$24.6 million). The Group's net availability under the ABL Credit Agreement was US$305.9 million as of 31 July 2021 (30 April 2021: US$350.2 million). The weighted average interest rate on the ABL Credit Agreement was approximately 4.25% on 31 July 2021 (30 April 2021: 5.12%). The ABL Credit Agreement includes a sub limit for letters of credit and for borrowings on same day notice, referred to as "swingline loans."

Ability to Incur Additional Indebtedness. Notwithstanding any increase in the facility size, the Group's ability to borrow under the facility will always remain limited by the borrowing base (to the extent the borrowing base is less than the commitments).

Guarantee of Obligations under the Term Loan Credit Agreements and the ABL Credit Agreement. All obligations of DMFI under the Term Loan Credit Agreements and the ABL Credit Agreement are unconditionally guaranteed by the DMFHL and by substantially all existing and future, direct and indirect, wholly owned material restricted domestic subsidiaries of DMFI, subject to certain exceptions.

Security interests

Restrictive and Financial Covenants. The ABL Credit Agreement includes restrictive covenants limiting the Group's ability, and the ability of the Group's restricted subsidiaries, to incur additional indebtedness, create liens, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions or repurchase the Group's capital stock, make investments, loans or advances, prepay certain indebtedness, engage in certain transactions with affiliates, amend agreements governing certain subordinated indebtedness adverse to the lenders, and change the Group's lines of business.

Financial Maintenance Covenants. The ABL Credit Agreement generally do not require that 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 July 2021 and 30 April 2021.

16. Other noncurrent liabilities

	31 July 2021 US$'000	30 April 2021 US$'000
Workers' compensation	**16,919**	17,150
Accrued vendors liabilities	**566**	553
Other payables	**1,379**	994
	18,864	18,697

Workers' compensation are liabilities for wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence.

17. Trade and other current liabilities

	31 July 2021 US$'000	30 April 2021 US$'000
Trade payables	**202,664**	142,188
Accrued operating expenses:		
Accrued interest	**14,503**	30,843
Freight and warehousing	**14,234**	7,274
Professional fees	**10,898**	8,496
Advertising	**9,660**	10,853
Taxes and insurance	**8,561**	8,739
Salaries, bonuses and other employee benefits	**5,376**	4,566
Trade promotions	**6,999**	8,764
Utilities	**3,481**	3,584
Tinplate and consigned stocks	**2,739**	2,222
Miscellaneous	**13,516**	12,170
Overdrafts	**25,686**	7,574
Accrued payroll expenses	**21,259**	4,812
Withheld from employees (taxes and social security cost)	**1,744**	1,548
Deferred revenue	**304**	543
VAT payables	**193**	259
Advances from customers	**160**	214
Derivative liabilities	**–**	80
	341,977	254,729

Deferred revenue pertains to contract liabilities relating 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.

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

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

18. 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 July 2021						
Cash and cash equivalents	14	19,582	–	–	19,582	19,582
Trade and other receivables*	12	188,071	–	–	188,071	188,071
Notes receivables	9	1,000	–	–	1,000	1,000
Refundable deposit**	9	1,989	–	–	1,989	1,989
Derivative assets	13	–	3,320	–	3,320	3,320
		210,642	3,320	–	213,962	213,962
Loans and borrowings	15	–	–	1,323,270	1,323,270	1,450,390
Trade and other current liabilities***	17	–	–	339,576	339,576	339,576
Derivative liabilities	16, 17	–	–	–	–	–
		–	–	1,662,846	1,662,846	1,789,966

** includes noncurrent portion of receivables from sale and leaseback and lease receivables*
*** included under advance rentals and deposits*
**** excludes derivative liabilities, advances from customers, deferred revenue, 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*	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
Loans and borrowings	15	–	–	1,285,743	1,285,743	1,473,367
Trade and other current liabilities***	17	–	–	252,085	252,085	252,085
Derivative liabilities	16, 17	–	80	–	80	80
		–	80	1,537,828	1,537,908	1,725,532

** includes noncurrent portion of receivables from sale and leaseback and lease receivables*
*** included under advance rentals and deposits*
**** excludes derivative liabilities, advances from customers, deferred revenue, withheld from employees (taxes and social security cost) and VAT payables*

19. 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.

		31 July 2021			
	Note	**Level 1**	**Level 2**	**Level 3**	**Totals**
Financial assets					
Derivative assets	13	–	3,320	–	3,320
Notes receivable	9	–	–	1,000	1,000
Non-financial assets					
Fair value of agricultural produce harvested under inventories		–	–	6,397	6,397
Fair value of growing produce	10	–	–	43,285	43,285
Freehold land		–	–	53,954	53,954
Financial liabilities					
Derivative liabilities	16, 17	–	–	–	–
Lease liabilities		–	–	116,064	116,064
Loans and borrowings	15	–	965,719	484,672	1,450,390

		30 April 2021			
	Note	**Level 1**	**Level 2**	**Level 3**	**Totals**
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 growing produce	10	–	–	44,913	44,913
Freehold land		–	–	54,609	54,609
Financial liabilities					
Derivative liabilities	16, 17	–	80	–	80
Lease liabilities		–	–	144,092	144,092
Loans and borrowings	15	–	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
Interest rate swaps	Market comparison technique: The fair values are calculated using a discounted cash flow analysis based on terms of the swap contracts and the observable interest rate curve. Fair values reflect the risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.
Commodities contracts	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 RCPS and call option as at 31 July 2021, is based on the 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 and note receivable	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 consider 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	Sales Comparison Approach: the valuation model is based on selling price of livestock	The unobservable inputs are age, average weight and breed.

Assets	Valuation technique	Significant unobservable inputs
cut meat)	of similar age, weight, breed and genetic make-up (Level 3).	
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.

20. Profit for the period

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

	Note	Three months ended 31 July	
		2021	**2020**
		US$'000	**US$'000**
Provision (Reversal) for inventory obsolescence		**499**	(141)
Provision (Reversal) of allowance for doubtful receivables (trade)		**11**	(151)
Amortization of intangible assets	7	**1,663**	1,663
Amortization of right-of-use assets	24	**7,290**	7,369
Depreciation of property, plant and equipment		**38,856**	25,473

21. General and administrative expenses

This account consists of the following:

	Three months ended 31 July 2021 US$'000	Three months ended 31 July 2020 US$'000
Personnel costs	**18,077**	18,559
Professional and contracted services	**5,944**	6,557
Computer cost	**3,380**	4,762
Facilities expense	**2,085**	2,128
Employee-related expenses	**646**	505
Postage and telephone	**290**	300
R&D projects	**147**	110
Utilities	**142**	128
Travelling and business meals	**138**	92
Materials and supplies	**128**	128
Machinery and equipment maintenance	**71**	105
Auto operating and maintenance costs	**68**	59
Miscellaneous overhead	**1,032**	1,624
	32,148	35,057

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

22. Share capital

	31 July 2021 No. of shares ('000)	31 July 2021 US$'000	30 April 2021 No. of shares ('000)	30 April 2021 US$'000
Authorised:				
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 holders of ordinary shares are entitled to receive dividends after dividend of preference shares are paid, as declared from time to time, and are entitled to one vote per share at meetings of the Company. The preference shares are cumulative, non-voting, redeemable at the option of the issuer, non-participating and non-convertible. The preference share has a par value of US$1.0 per share and were issued at US$10.0 per share. Ordinary shares rank equally with regard to the Company's residual assets after preference shares are paid.

In April 2014, the Company increased its authorized share capital from US$20.0 million, divided into 2,000,000,000 ordinary shares at US$0.01 per share, to US$630.0 million, divided into 3,000,000,000 ordinary shares at US$0.01 per share and 600,000,000 preference shares at US$1.00 per share. The preference shares may be issued in one or more series, each such class of shares will have rights and restrictions as the Board of Directors (BOD) may designate. The terms and conditions of the authorized preference share are finalized upon each issuance.

On 30 October 2014, the Company had additional ordinary shares listed and traded on the SGX-ST and the PSE pursuant to a public offering conducted in the Philippines. The Company offered and sold by way of primary offer 5,500,000 ordinary shares at an offer price of 17.00 Philippine pesos (Php) per share.

In March 2015, additional 641,935,335 ordinary shares were listed on the SGX-ST and the PSE, which were offered and sold to eligible shareholders by way of a stock rights offering at an exercise price of S$0.325 or Php10.60 for each share in Singapore and the Philippines, respectively.

In April 2017, the Company completed the offering and listing of 20,000,000 Series A-1 Preference Shares which were sold at an offer price of US$10.0 per share (US$1.0 par value per share) in the Philippines, generating US$200 million in proceeds. The said shares were listed on the PSE.

In 20 September 2017, the Company transferred 745,918 of its treasury shares to ordinary shares in connection to the release of share awards granted to its Directors pursuant to the Del Monte Pacific RSP.

In December 2017, the Company completed the offering and listing of 10,000,000 Series A-2 Preference Shares in the Philippines generating approximately US$100 million in proceeds (or a combined US$300 million if including the US$200 million that was raised in April 2017). The Company used the net proceeds to substantially refinance the US$350 million bridging loan due in February 2019.

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

Preference Shares	**Par Value**	**Share Capital US$'000**	**Share Premium US$'000**	**Contributed Capital 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.

The Group does not declare dividends based on first quarter, third quarter or nine months results. Undeclared preference dividends as of 31 July 2021 amounted to US$6.2 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 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.

23. Earnings (loss) 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 July	
	2021	**2020**
Basic earnings (loss) per share is based on:		
Profit (loss) attributable to owners of the Company (US$'000)	**18,322**	(3,249)
Cumulative preference share dividends (US$'000)	**4,938**	4,938
	13,384	(8,187)
Basic weighted average number of ordinary shares ('000):		
Outstanding ordinary shares at 1 May	**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
Basic earnings (loss) per share (in U.S. cents)	**0.69**	(0.42)

For the purpose of calculation of the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from Del Monte Pacific RSP, with the potential ordinary shares weighted for the period outstanding.

	Three months ended 31 July	
	2021	**2020**
Diluted earnings (loss) per share is based on:		
Profit (loss) attributable to owners of the Company (US$'000)	**18,322**	(3,249)
Cumulative preference share dividends (US$'000)	**4,938**	4,938
	13,384	(8,187)
Diluted weighted average number of shares ('000):		
Weighted average number of ordinary shares (basic)	**1,943,960**	1,943,960
Potential ordinary shares issuable under share awards	**–**	–
Weighted average number of ordinary issued (diluted)	**1,943,960**	1,943,960
Diluted earnings (loss) per share (in U.S. cents)	**0.69**	(0.42)

24. 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**	**2,602**	**–**	**2,714**
Disposals	**–**	**–**	**–**	**–**
Transfers/Adjustments	**–**	**(467)**	**–**	**(467)**
Currency realignment	**(1,493)**	**(2,064)**	**–**	**(3,557)**
At 31 July 2021	**127,111**	**50,237**	**37,384**	**214,732**
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	**5,227**	**2,110**	**2,452**	**9,789**
Disposals	**–**	**–**	**–**	**–**
Transfers/Adjustments	**–**	**(467)**	**–**	**(467)**
Currency realignment	**(391)**	**(683)**	**–**	**(1,074)**
At 31 July 2021	**48,468**	**15,481**	**25,133**	**89,082**
At 1 May 2020	20,752	6,932	11,981	39,665
Amortization	22,813	7,974	10,700	41,487
Disposals	–	(735)	–	(735)
Transfers/Adjustments	(131)	(90)	–	(221)
Currency realignment	198	440	–	638
At 30 April 2021	43,632	14,521	22,681	80,834
Carrying amounts				
At 31 July 2021	**78,643**	**34,756**	**12,251**	**125,650**
At 30 April 2021	84,860	35,645	14,703	135,208

The following are the amounts recognized in income statement for three months ended 31 July:

	Three months ended 31 July 2021 US$'000	2020 US$'000
Amortization expense of right-of-use assets	7,290	7,369
Interest expense on lease liabilities	1,698	2,003
Expenses relating to short-term leases	2,141	2,127
Variable lease payments	–	375
Total amount recognized in statement of income	11,129	11,874

Amortization expense is net of amount capitalized to inventory.

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

	31 July 2021 US$'000	30 April 2021 US$'000
At the beginning of period/year	128,803	158,525
Additions	734	14,174
Accretion of interest	1,963	8,412
Payments of principal	(12,134)	(37,720)
Payments of interest	(1,207)	(5,657)
Change in lease term	–	(10,199)
Adjustments	–	(1,119)
Terminations	(20)	(122)
Currency realignment	(2,075)	2,509
At the end of period/year	116,064	128,803
Current	26,580	25,113
Non-current	89,484	103,690
	116,064	128,803

25. Commitments and contingencies

Purchase commitments

The Group has entered into non-cancellable agreements with growers, co-packers, packaging suppliers and other service providers with commitments generally ranging from one year to ten years, to purchase certain quantities of raw products, including fruit, vegetables, tomatoes and packaging services. At the reporting date, the Group have commitments for future minimum payments under non-cancellable agreements at approximately US$798.0 million.

26. Related parties

Related party transactions

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

Other than disclosed elsewhere in the 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 IT & JYCC Fit-out services	**July 2021**	**49**	**195**	Due and demandable;	Unsecured;
	April 2021	185	308	non–interest bearing	no impairment
Sale of Tomato Paste	**July 2021**	**–**	**–**	Due and demandable;	Unsecured;
	April 2021	–	–	non–interest bearing	no impairment
Sale of apple juice conc/materials	**July 2021**	**2**	**3**	Due and demandable;	Unsecured;
	April 2021	28	5	non–interest bearing	no impairment
Inventory count shortage	**July 2021**	**–**	**–**		Unsecured;
	April 2021	–	7	non–interest bearing	no impairment
Purchases	**July 2021**	**18**	**3**	Due and demandable;	Unsecured;
	April 2021	64	2	non–interest bearing	no impairment
Tollpack fees	**July 2021**	**–**	**18**	Due and demandable;	Unsecured;
	April 2021	–	21	non–interest bearing	no impairment
Security Deposit	**July 2021**	–	–	Due and demandable;	Unsecured;
	April 2021	9	–	non–interest bearing	no impairment
Other Related Party					
Management fees from DMPI Retirement fund	**July 2021**	**1**	**88**	Due and demandable;	Unsecured;
	April 2021	69	2	non–interest bearing	no impairment
Rental to DMPI Retirement	**July 2021**	**460**	**(175)**	Due and demandable;	Unsecured
	April 2021	1,747	(7)	non–interest bearing	
Rental to NAI Retirement	**July 2021**	**162**	**(58)**	Due and demandable;	Unsecured
	April 2021	602	–	non–interest bearing	
Security Deposit/ Advances to NAI	**July 2021**	–	–	Short-term;	Unsecured;
	April 2021	703	–	non–interest bearing	no impairment
Joint Ventures					
Sales	**July 2021**	**2,109**	**5,773**	Due and demandable;	Unsecured
	April 2021	6,303	4,475	non–interest bearing	
Purchases	**July 2021**	**216**	**(1,155)**	Due and demandable;	Unsecured
	April 2021	1,079	(987)	non–interest bearing	
	July 2021	**3,017**	**4,692**		
	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 are market driven, less certain allowances in accordance with applicable business norms. For purchases, the Group's policy are 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 terms.

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

27. 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 initial public offering (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.

<u>Call Option Agreement</u>

On 24 January 2020, the Company, CARI, DMPI and SEA Diner entered into a call option agreement wherein SEA Diner is entitled to a call option which gives SEA Diner 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 means:

(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.

28. 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. 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 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 cyclicality 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 July 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 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.