Independent Auditors' Report

To the members of Dairy Farm International Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion, Dairy Farm International Holdings Limited's Group ('the Group') financial statements (the 'financial statements'):

- give a true and fair view of the state of the Group's affairs as at 31st December 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as issued by the International Accounting Standards Board ('IASB'); and
- have been prepared in accordance with the requirements of the Companies Act 1981 (Bermuda).

We have audited the financial statements, included within the Annual Report, which comprise: the Consolidated Balance Sheet as at 31st December 2020; the Consolidated Profit and Loss Account, the Consolidated Statement of Comprehensive Income, the Consolidated Cash Flow Statement, and the Consolidated Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies ('the Principal Accounting Policies').

Certain required disclosures have been presented in the Corporate Governance section, rather than in the notes to the financial statements. These disclosures are cross-referenced from the financial statements and are identified as audited.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the Financial Reporting Council's ('FRC's') Ethical Standard as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Overview

Materiality

- Overall Group materiality: US$18.5 million *(2019: US$19.6 million)*
- Based on 5% of a three-year average of underlying profit before tax

Audit scope

- A full scope audit was performed on seven entities including six subsidiaries and one associate, Maxim's.
- These entities, together with procedures performed on central functions and at the Group level, accounted for 89% of the Group's revenue, 86% of the Group's profit before tax, and 82% of the Group's underlying profit before tax.

Key audit matters

- Carrying value of investment in Robinsons Retail Holdings Inc. ('Robinsons Retail')
- Buying income
- IT environment
- Impairment of assets in PT Hero
- Impact of COVID-19

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Capability of the audit in detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined in the Auditors' responsibilities for the audit of the financial statements section, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to, the Companies Act 1981 (Bermuda), the Listing Rules, tax regulations, employment regulation, health and safety regulation and equivalent local laws and regulations applicable to significant reporting component teams, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 1981 (Bermuda).

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates and judgements. The Group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or component auditors included:

- Gaining an understanding of the legal and regulatory framework applicable to the Group and the industries in which its businesses operate, and considering the risk of any acts by the Group which may be contrary to applicable laws and regulations, including fraud.
- Discussions with management and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Understanding the results of whistleblowing procedures and related investigations. We focused on known and suspected instances of non-compliance with laws and regulations that could give rise to a material misstatement in the Group and company financial statements, including, but were not limited to, the Companies Act 1981 (Bermuda), the Listing Rules, tax legislation, employment regulation, health and safety regulation and equivalent local laws and regulations applicable to significant reporting component teams.
- Review of reporting component auditors' work, including any matters reported by component auditors' relating to non-compliance with laws and regulations or fraud;
- Challenging assumptions and judgements made by management in their significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In particular, in relation to the impairment assessments related to the carrying value of investments in associates and joint ventures, the impairment assessments related to the carrying value of intangible assets, tangible assets and right-of-use assets, and recognition of buying income (see related key audit matters below);
- We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals, and evaluated whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The impairment of assets in PT Hero and the impact of COVID-19 are new key audit matters. Right-of-use assets and lease liabilities, which was a key audit matter last year, is no longer included because this key audit matter was relevant for the adoption of IFRS 16 'Leases' last year. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Carrying value of investment in Robinsons Retail Holdings Limited ('Robinsons Retail')	
Refer to note 39 (Critical Accounting Estimates and Judgements) and note 12 (Associates and Joint Ventures) to the financial statements. As at 31st December 2020, the carrying value of the Group's 20% investment in its associate, Robinsons Retail, was higher than its fair value based on its prevailing market share price. Management undertook an impairment assessment, as required by accounting standards as there was an indicator of impairment. There is inherent estimation uncertainty in determining the recoverable amount of the carrying value of the investment as significant judgements are required by management in preparing their value-in-use models, particularly management's view on key internal inputs and external market conditions which impact future cash flows, the discount rate and the long-term growth rate. We focused on the carrying value of the Group's investment in Robinsons Retail due to the significant judgements and estimates involved to determine whether the carrying value of the investment was supportable.	We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining the assumptions to be applied. We have understood and reviewed management's impairment assessment process, including what indicators of impairment had been identified and the appropriateness of the valuation model used, including the assessment of the future impact of COVID-19. As we identified a heightened risk of impairment we performed the following procedures. We benchmarked and challenged key assumptions in management's valuation model used to determine recoverable amount against market data. This included whether the assumptions of projected cash flows of the business, the long-term growth rate and the discount rate were appropriate, using our knowledge and experience. We tested the discounted cash flow model used in the assessment, checked the accuracy of the calculations, compared historical budgeted performance with actual results and agreed the figures used with the detailed management approved budgets to assess the reasonableness of the cash flows used in the model. Our challenge focused particularly on the discount rate and long-term growth rate used. With the support of our valuations specialists, we compared the discount rates used with the range of typical discount rates used in similar businesses and, considered whether management had incorporated all relevant macro-economic and country-specific factors, as well as those specific to Robinsons Retail, in determining its discount rate.

Key audit matter	How our audit addressed the key audit matter
Carrying value of investment in Robinsons Retail Holdings Limited ('Robinsons Retail') continued	
	For the growth rate we assessed whether management had considered macro-economic and country-specific factors specific to the relevant businesses, including the future impact of COVID-19. We also compared the rate used with the range of growth rates used by similar businesses. We tested management's historical estimation accuracy by comparing previous projected growth rates to the actual growth achieved. Where differences were identified we understood management's rationale and the evidence, such as actual recent performance, to support management's estimates. We evaluated the sensitivity analysis performed by management and performed our independent sensitivity analysis on the key assumptions above and considered a range of alternative outcomes to determine the sensitivity of the valuation model to changes in assumptions. Overall, we found that the judgements and estimates made by management to determine the discount rate, long-term growth rate and the cash flows used in the valuation model were reasonable. We assessed the adequacy of the disclosures related to the carrying value of investments in associates and joint ventures in the context of IFRS disclosure requirements and agreed disclosures in the financial statements to the model tested and the assumptions applied in the model. Overall, we are satisfied that appropriate disclosure has been made.

Key audit matter	How our audit addressed the key audit matter
Buying income	

Buying income

Refer to note 36 (Principal Accounting Policies) and note 39 (Critical Accounting Estimates and Judgements) to the financial statements.

The Group has arrangements with suppliers whereby volume-based discounts and incentives, promotional and marketing incentives and various other rebates and discounts are earned in connection with the purchase of goods for resale from those suppliers. As such, the Group recognises a net deduction from cost of sales as a result of amounts receivable from suppliers.

The individual supplier arrangements in place across the Group vary in nature. The majority of buying income is driven by volume-based measures or event-driven schemes, with the remainder being ad-hoc and promotional buying income.

Buying income is material to the financial statements and given the types of buying income arrangements as well as various performance criteria which differ by suppliers, we identified buying income as a key audit matter.

The level of judgement in each category of buying income is noted below:

Volume-based income

Volume-based rebates are generally driven by achieving purchase volume targets set with individual suppliers for specific products over a pre-set period of time. In instances where the rebate agreement does not fully coincide with the period-end, the key judgement that we focused on was the estimate of expected purchase volumes in the period covered by the rebate agreement.

Ad-hoc and promotional income

The remainder of the Group's buying income is associated with ad-hoc and promotional income. The nature of this income and the manner in which it is recognised varies depending on the nature of the agreement with the individual supplier. The income is earned as the relevant performance criteria are met. Due to the significant number of transactions and individual agreements and the potential for manual calculations, we focused effort on assessing the appropriateness of amounts recognised. Our focus was on the underlying agreements associated with the income earned, and assessing whether the income recorded was in accordance with those agreements.

How our audit addressed the key audit matter

We gained an understanding of and evaluated the key controls in place within the buying income process and tested those controls in certain components of the business. We performed a detailed analytical review of buying income by type and location to identify whether there were any unusual trends were present.

On a sample basis:

- we traced the reconciliation of supplier deductions or payments recognised in the income statement to cash receipts or supplier contracts;
- we selected amounts recognised in debtors and creditors and agreed the amounts to supporting documentation. Where buying income amounts were offset against outstanding amounts payable to suppliers we assessed whether there was a right to offset, based on the contractual terms with suppliers;
- we assessed whether the performance criteria of the items selected had been met and where buying income amounts were estimated, that there was appropriate supporting evidence in determining those estimates;
- we assessed the appropriateness of manual journal entries and adjustments associated with buying income by tracing them to supporting documentation; and
- we assessed supplier dispute logs and management's supplier statement reconciliations to determine whether material disputes or disagreements with suppliers existed. Where significant disputes or disagreements existed, we understood the nature of these disputes through discussions with management and obtained documentation to assess whether the amounts recognised by management were reasonable.

Overall, we found the amounts recognised in the financial statements in respect of buying income to be supportable.

We assessed the adequacy of the disclosures related to the buying income in the context of IFRS disclosure requirements and consider the disclosures to be appropriate.

Key audit matter	How our audit addressed the key audit matter
Impairment of assets in PT Hero	
Refer to note 39 (Critical Accounting Estimates and Judgements), note 8 (Non-trading items), note 9 (Intangible Assets), note 10 (Tangible Assets) and note 11 (Right-of-use Assets) to the financial statements. The Group has recognised asset impairment charges of US$103 million in relation to the Indonesian Grocery Retail business for the year ended 31st December 2020 following a store performance review. These costs comprise of US$39 million relating to the impairment of intangible assets and US$64 million for the impairment of tangible assets, impairment of right-of-use assets, redundancy provisions, and other provisions. As required by accounting standards, management performed a detailed impairment assessment of the intangible assets, tangible assets and right-of-use assets having identified impairment indicators arising from the financial performance of the Indonesian Grocery Retail business. The determination of the recoverable amount of intangible assets requires significant judgements, particularly management's view on key inputs and assumptions made in the cash flow forecasts including long-term growth rates. Impairment of tangible assets and right-of-use assets were recorded in respect of underperforming or loss-making locations, where management identified that the expected future cash inflows were lower than the contractual lease obligations. The impairment charges were calculated based on the terms of rental agreements and the earlier of the remaining lease term or possible exit date. Determining the provisions required management to make judgements over the key inputs and assumptions, including the amount and timing of expected costs that will be incurred.	We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and the judgement involved in determining assumptions to be applied. We have understood and reviewed management's impairment assessment process for assessing the carrying value of intangible assets, tangible assets and right-of-use assets, including the identification of indicators of impairment and appropriateness of the valuation models used, including the assessment of the future impact of COVID-19. We have considered and scrutinised management's store performance review for the Indonesian Grocery Retail business. On a sample basis, we agreed the carrying value of tangible assets and right-of-use assets that were assessed for impairment to underlying financial records. We tested the discounted cash flow models used by management to determine the amount of intangible asset, tangible asset and right-of-use asset impairment required. We assessed the cash flow forecasts by comparing historical budgeted performance to actual results, agreeing the financial information used to the Board approved budget, and checked the accuracy of the calculations. We tested the accuracy and completeness of the data used by management in the models by agreeing key inputs, such as the cash flow forecasts for individual stores, to the detailed budget approved by the Board. In addition, on a sample basis, we agreed the inputs used in the calculations to the underlying lease contracts. We assessed the key inputs and assumptions used by management in calculating the redundancy and other provisions with reference to actual historical performance and underlying contractual agreements. We evaluated whether the assumptions were appropriate based on the evidence available.

Key audit matter	How our audit addressed the key audit matter
Impairment of assets in PT Hero continued	
	We considered that the key assumptions used, and calculations prepared by management to determine the intangible asset, tangible asset and right-of-use asset impairments, redundancy provisions and other provisions to be supportable based on available evidence. We assessed the adequacy of the disclosures related to the carrying value of intangible assets, tangible assets and right-of-use assets and the other provisions made in the context of IFRS disclosure requirements and agreed disclosures in the financial statements to the models tested and the assumptions applied in those models. We are satisfied that appropriate disclosure has been made.
IT environment	
The Group is heavily reliant on its IT infrastructure and systems for the daily operations of its business. We focused on IT systems as the systems across the Group are complex and there are varying levels of standardisation and integration between new and legacy IT systems. The systems are vital to the ongoing operations of the business and to the integrity of the financial reporting process.	We updated our understanding of the IT environment through discussions with management and walked-through the key financial processes to understand the relevant IT systems which were integral to the Group's controls over financial reporting. These procedures allowed us to determine which IT systems, processes and controls to rely upon. We tested key controls over user access to programs and data; program development; program changes made to IT systems; and IT operations. The key automated controls operating within IT systems that we rely on were also tested. Where we noted deficiencies which affected IT systems or controls on which we planned to place reliance, we tested mitigating controls or extended the scope of our substantive audit procedures.

Key audit matter	How our audit addressed the key audit matter
Impact of COVID-19	
The COVID-19 pandemic has had a significant impact on the performance of the Group. The extent of the negative impact of the pandemic on future trading performance is difficult to predict. Therefore, there is inherent uncertainty in determining the impact of the pandemic on certain aspects of the financial statements. The key impact of COVID-19 on the financial statements are: • Management's assessment of the carrying values of the Group's goodwill in subsidiaries and the carrying values of its investments in associates and joint ventures as a result of a reduction to the valuations at the year end, in part arising due to the impact of COVID-19 on the underlying businesses, as described in the related key audit matter above. In particular, we focused on the carrying value of goodwill held in respect of PT Hero and the carrying value of the Group's investment in its associate, Robinsons Retail. • The budgets and models supporting the tangible assets and right-of-use assets reflect management's best estimate of the impact of COVID-19. The assumptions applied in this analysis have been determined internally, but they incorporate other third-party data sources where relevant. • The models and related assumptions that underpin management's going concern assessment. Having considered the impact of COVID-19 on liquidity models, management has concluded that the Group remains a going concern, and that there is no material uncertainty in respect of this conclusion. Management's way of working, including the operation of controls, has been impacted by COVID-19 as a result of a large number of staff working remotely.	Our procedures in respect of impairment assessments related to carrying value of the Group's investment in Robinsons Retail and impairment of the assets in PT Hero are covered in the related key audit matters above. We performed procedures to assess the recoverability of tangible assets and right-of-use assets. Where these involved management's impairment assessment, we assessed the appropriateness of valuation models used and assumptions applied. With the support of our valuation specialists, we benchmarked and challenged key assumptions in management's valuation models used to determine recoverable amounts against market data. This included whether assumptions of projected cash flows of stores, long-term growth rates and discount rates were appropriate taking into account the impact of COVID-19, using our knowledge and experience, for the tangible assets and right-of-use assets under review. We tested the discounted cash flow models used in the assessments, checked the accuracy of the calculations, compared historical budgeted performance with actual results to assess the reasonableness of the cash flows used in the models. We performed an independent sensitivity analysis on the key assumptions and considered a range of alternative outcomes to determine the sensitivity of the valuation models to changes in assumptions. Where the recoverable amount was lower than the carrying amount of the cash generating unit ('CGU'), we checked the calculation of the impairment charge recognised. We found that the judgements and estimates made by management to determine the discount rates, long-term growth rates and cash flows used in the valuation models were reasonable.

Key audit matter	How our audit addressed the key audit matter
Impact of COVID-19 continued	
	With respect to management's going concern assessment, we evaluated management's model and the key assumptions and considered the Group's available financing to assess liquidity through the assessment period. Our conclusions in respect of going concern are set out separately within this report. We performed additional procedures to assess any control implications arising from the impact of COVID-19, including inquiries with respect to the operation of IT and business process controls, and whether there has been any impact on the Group. We instructed our component teams to perform additional procedures to understand if there were any changes to management's planned operation of controls or monitoring activities. We did not identify any evidence of material deterioration in the control environment. We increased the frequency and extent of our oversight over component audit teams, using video conferencing and remote working paper reviews, to satisfy ourselves as to the appropriateness of audit work performed at significant and material components. We considered the appropriateness of disclosures in the financial statements in respect of the impact of the current environment and the increased uncertainty on certain accounting estimates and consider these to be appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industries in which it operates.

The Group's accounting processes are structured around finance functions, which are responsible for their own accounting records and controls, which in turn report financial information to the Group's finance function in Hong Kong to enable them to prepare consolidated financial statements.

In establishing the overall approach to the Group audit, we determined the type of work that needed to be performed by members of the Group engagement team or by component auditors from member firms within the PwC Network operating under our instruction. Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the financial statements as a whole. The Group engagement team was involved in the significant reporting entities in scope for Group reporting during the audit cycle through a combination of meetings and conference calls. Due to the current restrictions on travel and social distancing measures, enacted as a response to COVID-19, the lead Group audit partner and other senior team members were involved throughout the year through the regular use of conference calls and other forms of communication to direct and oversee the audit, including the remote review of the work of component teams.

A full scope audit was performed on seven entities including six subsidiaries and one associate, Maxim's. These entities, together with procedures performed on central functions and at the Group level (on the consolidation and other areas of significant judgement), accounted for 89% of the Group's revenue, 86% of the Group's profit before tax, and 82% of the Group's underlying profit before tax. This gave us the evidence we needed for our opinion on the financial statements as a whole.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall Group materiality	US$18.5 million *(2019: US$19.6 million)*
How we determined it	5% of a three-year average of underlying profit before tax
Rationale for benchmark applied	Profit before tax is a primary measure used in assessing the performance of the Group which has been adjusted by adding back non-trading items.

We set an overall Group materiality level of US$18.5 million *(2019: US$19.6 million)*. This was based upon 5% of the Group's consolidated three-year average underlying profit before tax for the years ended 31st December 2018, 31st December 2019 and 31st December 2020. In arriving at this judgement we had regard to the fact that underlying profit is an important financial indicator of the Group.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of overall materiality allocated across components was US$1.9 million to US$18.0 million.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to US$13.8 million.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount in the middle of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above US$925,000 *(2019: US$1.0 million)*, other than classifications within the Consolidated Profit and Loss Account or Consolidated Balance Sheet, which were only reported above US$18.5 million. We also reported misstatements below this amount that in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's ability to continue to adopt the going concern basis of accounting included:

- Evaluating the inherent risks to the Group's and its businesses' business models and analysed how those risks might affect the Group's financial resources or ability to continue operations over the going concern period.
- Considering sensitivities over the level of available financial resources indicated by the Group's financial forecasts taking account of reasonably possible, but not unrealistic, adverse effects that could arise from adverse trading conditions as a result of COVID-19 and impact the Group's liquidity position over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Responsibility Statement and the Corporate Governance section, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Section 90 of the Companies Act 1981 (Bermuda) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Partner responsible for the audit

The engagement partner responsible for this independent auditors' report is John Waters.

PricewaterhouseCoopers LLP
Chartered Accountants
London
11th March 2021

a. The maintenance and integrity of the Dairy Farm International Holdings Limited website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

b. Legislation in Bermuda governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.