SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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

1. For the fiscal year ended **30 April 2017**

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

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

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

6. [ ] (SEC Use Only)
Industry Classification Code:

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

AUG 04 2017

8. **+65 6324 6822**
Issuer's telephone number, including area code

9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Ordinary Shares	**1,943,214,106**
Preference Shares	**20,000,000**

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

Yes [✓] No [ ]

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

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

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports);

Yes [✓] No [ ]

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

Yes [✓] No [ ]

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

The aggregate market value of the voting stock held by non-affiliates is US$150,262,000.

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

Not Applicable

DOCUMENTS INCORPORATED BY REFERENCE

If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

a) Any annual report to security holders; **None**

b) Any proxy or information statement filed pursuant to SRC Rule 20 and 17.1(b); **None**

c) Any prospectus filed pursuant to SRC Rule 8.1-1 **None**

SIGNATURES

Pursuant to the requirements of Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Makati on 3 Aug 2017.

By:

Joselito D. Campos, Jr.
Chief Executive Officer

Parag Sachdeva
Chief Financial Officer

Luis F. Alejandro
Chief Operating Officer

Antonio E. S. Ungson
Company Secretary

SUBSCRIBED AND SWORN to before me this 3 Aug 2017 at Makati City, affiants exhibiting to me their Passports with details as follows:

NAMES	PASSPORT NO.	DATE/PLACE OF ISSUE
Joselito D. Campos, Jr.	PO033661A	24 Aug 2016 / DFA-Manila
Luis F. Alejandro	EC2973152	13 Dec 2014 / DFA-Manila
Parag Sachdeva	Z3084975	24 Dec 2014 / Shanghai
Antonio E. S. Ungson	EC3335333	2 Feb 2015 / DFA - NCR East

JUANITO H. VINCULADO
NOTARY PUBLIC
UNTIL DEC. 31, 2017
PTR 11208636J LAS PINAS 1/6/17
IBP 1058402 / 1/6/2017 PPLM
ROLL NO. 41092 / MCLE V-0021209
NOT APPT NO. M-194 3/2/16 MAKATI

Doc No: 199;
Page No: 41;
Book No: 31;
Series of 2017.

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Part I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

Overview

Del Monte Pacific Limited (the "**Company**" or "**DMPL**") 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. Its registered office of the Company is located at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). On 10 June 2013, the ordinary shares of the Company were also listed on the Philippine Stock Exchange, Inc (the "**PSE**"). On 7 April 2017, the preference shares of the Company were listed on the PSE.

The principal activity of the Company is that of investment holding. Its operating subsidiaries are principally engaged in growing, processing and selling canned and fresh pineapples, pineapple juice concentrate, tropical mixed fruit, canned peaches and pears, canned vegetables, tomato-based products, broth and certain other food and beverage products 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.

Subsidiaries

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

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2017 %	30 April 2016 %	1 May 2015 %
Held by the Company					
Del Monte Pacific Resources Limited ("DMPRL") [6]	Investment holding	British Virgin Islands	100.00	100.00	100.00
DMPL India Pte Ltd ("DMPLI") [2]	Investment holding	Singapore	100.00	100.00	100.00
DMPL Management Services Pte Ltd [2]	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00	100.00
GTL Limited [6]	Trading food products mainly under the brand names: "Del Monte" and buyer's own label	Federal Territory of Labuan, Malaysia	100.00	100.00	100.00

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2017 %	30 April 2016 %	1 May 2015 %
S&W Fine Foods International Limited ("S&W") [6]	Selling processed and fresh food products under the "S&W" trademark; Owner of the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa	British Virgin Islands	100.00	100.00	100.00
DMPL Foods Limited ("DMPLFL") [7]	Investment holding	British Virgin Islands	89.43	89.43	89.43
Held by DMPRL					
Central American Resources, Inc ("CARI")[6]	Investment holding	Panama	100.00	100.00	100.00
Held by CARI					
Del Monte Philippines, Inc ("DMPI") [1]	Growing, processing and distribution of food products mainly under the brand name "Del Monte".	Philippines	100.00	100.00	100.00
Dewey Limited ("Dewey") [7]	Mainly investment holding	Bermuda	100.00	100.00	100.00
Pacific Brands Philippines, Inc [1]	Inactive	State of Delaware, U.S.A.	100.00	100.00	100.00
South Bukidnon Fresh Trading Inc ("SBFTI") [1]	Production, packing, sale and export of food products	Philippines	100.00	100.00	100.00
Held by DMPI					
Philippines Packing Management Services Corporation [1]	Management, logistics and support services	Philippines	100.00	100.00	100.00
Del Monte Txanton Distribution Inc ("DMTDI") [b] [1]	Trading, selling and distributing food, beverages and other related products	Philippines	40.00	40.00	40.00
Held by Dewey					
Dewey Sdn. Bhd. [3]	Owner of various trademarks	Malaysia	100.00	100.00	100.00
Held by DMPLI					
Del Monte Foods India Private Limited ("DMFIPL") [a] [4]	Manufacturing, processing and distributing food, beverages and other related products	Mumbai, India	100.00	100.00	100.00

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2017 %	30 April 2016 %	1 May 2015 %
DMPL India Limited [4]	Investment holding	Mauritius	94.94	94.45	94.20
Held by S&W					
S&W Japan Limited[2]	Support and marketing services for S&W	Japan	100.00	–	–
Held by DMPLFL					
Del Monte Foods Holdings Limited ("DMFHL") [1]	Investment holding	British Virgin Islands	89.43	89.43	89.43
Held by DMFHL					
Del Monte Foods Holdings Inc. ("DMFHI")[5]	Investment holding	State of Delaware, U.S.A.	89.43	89.43	89.43
Del Monte Foods Inc. ("DMFI") [5]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A	89.43	89.43	89.43
Held by DMFI					
Sager Creek Foods, Inc. (formerly Vegetable Acquisition Corp.) [5]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A.	89.43	89.43	89.43
Del Monte Andina C.A. [7]	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	–	–	–
Del Monte Colombiana S.A. [3]	Manufacturing, processing and distributing food, beverages and other related products	Colombia	73.31	73.31	89.40
Industrias Citricolas de Montemorelos, S.A. de C.V. (ICMOSA) [3]	Manufacturing, processing and distributing food, beverages and other related products	Mexico	89.43	89.43	89.43
Del Monte Peru S.A.C.[7]	Distribution of food, beverages and other related products	Peru	89.43	89.43	89.43
Del Monte Ecuador DME C.A. [7]	Distribution of food, beverages and other related products	Ecuador	89.43	89.43	89.43
Hi-Continental Corp. [7]	Lessee of real property	State of California, U.S.A.	89.43	89.43	89.43

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2017 %	30 April 2016 %	1 May 2015 %
College Inn Foods [7]	Inactive	State of California, U.S.A.	89.43	89.43	89.43
Contadina Foods, Inc.[7]	Inactive	State of Delaware, U.S.A.	89.43	89.43	89.43
S&W Fine Foods, Inc.[7]	Inactive	State of Delaware, U.S.A.	89.43	89.43	89.43
Held by Del Monte Andina C.A.					
Del Monte Argentina S.A. [3]	Inactive	Argentina	–	–	–

(a) 0.1% held by DMPRL

(b) DMTDI is consolidated as the Group has de facto control over the entity. Management believes that the Group has control over DTMTDI since it is exposed, or has rights, to variable returns and has the ability to affect those returns through its power over DMTDI.

[1] Audited by SyCip Gorres Velayo & Co. ("SGV")

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

[3] Audited by Ernst & Young member firms in the respective countries

[4] Audited by other certified public accountants. Subsidiary is not significant under rule 718 of the SGX-ST Listing Manual

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

[6] Not required to be audited in the country of incorporation. Audited by Ernst and Young LLP, Singapore for the purpose of group reporting

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

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

In fiscal year 2015, the Group deconsolidated its subsidiary, Del Monte Andina C.A., an entity which has operations in Venezuela. Venezuela has a hyperinflationary economy. The Venezuelan exchange control regulations have resulted in other-than-temporary lack of exchangeability between the Venezuelan Bolivar and US Dollar. This has restricted the Venezuelan entity's ability to pay dividends and obligations denominated in US Dollars. The exchange regulations, combined with other recent Venezuelan regulations, have constrained the Venezuelan entity's ability to maintain normal production. Due to the Group's inability to effectively control the operations of the entity, the Group deconsolidated the subsidiary with effect from

February 2015. The equity interest in this entity is determined to be the cost of investment of the entity at the date of deconsolidation. The investment is carried at cost less impairment.

The deconsolidation of the Venezuelan entity resulted in a loss from deconsolidation of US$5.2 million, which was recognised as part of "Other income (expenses) – net" in the 2015 income statement (See Note 26).

<u>Risk Factors relating to the Business</u>

Enterprise-Risk Management Programme

The Group has an established enterprise-wide risk management programme that aims to provide a structured basis for proactively managing financial, operational, compliance, information technology and sustainability risks in all levels of the organisation.

Risk management is a regular board agenda item.

Principal risk	Specific risk we face	Mitigation
Branded and Non-Branded Business	The Group's branded business in the USA, the Philippines and the Indian subcontinent through the *Del Monte* brand, and in Asia and the Middle East through the *S&W* brand, is affected by a number of factors, including, but not limited to, competition, product innovation and product acceptance, industry trends, distribution expansion, penetration and business partners' risks. The Group's core categories in the US – Canned Vegetables, Canned Fruits and Canned Tomato – are large categories that generate strong cash flows but are slowing down. Certain non-branded business of the Group (including the USDA and certain private label) requires a competitive bidding process which does not guarantee the outcome of the bid nor the profitability of such bids. Organisational changes may hamper execution of the Group's strategic plan.	• Strengthen the core business, expand the product portfolio and markets • The Group's joint venture with Fresh Del Monte Produce, Inc. will strengthen the U.S. business through collaboration on new product innovations such as chilled juices, fruit snacks and avocado products • Shift to branded value-added, packaged products with emphasis on innovation, health and wellness, convenience, quality, competitiveness and consumer appeal of the categories • The Group is reassessing its non-branded business in its long-term strategic plan • Expand growing categories – Broth and Single-Serve Fruit snacks in alternative packaging formats • Market and customer diversification: increased penetration of high-growth channels, foodservice and e-commerce • Reinforce consumption-driven marketing strategies such as consumer advertising • Building on closer working

Principal risk	Specific risk we face	Mitigation
		relationships with trade partners • Improve talent management and enhance selling, marketing and operational processes to support business goals
Inventory Management	Excess inventory due to challenges in demand planning, crop tonnage and order fulfillment.	• Improve demand planning and adjust production plan to manage inventories • More focus and use of technology allows for better inventory management and visibility
Goodwill	Goodwill impairment in the US relies on improvement of our Net Operating Income in the near-term.	• To improve our income stream, the Group will strengthen the core business, expand the product portfolio and markets • The Group's joint venture with Fresh Del Monte Produce, Inc. will strengthen the U.S. business through collaboration on new product innovations such as chilled juices, fruit snacks and avocado products • Shift to branded value-added, packaged products with emphasis on innovation, health and wellness, convenience, quality, competitiveness and consumer appeal of the categories • Expand growing categories – Broth and Single-Serve Fruit snacks in alternative packaging formats • Market and customer diversification: increased penetration of high-growth channels, foodservice and e-commerce • Reinforce consumption-driven marketing strategies such as consumer advertising • Improved cash flow in the US, which accounts for approximately 75% of Group sales

Principal risk	Specific risk we face	Mitigation
		• Expected cost savings from selling, general and administrative expense reduction initiatives, managing working capital, production levels and capital spending, productivity enhancements and operational efficiencies
Trade Spending	In the US, a large portion of sales expense is for trade promotion activities. Management of trade promotion activity is important.	• In the US, the Group will explore various programmes and tools to better manage trade promotion • The Group will leverage the SAP software to address these challenges
Financial Leverage	The Group has long-term acquisition financing resulting in a leveraged balance sheet. Risks would arise if there is a general economic or industry slowdown that may impact the Group's performance, which subsequently may affect the Group's ability to service its interest and principal obligations.	• The Group successfully completed the offering and listing of about US$200 million Preference Shares in the Philippines in April with a coupon rate of 6.625% p.a. • Net proceeds were used to partly refinance the US$350 million loan which was extended until February 2019 • Remaining balance of US$ 150 million of Preference Shares are issuable within 3 years • The Group previously raised approximately US$150 million in March 2015 from the Rights Issue in Singapore and the Philippines, and used the proceeds to partially pay down the acquisition bridge financing • The Group also expects to meet its financial obligation by generating more cash flows through the following: − Improved cash flows in the US,

Principal risk	Specific risk we face	Mitigation
		which accounts for approximately 75% of Group sales − Expected cost savings from selling, general and administrative expense reduction initiatives, managing working capital, production levels, productivity enhancements and operational efficiencies − Expected sales and profit growth in the Asian business with the continuous expansion of the *S&W* brand in Asia and the Middle East both in packaged and fresh products, and growth of the Philippine business through its market leadership position • The Group manages its interest rate risk by swapping variable with fixed interest rates − The majority of the term acquisition loans in the USA have already been swapped to fixed rates in February 2014, which took effect beginning February 2016 until 2021
Talent Management	The Group's capability to acquire and retain talent has an impact on the execution of the strategic plan.	• Employee engagement is one of the strategies used to attract and retain talent by the Group • In the Philippines, we continue to monitor new legislations that affect labour and operations, and proactively develop strategies to reduce the impact of these regulations
ERP/SAP Optimisation in USA	In January 2015, the Group implemented a new Enterprise Resource Planning system, SAP, in the US and outsourced its finance and accounting functions to a reputable global service provider in the Philippines.	• The Group has transitioned to a new global service provider for finance and accounting • The Group is managing the transition by retaining existing staff in its back office for a certain period, managing knowledge transfer to key members of

Principal risk	Specific risk we face	Mitigation
	Given the new systems and processes involved, there are risks to timely and accurate processing of documents, monitoring of expenditures, along with the change of service provider and decision-making associated with the steady flow of detailed quality information.	the new staff, and solid training for all staff involved • Refocus IT support to effectively manage the project implementation which includes prioritising SAP enhancements and alignment of key business processes with functional groups • SAP enhancements were prioritised by management and a number of projects are underway
Tax	The Group may be exposed to additional losses from write-offs of deferred tax credits and impairment of goodwill should our operations in the US continue to incur losses. The Group may lose certain tax incentives should it fail to comply with the conditions for the tax incentive.	• Proper execution of the Group's strategic and annual operating plan to meet its projected income in the U.S. • Implement measures to comply with conditions related to the tax incentive • Ensure the Group's compliance with rules and regulations
Operations	As an integrated producer of packaged and fresh fruit products for the world market, the Group's earnings are inevitably subject to certain other risk factors, which include general economic and business conditions, change in business strategy or development plans, international business operations, production efficiencies, input costs and availability, disruption of logistics and transportation facilities, litigious counterparties, insurgent activities and changes in government regulations, including, without limitation, environmental regulations.	• The Group develops and executes a long-term strategic plan and annual operating plan, supported by a business continuity plan, risk management and a corporate sustainability programme • It also pursues productivity-enhancing and efficiency-generating work practices and capital projects • To manage security risks in its operating units in the Philippines, the Group has strengthened security measures and improved its stakeholder relations in the communities where it operates
Environmental Risks	Production output is subject to certain risk factors relating to weather conditions, catastrophes, crop yields, contract growers and	• The Group develops and executes a long-term strategic plan and annual operating plan, supported by a contingency plan and risk

Principal risk	Specific risk we face	Mitigation
	service providers' performance, and leasehold arrangements. There is no assurance that natural catastrophes or climate change will not materially disrupt the Group's business operations in the future, or that the Group is fully capable to deal with these situations with respect to all the damages and economic losses resulting from these risks. Our business in the US operates and contractually grows food in the United States where water availability may be at risk due to drought and limited water supply, new regulations on fresh water use and grey water discharges, and increasing cost. During the fiscal period, the Group experienced the end of El Niño and the start of La Niña weather phenomenon in certain areas of its operation. This affected crop yield. The drought in California has had an effect on fruit trees such as peaches, affecting quality, volume and pricing which could reduce consumer demand. The drought in southern Philippines impacted the pineapple supply in the first semester.	management measures • The Group also has in place disaster recovery plans and business continuity plans to mitigate these incidents, and has implemented programmes and initiatives to mitigate the effects of El Niño and La Niña • The Group has Global Agricultural Practices (GAP) certifications, and complies with proven agricultural practices • The Group is exploring sourcing peaches from foreign sources • Higher peach product costs are expected to be offset by lower costs from productivity enhancements and operational efficiencies • To minimise water risks, the Group needs to: – Invest in technologies to improve water conservation and encourage the business culture of saving water – Reuse and/or recycle water in operations as many times as possible before discharging to grey water – Improve the quality of grey water discharges using source point pollution control and new raw product processing methods that discharge less pollutants of concern – Work with growers to encourage the use of more water-efficient irrigation systems and techniques • To manage any impact from heavy rainfall and floods, plantings are done in various locations to minimise tonnage loss, and towing units have

Principal risk	Specific risk we face	Mitigation
		been augmented to ensure continuity of harvest during wet conditions • The Group also works with insurance brokers to assess the risk exposure and secure adequate insurance coverage, if cost effective
Cyber Security	The increasing global incidence of cyber-attacks on Company servers and websites demonstrates the need to strengthen and improve security of the Group's systems. Cyber-attacks can disrupt operations such as exploiting weaknesses in network devices and servers, corrupting information and stealing confidential data which can lead to financial losses.	• The Group develops and implements measures to counter and eliminate cyber-attacks from outside sources: – Adopt industry best practice to strengthen network security such as updating security patches to the system and encrypting workstations – Design and implement security control at each local site • The Group has engaged a third party to audit its systems and mitigate such risks
Group Assets	The Group assets are exposed to various risks relating to the assets of, and the possible liabilities from, its operations.	• To safeguard its assets, the Group assesses its risk exposure annually with its insurance brokers and insurance companies • Assets are generally insured at current replacement values • Additions during the current year are automatically included with provision for inflation protection • During the financial year in review, all major risks were adequately covered, except where the premium costs were considered excessive in relation to the probability and extent of a loss

Item 2. Properties

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

Description	Location/ Address	Status	Condition	Book Value
				(In US$ MM)
Cannery Operations				
Cannery Clothes and Shoes Changing	Bugo, Cagayan de Oro City	Owned	Good	0.11
Central Maintenance	Bugo, Cagayan de Oro City	Owned	Good	0.37
Coal-Fired Boiler Plant	Mambatangan, Bukidnon	Owned	Good	3.03
Compound & Yard	Bugo, Cagayan de Oro City	Owned	Good	11.13
Concentrate Plant	Bugo, Cagayan de Oro City	Owned	Good	1.42
DM Bugo Clinic	Bugo, Cagayan de Oro City	Owned	Good	0.08
Engineering & Design	Bugo, Cagayan de Oro City	Owned	Good	0.07
Factory Offices	Bugo, Cagayan de Oro City	Owned	Good	0.05
General Products Plant	Bugo, Cagayan de Oro City	Owned	Good	0.00
Labeling & Warehousing	Bugo, Cagayan de Oro City	Owned	Good	1.95
Machine Shop	Bugo, Cagayan de Oro City	Owned	Good	0.00
Maintenance Shops & Warehouses	Bugo, Cagayan de Oro City	Owned	Good	0.03
Mixed Fruit Plant	Bugo, Cagayan de Oro City	Owned	Good	1.69
Preparation Plant	Bugo, Cagayan de Oro City	Owned	Good	3.17
Processing Plant	Bugo, Cagayan de Oro City	Owned	Good	3.26
Quality Control	Bugo, Cagayan de Oro City	Owned	Good	0.10
Steam & Power Plant	Bugo, Cagayan de Oro City	Owned	Good	0.68
Sugar Recovery Plant	Bugo, Cagayan de Oro City	Owned	Good	0.89
Trucks, Pick-ups, and Motorcycles	Bugo, Cagayan de Oro City	Owned	Good	0.02
Two Storey Building,1859 SQ.M. (929.5 each floor)	Bugo, Cagayan de Oro City	Owned	Good	0.20
Waste Water Treatment Plant	Bugo, Cagayan de Oro City	Owned	Good	11.47
Others				
Chillers & Dispensers		Owned	Good	1.28
CUSTOMER ACTIVATION	Bugo, Cagayan de Oro City	Owned	Good	0.25
Equipment at Tollpackers	Bugo, Cagayan de Oro City	Owned	Good	0.03
Equipment at Warehouses		Owned	Good	0.06
Equipments		Owned	Good	0.88
JYCC Building Fit-out Works	Global City, Taguig	Owned	Good	2.07
PET Plant (Cabuyao, Laguna)	Cabuyao, Laguna	Owned	Good	5.94
Quality Assurance, Research & Dev't Equipment		Owned	Good	0.26
Vehicles - Car plan, Sales agents, Department vehicles	Global City, Taguig	Owned	Good	0.96
Plantation Operations				
Boom Harvesters	Manolo Fortich, Bukidnon	Owned	Good	0.56
Boom Sprayers	Manolo Fortich, Bukidnon	Owned	Good	1.24
Camp Phillips Compound (Admin Offices)	Malaybalay City, Bukidnon	Owned	Good	0.67
Fertilizer and Chemical Bodega and Batching Facility		Owned	Good	3.30
Camp 1 (JMC)	Manolo Fortich, Bukidnon	Owned	Good	0.70
Camp 14	Manolo Fortich, Bukidnon	Owned	Good	0.21
Camp 9	Manolo Fortich, Bukidnon	Owned	Good	0.22
Camp Fabia		Owned	Good	0.01

Camp Phillips		Owned	Good	1.43
CLAVERIA		Owned	Good	0.00
Dalwangan	Malaybalay City, Bukidnon	Owned	Good	0.24
Damilag		Owned	Good	0.03
FF Packing Shed		Owned	Good	0.00
Impasug-ong	Impasug-ong, Bukidnon	Owned	Good	0.05
Kiantig Quezon, Buk.		Owned	Good	0.05
Montemar Industries		Owned	Good	0.00
South Bukidnon		Owned	Good	0.03
Sumilao	Sumilao, Bukidnon	Owned	Good	0.31
Taliwan		Owned	Good	0.03
Hospital		Owned	Good	0.02
JMC Fresh Fruit Packing House w/ Cold Storage	Manolo Fortich, Bukidnon	Owned	Good	2.69
Livestock, Feedlot, and Dairy	Manolo Fortich, Bukidnon	Owned	Good	0.13
Motorgrader	Manolo Fortich, Bukidnon	Owned	Good	0.41
South Bukidnon Packing House w/ Cold Storage	Quezon, Bukidnon	Owned	Good	2.28
Staff Houses	Manolo Fortich, Bukidnon	Owned	Good	0.66
Trucks, Pick-ups, and Motorcycles	Manolo Fortich, Bukidnon	Owned	Good	1.02
Wheel & Crawler Tractors	Manolo Fortich, Bukidnon	Owned	Good	4.41
DMFI Facilities				
Production facilities	Continental United States and Mexico	Owned	Good	464.70
Distribution facilities	Continental United States and Mexico	Leased	Good	
Grand Total				**535.89**

Item 3. Legal Proceedings

Matters Assumed in Connection with the Consumer Food Business

As described in Note 1 and Note 4, the Group acquired the Consumer Food Business in February 2014. Throughout this section, reference is made to DMFI as the Defendant in the actions described since DMFI has assumed the liability of the Seller, if any, in these actions.

Kosta Misbranding Class Action

On 5 April 2012, Plaintiff (Kosta) filed a complaint against DMFI in the U.S. District Court for the Northern District of California alleging false and misleading advertising under California's consumer protection laws. Plaintiff alleges that DMFI made a variety of false and misleading advertising claims including, but not limited to, its lycopene and antioxidant claims for tomato products and claims that DMFI misled consumers with respect to its refrigerated fruit products. The complaint sought certification as a class action.

On 15 July 2015, Plaintiff's motion for class certification was denied. Plaintiff has appealed this ruling to the Federal Court of Appeals. The appeal has been fully briefed. Oral arguments are expected to be scheduled for 2017. The Group cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

Other legal cases

Bruce, et al v. DMFI

A complaint was filed on 12 October 2016 in US District Court for the Northern District of California seeking class certification and alleging age and disability discrimination as well as violations of PAGA due to in-season attendance policy. DMFI denies the claims. DMFI's Motion to dismiss was filed on 11 January 2017 and hearing was held on 16 February 2017. The Court granted DMFI's motion with leave to amend. Amended complaint was filed on 9 March 2017 and DMFI's answer was filed on 19 April 2017. Mediation has been set for 20 July 2017. The Group cannot at this time reasonably estimate a range of exposure, if any, of potential liability.

Other

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

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

Except for the matters taken up during the Annual General Meeting and General Meeting of Stockholders last August 30, 2016, there was no other matter submitted to a vote of security holders during the period covered by this report.

Part II - OPERATIONAL AND FINANCIAL INFORMATION

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

The Company has been listed on the SGX-ST for nearly 17 years since 1999. The Company was successfully listed on the PSE on 10 June 2013, making DMPL the first entity to be dual-listed on the SGX-ST and the PSE.
The Company's share price highlights are as follows:

Year	Quarter	PSE (PHP)		SGX (SGD)	
		High	Low	High	Low
2017	2Q 2017				
	1Q 2017	12.80	11.74	0.36	0.33
2016	4Q 2016	13.18	11.74	0.37	0.33
	3Q 2016	13.04	11.46	0.38	0.34
	2Q 2016	12.50	10.60	0.37	0.29
	1Q 2016	13.40	11.00	0.40	0.30
2015	4Q 2015	13.44	9.49	0.45	0.29
	3Q 2015	13.00	9.94	0.42	0.30
	2Q 2015	13.98	11.50	0.47	0.34
	1Q 2015	15.09	11.28	0.47	0.31
2014	4Q 2014	17.60	13.80	0.55	0.46
	3Q 2014	20.75	17.40	0.56	0.51
	2Q 2014	23.70	20.50	0.63	0.52
	1Q 2014	24.00	21.75	0.65	0.59
2013	4Q 2013	33.45	22.50	0.96	0.58
	3Q 2013	29.95	25.00	0.94	0.74
	2Q 2013	27.20	23.00	0.95	0.69
	1Q 2013	-	-	0.96	0.64

On 7 April 2017, the Company listed its U.S. dollar-denominated preference shares on the PSE.
The Company's share price highlights for its preference shares are as follows:

Year	Quarter	PSE (USD)	
		High	Low
2017	2Q 2017	10.90	10.00
	1Q 2017	-	-

The Company has an authorized capital stock of U.S.$630.0 million consisting of 3,000,000,000 ordinary shares, each with a par value of U.S.$0.01 and 600,000,000 preference shares, each with a par value of U.S.$1.00. Out of the authorized capital stock, the Company has (i) 1,943,214,106 ordinary shares, and (ii) 20,000,000 preference shares outstanding.

The number of ordinary shares outstanding excludes 1,721,720 ordinary shares held by the Company as treasury shares. The Company has a total of 1,944,935,826 issued ordinary shares, including treasury shares.

The top 20 shareholders of the Company's ordinary shares as at 10 July 2017 are as follows:

Rank	Name	No. of Ordinary Shares	%
1	NutriAsia Pacific Limited	1,155,030,190	59.44%
2	HSBC (Singapore) Nominees Pte Ltd	154,389,834	7.95%
3	Citibank Noms S'pore Pte Ltd	104,206,656	5.36%
4	Lee Pineapple Company Pte Ltd	100,422,000	5.17%
5	DBS Nominees Pte Ltd	78,007,372	4.01%
6	Raffles Nominees (Pte) Ltd	49,003,319	2.52%
7	BNP Paribas Nominees Singapore Pte Ltd	23,024,490	1.18%
8	Wee Poh Chan Phyllis	14,294,900	0.74%
9	United Overseas Bank Nominees	10,929,228	0.56%
10	DBS Vickers Secs (S) Pte Ltd	9,531,571	0.49%
11	Joselito Jr Dee Campos	7,621,466	0.39%
12	Pineapples of Malaya Private Limited	6,432,000	0.33%
13	Maybank Kim Eng Secs Pte Ltd	5,721,790	0.29%
14	OCBC Securities Private Ltd	4,514,085	0.23%
15	DB Nominees (S) Pte Ltd	3,774,432	0.19%
16	Luis Francisco Alejandro	3,381,600	0.17%
17	Chong Yean Fong	2,800,000	0.14%
18	Phillip Securities Pte Ltd	2,634,095	0.14%
19	UOB Kay Hian Pte Ltd	2,624,900	0.14%
20	HL Bank Nominees (S) Pte Ltd	2,600,000	0.13%
	Subtotal (Top 20 Stockholders)	**1,740,943,928**	**89.59%**
	Others	202,270,178	10.41%
	Total Outstanding	**1,943,214,106**	**100.00%**

DIVIDENDS AND DIVIDEND POLICY ON ORDINARY SHARES

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

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

The Company's dividend payment policy has been to distribute a minimum of 33% of full year profit. For fiscal years 2017 and 2016, the Company paid out 50%. For fiscal year 2015, no dividends were declared due to the net loss position of the Company as a result of the non-recurring acquisition-related expenses, purchase accounting financial impact and transition expenses of DMFI. In 2013, an interim dividend was declared but no final dividend. From 2006 to 2012, the Company paid out 75%. There is, however, no guarantee that the Company will pay any dividends to the holders of its ordinary shares in the future.

The Company endeavors to pay dividends in a timely manner within 30 days after being declared. The dividend policy and terms, including the declaration and payment dates, are provided in the Company's website.

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

As of the fiscal year ended 30 April 2017

The financial statements of the Company and its subsidiaries (the "**Group**") as of 30 April 2017 are attached and incorporated herein by reference.

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

Review of Operating Performance for FY2017 vs FY2016

Sales

DMPL generated sales of U.S.$2.3 billion in FY2017, slightly lower by 0.9% versus the prior year as higher sales from the Philippines and S&W in Asia and the Middle East were offset by lower sales in the United States.

USA

DMPL's U.S. subsidiary, DMFI, generated sales of US$1.7 billion or 75.3% of Group sales, lower by 4.6% versus prior year due to reduced sales in foodservice and private label business lines as well as the impact of unsuccessful low-margin U.S. Department of Agriculture bids. The foodservice business has been impacted by supply-related issues following closure of the North Carolina plant.

DMFI has been focused on strengthening its leading share positions amidst canned vegetable and fruit industry contraction. For the full year, it increased its retail market share in the canned vegetable segment by 1.7% and maintained its share for canned fruit. It experienced slight declines for the canned tomato and plastic fruit cup segments.

DMFI increasingly offers differentiated value propositions through meaningful product improvements, marketing campaigns, and innovation as well as effectively managing pricing fundamentals and executing well at the retail channel.

To meet the unique snacking needs of on-the-go adults, DMFI introduced *Del Monte® Fruit Refreshers™* in June 2016. *Fruit Refreshers* are the first-ever adult fruit cup, bringing unexpected fruit flavours and exciting combinations in refreshing fruit waters. Each 7oz adult-sized cup provides 1 full serving of fruit and is less than 100 calories. *Del Monte® Fruit Refreshers™* won the 2017 Product of the Year Award in the Healthy Snacking category in the USA. The Product of the Year Award is the world's largest consumer-voted award for product innovation where winners are backed by the votes of 40,000 consumers in a national representative survey conducted by research firm Kantar TNS.

To address developing culinary trends amongst its loyal consumer-base, the Company also launched *College Inn Bold Stock* in Beef and Chicken flavours.

In foodservice, DMFI launched fruit cups meeting school requirement of a full ½ cup fruit (4.4 oz total) and meeting the U.S. Department of Agriculture's requirement for schools to purchase food grown in the U.S. It also offered *Kitchen Crafted Beans*, high-flavour, less-sodium beans designed to meet school nutrition requirements.

As part of the DMPL's growth and globalisation initiative, the distribution of imported product from the Philippines has extended its reach beyond Asian Ethnic market to mainstream grocery channel in the U.S. To strengthen the Group's global supply chain network, DMFI will work to increase the cross-selling effort between the U.S. and Asia by expanding its international product portfolio to meet the growing demand of Ethnic food product in the U.S.

DMFI has continued to export its *S&W* canned specialty fruits, corn and tomato products to Asia.

Philippines

The Philippine market delivered a record performance with sales of U.S.$329.2 million, up 2% in U.S. dollar terms and up 6% in peso terms as all product categories – packaged fruit, beverage and culinary – posted higher sales, driven by expanded penetration and increased consumption in retail and optimised opportunities in the rapidly-growing foodservice channel.

The Company strengthened its culinary portfolio with the launch of the *Contadina* brand with Nigella Lawson, best-selling cookbook author, food enthusiast and TV host as brand ambassador.

Contadina is a brand name known to American families for 100 years and is one of four key brands that the Group markets in the United States. *Contadina* takes to heart the Mediterranean philosophy of cooking with passion, using only the finest ingredients to deliver rich and authentic flavours. DMPL brought the brand to the Philippines with new products of olive oil, pasta, pasta sauces and canned tomatoes.

DMPL also launched *Del Monte Creamy & Cheesy Spaghetti Sauce*, which contains real cream and cheddar cheese. This product provides a relevant and distinct superiority platform for *Del Monte Spaghetti Sauce* vis-à-vis low-priced brands.

The Company re-introduced *Del Monte Extra-Rich Tomato Ketchup* and *Del Monte Extra-Rich Banana Ketchup*. Both launches are meant to tap into the growing trend for premiumisation, following improvements in the Filipinos' purchasing power.

In the beverage segment, *Del Monte Heart Smart*, an innovative 100% juice that aids in cholesterol reduction, expanded its relevance amongst adults, 30's and up with an endorsement from the Philippine Association of Thoracic and Cardiovascular Surgeons.

The Company entered the isotonic segment, a new category – with the launch of *Del Monte Fit 'n Right Active,* the first 2-in-1 Isotonic drink with Electrolytes for rehydration and L-Carnitine for fat reduction. It also launched *Del Monte Fizzy Juice Drinks* in select foodservice accounts. These are carbonated juices to tap into new consumer segments and new consumption occasions.

DMPL maintained its dominant market share position in most categories it competes in.

The foodservice or institutional channel also performed strongly as it introduced a number of initiatives:

- Expanded juice dispenser coverage and introduced special flavours, hitting record volume;
- Strategic meal pairing tie-ups in major convenience stores and fast food chains;
- Regained the pineapple tidbits business from major pizza chains; and
- *Del Monte Tetra Juice Drinks* offered on Philippine Airlines.

S&W in Asia and the Middle East

Sales of the *S&W* business in Asia and the Middle East reached U.S.$120.2 million in FY2017, a record for this brand since the Group acquired it in 2007. Sales were significantly higher by 33% on higher volume and favourable mix. Both the fresh and packaged segments generated higher sales with the fresh fruit and canned fruit categories performing well. The fresh segment accounted for 72% of S&W's total sales in FY2017, while the packaged segment accounted for the balance 28%.

S&W's strong performance was driven by improved distribution and expansion in Asia through partnership and other initiatives as follows:

- Partnered with Goodfarmer, one of China's leading suppliers of fruits and vegetables, through a co-branding programme for the *S&W Sweet 16 Fresh Pineapple;*
- Pursued more e-commerce inititiatives through the launch of key *S&W* packaged products in China's JD.com;
- Tied up with Burger King in China and with McDonald's in China, Hong Kong and Singapore to supply pineapple slices for their promotional burgers;
- Launched *S&W Organic Apple Cider Vinegar* in Malaysia and Singapore;
- Launched *S&W – Pineapple Chunks in Lychee, Coconut and Grapefruit-Flavoured Light Syrup* in Dubai; and
- Higher shipments into Indonesia and improved sales to a foodservice partner in the Philippines.

FieldFresh India (equity accounted)

Sales at FieldFresh Foods, our Indian joint venture, which are equity accounted and not consolidated, were US$72.9 million in FY2017, 11% higher versus prior year. US$61.7 million came from the *Del Monte*-branded packaged segment and US$11.2 million from the *FieldFresh*-branded fresh segment.

The *Del Monte* business in India was up strongly by 16% with robust performance from key accounts and foodservice segments. In retail, growth was driven by the culinary category with the relaunch of an expanded mayonnaise glass bottle range as well as good traction in the olive oil portfolio. It also launched the *Del Monte Dried Blueberries* in 130g pouches and *Del Monte Baked Beans*. The year also saw the Group extend its partnership with Kikkoman with the introduction of 200ml and 1-litre soy sauce in the Indian market.

Riding on the growing consumer trend for healthier snacking alternatives amongst young working adults, *Del Monte* was one of the first to introduce a range of packaged dried fruits in India – Cranberries, Prunes and recently, Blueberries - that gave consumers the benefit of a low-fat, low-sodium, high-fibre snack.

FieldFresh sustained its positive EBITDA while DMPL's share of loss in the FieldFresh joint venture in India remained flat at U.S.$1.6 million. Although sales were strong, bottomline was impacted by demonetisation, higher commodity costs and the devaluation of pound that impacted exports of fresh products to UK.

Nice Fruit Joint Venture

In 2014, the Company entered into a joint venture with leading Spanish fruit processor, Nice Fruit SL, and investment firm, Ferville Ltd, to build a food processing facility in the Philippines, and process, market and sell frozen pineapple globally. The facility, located near the Group's plantation in Bukidnon, Philippines, started commercial operations in May 2017.

It utilises Nice Fruit's patented technology called Nice Frozen Dry (NFD) that allows fruits picked at optimal ripeness to be frozen for up to three years while preserving nutrients, structure, original properties and organoleptic characteristics. This technology has gained international acceptance, having won Best Product of the Year in the foodservice category at the prestigious Salon International de l'alimentation or SIAL in 2014, and FABI prize (Food and Beverage) for its revolutionary product from more than 2,000 companies at the National Restaurant Association or NRA Show in Chicago in 2015. This technology foresees radical changes in food consumption habits, and advantages for export and improved stock management.

The new processing facility in the Philippines has already produced and shipped frozen pineapple chunks to Europe. Product samples have also been sent to other markets.

Gross Profit and Margin

DMPL generated a gross profit of U.S.$494.9 million, higher by 2% over the prior year, while gross margin improved to 22.0% from 21.4% in the same period last year driven by the Asian business.

DMFI's gross margin declined to 17.2% from 18.0% in the same period last year, mainly driven by lower volume, unfavourable pricing in non-retail channel and higher trade spending in the U.S..

DMPL ex-DMFI's gross profit grew to U.S.$198.9 million, and its gross margin increased to 32.5% from 29.8% due to better sales mix, pricing actions and cost optimisation.

EBITDA and Net Profit

DMPL's EBITDA declined by 19.6% to U.S.$194.0 million, of which U.S.$77.7 million was accounted for by DMFI. FY2017 EBITDA included U.S.$17.9 million of one-off expenses which were primarily severance and closure of North Carolina plant. Meanwhile, FY2016 EBITDA included a one-time net gain of U.S.$33.1 million mainly from DMFI's retirement plan amendment and working capital adjustment with the previous owner of DMFI. Please refer to the table below for the schedule of one-off items.

Excluding one-off items, the Group's recurring EBITDA would have been U.S.$211.8 million (DMFI at U.S.$93.6 million), 1.7% higher versus the recurring EBITDA of U.S.$208.4 million in the prior year period.

DMPL adopted amendments to IAS 16 and IAS 41 (Agriculture: Bearer Plants in April 2017). The change in accounting standard was applied retrospectively. This involved reclassifying a portion of biological assets to plant, property and equipment leading to much higher depreciation expense. However, for EBITDA calculation, the Group retained the old calculation using the lower depreciation for comparability. For more information on these amendments, please refer to Note 3 of the financial statements.

DMPL generated a net profit of U.S.$24.4 million for FY2017, lower than prior year period's net profit of U.S.$57.0 million which included a one-time net gain of U.S.$31.7 million. Meanwhile, FY2017 results included the U.S.$21.1 million of one-off expenses mentioned above, plus the write-off of deferred tax assets.

Excluding the one-off items, the Group's recurring net profit would have been U.S.$45.5 million, significantly higher versus the prior year's recurring net profit of U.S.$25.2 million mainly driven by the strong performance of the Asian business.

DMPL's net profit without DMFI was U.S.$58.9 million, significantly up versus prior period's U.S.$31.8 million mainly from improvement in gross margin as outlined above. However, DMFI experienced a higher recurring net loss (before DMPL's non-controlling interest) of U.S.$21.4 million from U.S.$6.1 million. Lower sales in the non-retail channels were partially offset by cost savings initiatives. The cost savings initiatives are a key pillar of DMFI's growth strategy that will result in high quality and cost competitive products. The initiatives are on-track and delivered U.S.$20 million of cost savings in FY2017.

Non-Recurring Items (in U.S.$m)	**FY2016**	**FY2017**	**Booked under**
Closure of North Carolina plant[1]	(16.3)	(3.7)	CGS and G&A expense
ERP implementation at DMFI[2]	(13.2)	-	G&A expense
Sager Creek integration[1]	(6.9)	-	G&A and other expense
Severance[1]	(7.9)	(10.2)	G&A expense
Others (includes professional fees)	-	(4.0)	G&A expense
Working capital adjustment with previous owner of DMFI[3]	38.0	-	Other operating income
Retirement plan amendment (no tax impact)[4]	39.4	-	G&A expense
Total income/(expense) (pre-tax basis)	**33.1**	**(17.9)**	
Write-off of Deferred Tax Asset at DMFI[5] (gross and net basis)	-	(11.5)	Tax expense
Total (net of tax and non-controlling interest of 10.6%)	**31.7**	**(21.1)**	

[1] The Group closed one of the plants located in North Carolina, U.S. to streamline operations and improve profitability. It also shifted to a leaner organisation model in the U.S. to drive channel growth and bring down costs in line with competition hence the severance costs.

[2] DMFI migrated its ERP to the SAP system in January 2015, raising its processes and systems to global standards. Its parent, DMPL, also uses the same ERP. DMFI incurred additional costs in FY2016 as it stabilised SAP.

[3] On 18 February 2014, the Group acquired Del Monte Corporation's consumer products business (through DMPL's subsidiary, DMFI for U.S.$1.675 billion plus working capital adjustments. Since then, there was a dispute between DMFI and the seller on the working capital adjustments calculation. The dispute was settled on 29 April 2016 and, pursuant to such settlement, the seller's successor-in-interest paid U.S.$38.0 million to DMFI.

[4] DMFI amended one of its post-employment benefits replacing its retiree medical and dental benefits to contributions to a Health Reimbursement Account. Such amendment requires the re-measurement of the benefit obligation/liability. IFRS requires this to be recognised in the P&L as one-time income and this is non-taxable.

[5] Due to continued pre-tax losses, however, there is no cash impact. Please refer to Note 10 of the financial statements for more details

INVENTORIES

DMPL's inventories amounted to U.S.$916.9 million as at 30 April 2017, higher than the U.S.$845.2 million as at 30 April 2016 due to DMFI's higher inventory level from reduced sales. This inventory is shelf-stable and can be sold on a go-forward basis. To improve working capital, DMFI will also be producing less during the harvest season.

DEBT AND CASH FLOW

The Group's net debt (cash and bank balances less borrowings) amounted to U.S.$1.7 billion as at 30 April 2017, slightly lower than the U.S.$1.8 billion as at 30 April 2016 due to repayment of loans. Out of the total net debt of U.S.$1.7 billion, DMFI accounted for U.S.$1.1 billion while DMPL ex-DMFI accounted for U.S.$588.1 million.

The majority of the LBO loans in the U.S. have already been swapped to fixed rates starting February 2016.

In April 2017, the Group raised approximately US$200 million from the issuance of preference shares.

The Group's cash flow from operations was U.S.$187.1 million for FY2017, significantly higher than the U.S.$108.0 million in FY2016 mainly due higher trade and other payables.

CAPEX

Capital expenditures (capex) were U.S.$145.0 million for FY2017, higher than the U.S.$138.9 million in the prior year due to revenue generating projects and maintenance in DMPL's plants. DMFI accounted for U.S.$46.7 million of Group capex for FY2017, slightly up from U.S.$46.0 million in FY2016.

DMPL ex DMFI's capex was U.S.$98.4 million for FY2017, up from U.S.$93.0 million in FY2016.

DIVIDENDS FOR ORDINARY SHARES

Under the Company's Articles of Association and the terms of the preference shares, the Company may declare and pay dividends on ordinary shares, provided there are adequate and available funds for dividends on preference shares which have priority over ordinary shares.

Subject to the foregoing, the Board approved a final dividend of US$0.0061 per ordinary share representing 50% of FY2017 net profit.

	FY2016	**FY2017**
Dividend for Common Shareholders	U.S.$0.0133 per share	U.S.$0.0061 per share

Payout Rate	50% of FY2016 net profit	50% of FY2017 net profit
Record Date	26 August 2016	To be confirmed
Payment Date	8 September 2016	To be confirmed

PREFERENCE SHARES OFFERING

In April 2017, the Company successfully completed the offering and listing of its U.S. dollar-denominated preference shares in the Philippines, generating approximately U.S.$200 million in proceeds. This is an important achievement for the Company as well as the PSE as these were the first dollar-denominated securities listed on the PSE.

The coupon rate of the preference shares is 6.625% per annum, payable semi-annually.

The preference shares are redeemable by the Company at its option on the fifth anniversary.

The Company used the net proceeds to partly refinance a U.S.$350 million loan which was extended in February 2017 for two years. The Group's net debt to equity ratio was reduced to 290% from 477% in the prior year. The balance of U.S.$150 million of preference shares is issuable within three years.

OPERATING SEGMENTS

AMERICAS

For the full year ended 30 April

In US$'000	Turnover			Gross Profit			Operating Profit/(Loss)		
	FY2017	**FY2016 (Restated)**	**% Chg**	**FY2017**	**FY2016 (Restated)**	**% Chg**	**FY2017**	**FY2016 (Restated)**	**% Chg**
Packaged fruit	**615,731**	632,598	(2.7)	**114,160**	100,001	14.2	**17,859**	28,873	(38.1)
Packaged vegetable	**747,284**	814,004	(8.2)	**125,048**	166,421	(24.9)	**10,644**	56,957	(81.3)
Beverage	**28,859**	28,691	0.6	**10,018**	4,022	149.1	**2,944**	(148)	n.m.
Culinary	**298,454**	294,486	1.3	**54,949**	56,020	(1.9)	**5,222**	18,188	(71.3)
Others	**1,108**	90	n.m..	**250**	12	n.m.	**2,858**	(5,436)	152.6
Total	**1,691,436**	1,769,869	(4.4)	**304,425**	326,476	(6.8)	**39,527**	98,434	(59.8)

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

Sales in the Americas decreased by 4.4% to US$1.7 due to the impact of unsuccessful low-margin US Department of Agriculture bids from the second half of FY2016 plus reduced sales in private label and foodservice business lines. The foodservice business has been impacted by supply-related issues following closure of the North Carolina plant. However, amidst industry contraction, DMFI increased its market share across two of the four major categories in retail, ie packaged vegetable and broth, which was further supported by the growth of the branded business among major retail customers..

Gross profit was lower by 6.8% to US$304.4 million than prior year mainly driven by lower volume, unfavourable pricing in non-retail channel and higher trade spending in the US. In addition, its full year gross margin included the US$3.7 million impact of North Carolina plant closure.

Operating profit of US$39.5 million was lower than prior year. Prior year benefited from the one-time net gain of US$31.7 million mainly from DMFI's working capital adjustment with the previous owner of DMFI.

ASIA PACIFIC

For the full year ended 30 April

In US$'000	Turnover			Gross Profit			Operating Profit/(Loss)		
	FY2017	**FY2016 (Restated)**	**% Chg**	**FY2017**	**FY2016 (Restated)**	**% Chg**	**FY2017**	**FY2016 (Restated)**	**% Chg**
Packaged fruit	**125,277**	114,175	9.7	**38,138**	30,963	23.2	**18,039**	11,896	51.6
Packaged vegetable	**1,815**	1,925	(5.7)	**556**	481	15.6	**315**	263	19.8
Beverage	**131,258**	132,268	(0.8)	**41,212**	39,188	5.2	**14,103**	12,619	11.8
Culinary	**120,857**	122,063	(1.0)	**46,268**	46,212	0.1	**19,152**	21,022	(8.9)
Others	**139,141**	99,992	39.2	**46,184**	30,965	49.1	**23,345**	16,150	44.6
Total	**518,348**	470,423	10.2	**172,358**	147,809	16.6	**74,954**	61,950	21.0

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

Asia Pacific's sales in the fourth quarter improved by 10.2% to US$518.3 million on higher sales of fresh pineapples and favourable impact of the adoption to the amendments to IAS16 and IAS 41 which were included under others.

The Philippine market's sales were up 6.2% in peso terms driven by the strong momentum across major categories of packaged fruit, beverages and culinary driven by an expanded user base and expanded household penetration supported by new advertising campaigns and consumer communication. The foodservice channel also delivered robust growth. New products in culinary and beverages segments have been successfully launched as per plan.

The S&W branded sales in Asia rose double-digit versus last year on higher sales from both the fresh and packaged segments. S&W business strong sales growth was driven by improved distribution and expansion in Asia through partnership and other initiatives.

Operating profit grew by 21.0% to US$75.0 million resulting from Philippine and S&W branded gorwth for the period.

EUROPE

For the full year ended 30 April

In US$'000	Turnover			Gross Profit			Operating Profit/(Loss)		
	FY20 17	**FY2016 (Restated)**	**% Chg**	**FY2017**	**FY2016 (Restated)**	**% Chg**	**FY2017**	**FY2016 (Restated)**	**% Chg**
Packaged fruit	**28,254**	19,039	48.4	**11,706**	5,510	112.5	**8,319**	3,152	163.9
Packaged vegetable	–	–	–	–	–	–	–	–	–
Beverage	**14,745**	14,755	(0.1)	**6,403**	6,022	6.3	**4,810**	4,450	8.1
Culinary	–	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–	–
Total	**42,999**	33,794	27.2	**18,109**	11,532	57.0	**13,129**	7,602	72.7

Included in this segment are sales of unbranded products in Europe.

Europe's sales increased by 27.2% to US$43.0 million from US$33.8 million mainly due to higher pineapple supply.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	**For the full year ended 30 April**		
	FY2017	FY2016 (Restated)	**Comments**
Cost of Goods Sold	**78.0**	78.6	Lower pineapple cost from better yield and higher recovery
Distribution and Selling Expenses	**9.0**	8.8	Higher merchandising costs
G&A Expenses	**7.3**	6.5	Last year included DMFI's one-time gain on employee benefits
Other Operating Income	**–**	(1.4)	Lower miscellaneous expenses

REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

in US$'000	**For the full year ended 30 April**			
	FY2017	FY2016 (Restated)	**%**	**Comments**
Depreciation and amortisation	**(141,597)**	(149,318)	(5.2)	Mainly due to lower depreciation from closure of a plant in USA
Provision/(reversal of asset impairment)	**–**	(4,928)	(100.0)	No reversal of impairment for the quarter
Provision for inventory obsolescence	**(7,415)**	(2,926)	157.4	Due to higher provision for the period
Reversal for doubtful debts	**(774)**	1,312	(159.0)	Due to reversal of provision
Loss on disposal of fixed assets	**(729)**	(1,052)	(30.7)	Due to timing of disposal
Foreign exchange gain (loss), net	**4,238**	903	272.2	Favourable impact of peso depreciation for the period
Interest income	**491**	365	34.5	Higher interest income from operating assets
Interest expense	**(109,111)**	(98,618)	10.6	Higher level of borrowings
Share of loss of JV, (attributable to the owners of the Company)	**(1,823)**	(1,621)	11.1	Higher expenses in Nice Fruit joint venture
Taxation	**(551)**	(8,943)	(93.8)	Mainly due to DMFI's higher net operating loss for the year

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances ***in U.S.$'000***	**30 Apr 2017**	30 Apr 2016 (Restated)	**Comments**
Joint venture	**25,797**	22,820	Driven by additional capital call
Deferred tax assets	**92,786**	99,284	Due to increase in non current deferred charges
Other noncurrent assets	**27,112**	25,941	Due to decrease in DMFI
Biological assets	**45,767**	41,224	Mainly due to translation
Inventories	**916,892**	845,233	Due to DMFI lower sales
Trade and other receivables	**164,447**	175,532	Due to timing of collection
Prepaid and other current assets	**43,046**	35,597	Due to decrease in DMFI
Cash and cash equivalents	**37,571**	47,203	Mainly on increased borrowings
Financial liabilities – non-current	**1,264,268**	1,116,422	Reclassification of loans net of availment and payment
Other non-current liabilities	**44,018**	62,586	Decrease due to settlement of liabilities

Employee benefits - noncurrent	**87,599**	97,118	Due to DMFI decrease in employee retirement plan
Financial liabilities – current	**449,698**	727,360	Due to working capital requirements and refinancing of bridge loans
Trade and other payables	**299,556**	281,043	Due to lower accrued expenses
Current tax liabilities	**1,187**	3,827	Due to timing of tax payment

Key Performance Indicators

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

A. Current Ratio

	30-Apr-17	30-Apr-16	30-Apr-15	Benchmark
Current Ratio	**1.6**	**1.1**	**1.3**	**Minimum of 1.2**

The increase in the current ratio is due to higher inventories and lower current loans and borrowings from payments and reclassification of loans to non-current as a result of the extension of the loan.

B. Debt to Equity

	30-Apr-17	30-Apr-16	30-Apr-15	Benchmark
Debt to Equity	**3.8**	**6.2**	**7.0**	**Maximum of 2.5**

The decrease in the debt to equity is due to lower debt due to payment and higher equity this year due to issuance of preference shares.

C. Net Profit Margin

	30-Apr-17	30-Apr-16	30-Apr-15	Benchmark
Net Profit Margin attributable to owners of the company	**1.08%**	**2.51%**	**-1.84%**	**Minimum of 3%**

Net profit margin is lower versus last year due to the one-time net gain of U.S.$31.7 million, mainly from DMFI's retirement plan amendment and working capital adjustment last year.

D. Return on Asset

	30-Apr-17	30-Apr-16	30-Apr-15	Benchmark
Return on Asset	**0.72%**	**2.22%**	**-1.75%**	**Minimum of 1.21**

Decrease in return on assets due to the lower income in fiscal year ended 30 April 2017.

E. Return on Equity

	30-Apr-17	30-Apr-16	30-Apr-15	Benchmark
Return on Equity	**3.44%**	**15.91%**	**-13.95%**	**Minimum of 8%**

Decreased versus last year due to lower income and higher equity from issuance of preference shares.

Material Changes in Accounts

A. Cash and cash equivalent

The decrease in cash was mainly due to payment of borrowings.

B. Inventories

Increase in inventory is mainly due to lower sales in the U.S. market.

C. Property, Plant and Equipment

Decrease in Property and Equipment is mainly attributed to the additional depreciation recorded during the year.

D. Intangible assets

Decrease in Intangibles is mainly attributed to the additional amortization recorded during the year.

F. Deferred tax assets

Decrease in deferred tax assets is mainly due to write-off of deferred tax asset.

G. Trade & Other Payables

Increase in trade and other payable is mainly due to higher trade and accrued expenses.

H. Loans and Borrowings

Lower than last year due to repayment of borrowings.

Review of Operating Performance for FY2016 vs FY2015

Sales

DMPL generated sales of US$2.3 billion in FY2016, up 3.8% versus the prior year on higher sales from the U.S., Philippines and S&W in Asia and the Middle East.

USA

DMPL's US subsidiary, DMFI, grew sales by 4.0% to US$1.8 billion or 78.2% of Group sales. Without Sager Creek, DMFI's sales decreased by 3.9%, mainly due to unsuccessful government contract bids and lower pineapple sales due to constrained supply as a result of the El Niño weather pattern. Certain segments - *Del Monte* canned vegetable, *Del Monte* fruit in cups and *College Inn* broth - generated higher sales.

DMFI has been focused on strengthening its leading share positions amidst canned vegetable and fruit industry contraction. It increased its market shares in the canned vegetable and fruit segments, up 1.1% and 0.9%, respectively, for the full year period.

DMFI increasingly offers differentiated value propositions through meaningful product improvements, marketing campaigns, and innovation as well as effectively managing pricing fundamentals and executing well at the retail channel.

The *Del Monte* 'From Our Farm to Your Table' campaign was launched in August 2015 to reinforce *Del Monte's* quality message from seed to harvest and make it relevant to every day meals and the holidays.

In the fourth quarter of FY2016, DMFI announced its transition to non-BPA internal can coatings for substantially all *Del Monte*-branded products by the end of the pack season in October 2016. It will also shift many products to non-GMO ingredients. The Group is replacing secondary ingredients so that the majority of *Del Monte* vegetables, 100% of single-serve fruit products, and 95% of tomatoes will be non-GMO. Furthermore, the Group will be expanding the number of products in its vegetable line with convenient easy open lids, eliminating the need for a can opener.

Finally, DMFI is reformulating its single-serve *Del Monte Fruit Cup* brand snack cups, replacing the light syrup pack medium with lightly sweetened juice which is consumer-preferred for its taste and health attributes.

The industry for single-serve fruit in plastic cup continued to grow in FY2016. The Group has identified this segment as high performing and as such has actively increased its business development efforts to capture this growth. In FY2016, DMFI launched the *Del Monte Fruit & Veggie Fusions*, fruits in single-serve cup packed in lightly sweetened vegetable and fruit juice. This new product line is primarily targeted at children to address both their daily fruit and vegetable requirements.

As part of the Group's strategy to cross-sell between USA and Asia, DMFI started importing Del Monte Philippines' products into the U.S. 18 months ago. These include juices, canned mixed fruit, and sauces in stand-up-pouches. These products are now distributed nationwide in over 1,000 Asian ethnic retailers. DMFI will continue to accelerate the distribution expansion and store penetration in the growing Asian ethnic segment.

Meanwhile, DMFI has continued to export its *S&W* canned specialty fruits, corn and tomato products to Asia, and recently added exports of *Contadina* canned tomato products to South Korea.

Philippines

The Philippine market delivered a record performance with sales of US$323.0 million, up 6% in U.S. dollar terms and up 11% in peso terms as all product categories – packaged fruit, beverage and culinary – posted higher sales, driven by an expanded user base and household penetration.

In addition, the market continues to benefit from the resurgent multi-serve beverage segment, behind trade expansion and digital-based awareness building initiatives for the 1-litre Tetra Juice Drink line. The Group launched the *Del Monte Heart Smart Orange Juice Drink* in a new 1-litre pack, and the *Del Monte Ketchup* in a new resealable pouch.

The Group maintained its dominant market share position in most categories it competes in.

The food service or institutional channel also performed strongly as it introduced a number of initiatives:

- Launch of new, limited-time-offer juice variants of *Del Monte Pineapple Strawberry* and *Del Monte Blueberry Juice Drinks* in 7-Eleven which generated strong performance for the total *Del Monte* juices;
- Pilot *Del Monte Fruit Slush* in Easy Day Stores which grabbed shares from frozen beverages and refreshments and created a new segment; and
- Jollibee breakfast promotion.

The new in-house PET plant has started commercial operations in November 2015. The plant also includes a Technical and R&D Centre.

S&W in Asia and the Middle East

Sales of the S&W branded business in Asia and the Middle East reached US$69.1 million in FY2016, a record for this brand since the Group acquired it in 2007. Sales were up 10% driven by higher volume and favourable mix. Both the fresh and packaged segments delivered higher sales with the canned fruit category up strongly. The fresh segment accounted for 60% of S&W's total sales in FY2016, while the packaged segment accounted for the balance 40%.

China generated strong growth in fresh, driven by distribution expansion, while Middle East's packaged product sales were up significantly. S&W also launched its *100% Apple Juice* and *Pineapple & Coconut Juice* in Israel. It introduced *Calamansi Juices* at the chilled section in various Mini Stop outlets in the Philippines. It also increased its foodservice or institutional channel footprint with its innovative cholesterol-reducing *S&W Heart Smart Juices* sold in Dubai.

FieldFresh India (equity accounted)

Sales at FieldFresh Foods, our Indian joint venture, which are equity accounted and not consolidated, were US$65.8 million in FY2016, 8% higher versus prior year in U.S. dollar terms but 16% stronger in rupee terms. US$54.8 million came from the *Del Monte*-branded packaged segment and US$11.0 million from the *FieldFresh*-branded fresh segment.

The *Del Monte* business in India was up strongly by 19% in rupee terms. It launched a number of innovative products in the Indian market:

- *Del Monte Pasta* made from whole wheat;
- *Del Monte Olives* in smaller jars;

- *Del Monte Dried Apricots* in 130g pouches;
- *Del Monte Pink Guava* and *Peach Fruit Drinks* in 180ml cans;
- *Del Monte Eggless Mayonnaise* 500g spout; and
- *Del Monte Mayonnaise* glass bottle range re-launch, expanded and revamped to tap into the fast growing mayo category. The new look has been designed to better reflect *Del Monte's* brand personality – young, modern, fun, foodie.

FieldFesh sustained its positive EBITDA and as such, DMPL's share of loss in the FieldFresh joint venture in India was lower at US$1.6 million from US$2.1 million in the prior year as a result of higher sales and production efficiencies.

Gross Profit and Margin

DMPL generated a gross profit of U.S.$485.8 million, higher by 18.1% over the prior year. Prior year included the U.S.$44.3 million unfavourable inventory step-up adjustment related to the February 2014 acquisition. Stripping that out, gross profit for FY2016 would have still been up 7% on higher sales and cost optimisation initiatives.
Group gross margin for the full year improved to 21.4% from 18.8% in the same period last year with lower trade spend in in the U.S. and cost optimisation initiatives to mitigate the impact of lower pineapple output from El Niño, particularly in the first half of the financial year. In addition, prior year included the unfavourable inventory step-up adjustment mentioned above. Absent that, FY2015's gross margin would have been 20.8%.
DMFI's gross margin for the full year improved to 18.0%, much higher than the 15.9% in the prior year for the same reasons above. In FY2016, DMFI encountered operational issues and inefficiencies in the newly acquired Sager Creek production sites. The supply chain footprint for Sager Creek is being integrated with the rest of DMFI and the operational issues had been addressed.
DMPL ex-DMFI's gross profit grew to U.S.$166.9 million, and its gross margin increased to 29.8% from 26.8% due to better sales mix, pricing actions and cost optimisation initiatives.

EBITDA and Net Profit

DMPL posted an EBITDA of U.S.$241.3 million, up 169% as it included a one-off net gain of U.S.$33.1 million due to DMFI's retirement plan amendment and the working capital adjustment, which offset expenses from the closure of a plant in North Carolina. Even without the one-off gain, EBITDA would have been up a strong 39%. A table on the non-recurring items is provided below. DMFI accounted for U.S.$155.5 million of Group EBITDA.

The Group achieved a net income of U.S.$57.0 million for FY2016, inclusive of one-off net favourable adjustments of U.S.$31.7 million after tax. Even after excluding non-recurring items, the core or recurring net income in FY2016 of U.S.$25.2 million is a significant improvement from the U.S.$40.3 million reported loss last year. DMFI accounted for U.S.$26.3 million of the Group net income.

DEBT AND CASH FLOW

The Group's net debt (cash and bank balances less borrowings) amounted to US$1.8 billion as at 30 April 2016, slightly higher than the U.S.$1.7 billion as at 30 April 2015 due to DMFI's higher working capital loan balance given the higher inventory level from reduced sales to the USDA. This inventory is shelf-stable and can be sold on a go-forward basis.
DMPL's cash flow from operations was U.S.$108.0 million for FY2016, significantly lower than the U.S.$308.6 million in FY2015 due to the higher working capital requirement mentioned above.

CAPEX

Capital expenditures (capex) were U.S.$138.9 million for FY2016, lower than the U.S.$164.4 million in the prior year due to completion of key SAP projects at DMFI. DMFI accounted for U.S.$46.0 million of Group capex for FY2016, lower from U.S.$76.3 million in FY 2015.

DMPL ex DMFI's capex was U.S.$93.0 million for FY2016, up from U.S.$87.9 million in FY 2015.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	**For the full year ended 30 April**		
	FY2016 (Restated)	FY2015 (Restated)	**Comments**
Cost of Goods Sold	**78.6**	81.2	Prior year included the non-recurring expense of inventory step up
Distribution and Selling Expenses	**8.8**	9.1	Same as 4Q
G&A Expenses	**6.5**	8.7	Mainly due to DMFI's favourable adjustment from retirement plan amendment worth US$39.4 million
Other Operating Income	**(1.4)**	(0.8)	Same as 4Q

REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

in U.S.$'000	**For the full year ended 30 April**			
	FY2016 (Restated)	FY2015 (Restated)	**%**	**Comments**
Depreciation and amortisation	**(149,318)**	(48,954)	0.2	Mainly due to increased trademark from purchase of Sager Creek
Provision/(reversal of asset impairment)	**(4,928)**	508	n.m.	Due to DMFI
Provision for inventory obsolescence	**(2,926)**	(5,992)	(51.2)	Due to timing of the provision
Reversal for doubtful debts	**1,312**	4,372	(70.0)	Due to settlement of receivables
Loss on disposal of fixed assets	**(1,052)**	(1,278)	(17.7)	Due to DMFI
Foreign exchange gain (loss), net	**903**	(5,204)	(117.4)	Favourable impact of peso depreciation
Interest income	**365**	400	(8.8)	Higher interest income from operating assets
Interest expense	**(98,618)**	(94,657)	4.2	Higher level of borrowings
Share of loss of JV, (attributable to the owners of the Company)	**(1,621)**	(2,316)	(30.4)	Higher sales in Indian joint venture
Taxation	**(8,139)**	17,528	(151.0)	Due to income position

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances ***in U.S.$'000***	**30 Apr 2016 (Restated)**	30 Apr 2015 (Restated)	Comments
Joint venture	**22,820**	22,590	Driven by additional capital call
Deferred tax assets	**99,284**	85,491	Due to increase in non current deferred charges
Other noncurrent assets	**25,941**	28,985	Due to decrease in DMFI
Biological assets	**41,223**	34,820	Mainly due to translation
Inventories	**845,233**	749,549	Due to DMFI lower sales
Trade and other receivables	**175,532**	184,402	Due to timing of collection
Prepaid and other current assets	**35,598**	39,870	Due to decrease in DMFI
Cash and cash equivalents	**47,203**	35,618	Mainly on increased borrowings
Financial liabilities – non-current	**1,116,422**	1,272,945	Reclassification of loans net of availment and payment
Other non-current liabilities	**62,586**	61,163	Decrease due to settlement of liabilities
Employee benefits - noncurrent	**97,118**	129,199	Due to DMFI decrease in employee retirement plan
Financial liabilities – current	**727,360**	445,542	Due to working capital requirements and refinancing of bridge loans
Trade and other payables	**281,037**	339,054	Due to lower accrued expenses
Current tax liabilities	**3,827**	1,299	Due to timing of tax payment

Key Performance Indicators

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

A. Current Ratio

	30-Apr-16	30-Apr-15	Benchmark
Current Ratio	1.1	1.3	Minimum of 1.2

The slight decrease in the current ratio is due to higher current financial liabilities from reclassification of loans net of availment and payment.

B. Debt to Equity

	30-Apr-16	30-Apr-15	Benchmark
Debt to Equity	6.2	7.0	Maximum of 2.5

The decrease in the debt to equity is due to higher equity this year, prompted by the Group's turnaround from last year's loss to this year's income.

C. Net Profit Margin

	30-Apr-16	30-Apr-15	Benchmark
Net Profit Margin attributable to owners of the company	2.51%	-1.84%	Minimum of 3%

The turnaround of the net profit margin is mainly on the positive result of the Group this year. This is driven by the better results and favourable operation by the Group this year.

D. Return on Asset

	30-Apr-16	30-Apr-15	Benchmark
Return on Asset	2.22%	-1.75%	Minimum of 1.21

Improved return on assets from April 2015 is due to the positive income result in fiscal year ended 30 April 2016.

E. Return on Equity

	30-Apr-16	30-Apr-15	Benchmark
Return on Equity	15.91%	-13.95%	Minimum of 8%

The complete turnaround is mainly due to the positive results in fiscal year ended 30 April 2016, which posed a higher equity during the year ended.

Material Changes in Accounts

A. Cash and cash equivalent

The increase in cash was mainly due to increased borrowings.

B. Inventories

Increase in inventory is mainly on the impact of the change of group’s accounting policy on inventory from weighted average to FIFO.

C. Property, Plant and Equipment

Decrease in Property and Equipment is mainly attributed to the additional depreciation recorded during the year.

D. Intangible assets

Decrease in Intangibles is mainly attributed to the additional amortization recorded during the year.

F. Deferred tax assets

Increase in deferred tax assets is mainly due to increase in non current deferred charges.

G. Trade & Other Payables

Decrease in trade and other payable is mainly due to DMFI's settlement of payable during the year.

H. Financial liabilities

Slight increase in financial liabilities is due to working capital requirements.

Liquidity and Covenant Compliance

The Group monitors its liquidity risk to ensure that it has sufficient resources to meet its liabilities as they become due, under both normal and stressed circumstances without incurring unacceptable losses or risk to the Group's reputation. The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks and constantly maintains good relations with its banks, such that additional facilities, whether for short or long term requirements, may be made available.

As at 30 April 2017 and 30 April 2016, and 2015 the Company is in compliance with the covenants stipulated in its loan agreements.

<u>Financial Ratios</u>

Supplementary Schedule of Financial Soundness Indicator

Ratio	Formula	30 April 2017	30 April 2016	30 April 2015
(i) Liquidity Analysis Ratios:				
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.6	1.1	1.3
Quick Ratio	(Current Assets - Inventories - Prepaid expenses and other current assets - Biological Assets – Noncurrent assets held for sale) / Current Liabilities	0.3	0.2	0.3
(ii) Solvency Ratio	Total Assets / Total Liabilities	1.3	1.2	1.1
Financial Leverage Ratios:				
Debt Ratio	Total Debt/Total Assets	0.8	0.9	0.9
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	3.8	6.2	7.0
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	4.8	7.2	8.0
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	1.2	1.7	0.3
(v) Debt/EBITDA Ratios	Total Debt/ Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	11.2	9.7	25.6
(vi) Profitability Ratios				
Gross Profit Margin	Revenue - Cost of Sales / Revenue	21.97%	21.36%	18.79%
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Revenue	1.08%	2.51%	-1.84%
Net Profit Margin	Net Profit / Revenue	0.88%	2.64%	-2.10%
Return on Assets	Net Profit / Total Assets	0.72%	2.22%	-1.75%
Return on Equity	Net Profit / Total Stockholders' Equity	3.44%	15.91%	-13.95%

BUSINESS OUTLOOK

Barring unforeseen circumstances, DMPL will continue to be profitable for FY2018.

The Group will focus on strengthening its core business. Innovation through better product and packaging development, and improved agriculture and manufacturing technology will continue to fuel growth initiatives. DMPL will continue to explore digital opportunities for its range of products across markets. It will remain vigilant in keeping costs down, amidst an inflationary tinplate cost environment and lower pineapple juice concentrate pricing, through supply chain synergies and G&A cost optimisation.

In April 2017, the Company successfully completed the offering and listing of its Preference Shares in the Philippines generating approximately U.S.$200 million in proceeds. The Company used the net proceeds to partly refinance a U.S.$350 million loan. This reduced the Group's net debt to equity ratio to 290% from 477% last year. The balance Preference Shares of U.S.$150 million is issuable within three years.

USA

The Group faces headwinds from the long-term structural decline in several categories in which it competes. While remaining relevant, the centre-of-store is eroding at slow-and-steady pace due to shifts in consumer demographics, shifts in the way American consumers are eating and shopping, as well as shifts in consumer preferences.
The Company's commercial strategy builds upon its brand heritage and will realign its business (and ultimately the categories in which it competes) with those consumer trends over time. Its plan focuses on select attractive business segments in which it will invest in marketing to strengthen its leadership positions, pursue innovation to address growing consumer needs for more convenient, healthy and flavourful solutions, as well as build its distribution base in the growing store perimeter and emerging channels. At the same time, it will rationalise non-profitable businesses, in particular the non-branded segment.

The Company will continue to optimise its cost structure by driving spending efficiencies and productivity improvements annually as well as by investing in a multiyear restructuring project for its operations and supply chain footprint to more efficiently support its commercial strategy.
Paving the way to its long-term strategy, the Group announced a formal agreement with Fresh Del Monte Produce to collaborate on four new joint ventures which has the potential to greatly extend the reach of the *Del Monte* brand to the growing store perimeter while allowing both companies to optimise economies of scale.
Asia

DMPL will continue to expand its existing branded business in Asia, through the *Del Monte* brand in the Philippines, where it is a dominant market leader. *S&W*, both packaged and fresh, will gain more traction as it leverages its distribution expansion in Asia and the Middle East, while its affiliate in India will continue to generate higher sales and maintain its positive EBITDA.
Philippines
In the Philippines, the Group will continue to drive increased consumption frequency amongst a wider base of consumers through sustained investments in relevant advertising, product innovation and expanded trade availability.

In addition, it expects to take full advantage of the growing foodservice industry by forging strategic tie-ups with key foodservice accounts.

Asia through S&W
DMPL expects the S&W business to sustain its strong growth. It will expand both the fresh and packaged segments through new markets, new products and partnerships, while growing the base products in retail and foodservice channels, as well as in e-commerce. Co-branding of *S&W* with other brands will be further developed, while the S&W team will bring the Group's U.S. *Contadina* brand, which is now available in the Philippines, to other markets in Asia.
India

Del Monte will strive to strengthen its presence in the top 10 cities, both in retail and foodservice, with an emphasis on consumer activation and engagement to make the brand and its product offerings more familiar to consumers. Del Monte will also focus on building e-commerce as a significant alternate channel of business for both its retail and foodservice offerings.

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

The FY 2017 Audited Financial Statements of the Company is attached hereto as Annex

"A". The additional components of the FS are hereto attached as follows:

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

Item 8. Independent Public Accountant and Audit Related Fees

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

(b) Mr Alvin Phua Chun Yen is the partner-in-charge from EY Singapore for the audited financial statements of the Company and the Group for the fiscal year ended 30 April 2017. On the other hand, Ms Catherine E. Lopez is the partner-in-charge from EY Philippines for the audited financial statements of the Company and the Group for the fiscal year ended 30 April 2017.

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

	FY2017 U.S.$	**FY2016 U.S.$**	**FY2015 U.S.$**
1. Audit, other Assurance and Related Fees	371,223	339,393	322,000
2. Tax Fees	-	-	3,968
3. All Other Fees*	-	-	218,032

**Other fees mainly pertain to the review of the Prospectus which was prepared in connection with the stock rights offering conducted in March 2015.*

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

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

2) There were no disagreements with the former accountant on any matter of accounting

principles or policies, financial disclosures, or auditing procedure.

(e) EY Singapore was appointed as the external auditors of the Group at the AGM of the Company held on 28 August 2015. EY Philippines was also appointed at the said AGM as the Group's auditors in the Philippines. They were the auditors of the Group for the most recently completed fiscal year.

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

Part III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

Board of Directors and Senior Management

The following comprises the Company's Board of Directors:

Name	Age	Citizenship	Position
Rolando C. Gapud	75	Filipino	Executive Chairman and Executive Director
Joselito D. Campos, Jr.	66	Filipino	Executive Director
Edgardo M. Cruz, Jr.	62	Filipino	Executive Director
Benedict Kwek Gim Song	70	Singaporean	Lead Independent Director
Godfrey E. Scotchbrook	71	British	Independent Director
Dr. Emil Q. Javier	76	Filipino	Independent Director[1]
Yvonne Goh	64	Singaporean	Independent Director

The following comprises the Group's Senior Management:

Name	Age	Citizenship	Position
Joselito D. Campos, Jr.	66	Filipino	Managing Director and CEO
Luis F. Alejandro	63	Filipino	Chief Operating Officer
Ignacio C. O. Sison	53	Filipino	Chief Corporate Officer
Parag Sachdeva	47	Indian	Chief Financial Officer
Antonio E.S. Ungson	45	Filipino	Chief Legal Counsel and Chief Compliance Officer, and Company Secretary
Ruiz G. Salazar	53	Filipino	Chief Human Resource Officer
Ma. Bella B. Javier	57	Filipino	Chief Scientific Officer

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

Rolando C Gapud – 75, Filipino
Executive Chairman
Appointed on 20 January 2006 and last re-elected on 15 April 2014

Mr Rolando C Gapud has over 35 years of experience in banking, finance and general management, having worked as CEO of several Philippine companies, notably Security Bank and Trust Company, Oriental Petroleum and Minerals Corp, and Greenfield Development Corp. He was also the COO of the joint venture operations of Bankers Trust and American Express in the Philippines. He has served in the Boards of various major Philippine companies, including the Development Bank of the Philippines, the development finance arm of the Philippine Government. Mr Gapud is the Chairman of the Board of DMFI, the Company's U.S. subsidiary. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of DMPL with the Bharti Group of India. He holds a Master of Science in Industrial Management degree from the Massachusetts Institute of Technology. He is a member of the Asian Executive Board of the Sloan School in MIT and the Board of Governors of the Asia School of Business, a joint venture between the Sloan School of MIT and Bank Negara, the Central Bank of Malaysia.

Joselito D Campos, Jr – 66, Filipino
Executive Director
Appointed on 20 January 2006 and last elected on 28 April 2006

[1]Dr. Emil Q. Javier is an Independent Director, pursuant to Sec. 2.3 of the Monetary Authority of Singapore.

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

Edgardo M Cruz, Jr – 62, Filipino
Executive Director
Appointed on 02 May 2006 and last re-elected on 28 August 2015

Mr Edgardo M Cruz, Jr is a member of the Board of the NutriAsia Group of Companies. Mr Cruz is a Director of Del Monte Foods, Inc, the Company's U.S. subsidiary. He is the Chairman of the Board of Bonifacio Gas Corporation, Bonifacio Water Corporation and Bonifacio Transport Corporation. He is a member of the Board of Evergreen Holdings Inc, Fort Bonifacio Development Corporation and the BG Group of Companies. He is also a Board member and Chief Financial Officer of Bonifacio Land Corporation. He sits on the Boards of Ayala Greenfield Development Corporation and Ayala Greenfield Golf and Leisure Club Inc. He is a member of the Board of Trustees of Bonifacio Arts Foundation Inc., The Mind Museum and the Del Monte Foundation, Inc. Mr Cruz earned his MBA degree from the Asian Institute of Management after graduating from De La Salle University. He is a Certified Public Accountant.

Benedict Kwek Gim Song – 70, Singaporean
Lead Independent Director
Appointed on 30 April 2007 and last re-elected on 15 April 2014
Appointed as Lead Independent Director on 11 September 2013

Mr Benedict Kwek Gim Song is a Director of Del Monte Foods, Inc., the Company's U.S. subsidiary. Mr Kwek was Chairman of previously SGX-listed Pacific Shipping Trust from 2008 to 2012. He was also a Director and Chairman of the Audit Committee of listed companies, including Ascendas REIT. He has over 30 years of banking experience, having served as the President and CEO of Keppel TatLee Bank. He has held various key positions at Citibank in the Philippines, Hong Kong, New York and Singapore. He holds a Bachelor of Social Science (Economics) degree from the then University of Singapore and attended a management development program at Columbia University in the United States.

Yvonne Goh – 64, Singaporean
Independent Director
Appointed on 4 September 2015 and last re-elected on 30 August 2016

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

Dr Emil Q Javier – 76, Filipino
Independent Director
Appointed on 30 April 2007 and last re-elected on 30 August 2016

Dr Emil Q Javier is a Filipino agronomist widely recognised in the international community for his academic leadership and profound understanding of developing country agriculture. He was until recently the President of the National Academy of Science and Technology of the Philippines. He has served as Philippines Minister of Science, and President of the University of the Philippines. He was the first and only developing country scientist to Chair the Technical Advisory Committee of the prestigious Consultative Group for International Agricultural Research (CGIAR). He was Chairman of the Board of the International Rice Research Institute (IRRI); Chair and Acting Director of the Southeast Asia Center for Graduate Study and Research in Agriculture (SEARCA); and Director General of the Asian Vegetable Research and Development Center (Taiwan). Dr Javier is a Director of Del Monte Foods, Inc, the Company's U.S. subsidiary, and is an Independent Director of Philippine-listed Centro Escolar University. He holds doctorate and masteral degrees in plant breeding and agronomy from Cornell University and the University of Illinois. He completed his bachelor's degree in agriculture at the University of the Philippines at Los Baños.

Godfrey E Scotchbrook – 71, British
Independent Director
Appointed on 28 December 2000 and last elected on 28 August 2015

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

Luis F Alejandro – 63, Filipino
Chief Operating Officer

Mr Luis F Alejandro has over 25 years of experience in consumer product operations and management. He started his career with Procter & Gamble where he spent 15 years in Brand Management before joining Kraft Foods Philippines Inc. as President and General Manager. Later, he joined Southeast Asia Food Inc. and Heinz UFC Philippines, Inc, two leading consumer packaged condiment companies of the NutriAsia Group, as President and Chief Operating Officer. He was most recently President and Chief Operating Officer of ABS-CBN Broadcasting Corporation, a leading media conglomerate in the Philippines. Mr Alejandro is a Director of DMFI, the Company's U.S. subsidiary. He holds a Bachelor's degree in Economics from the Ateneo de Manila University and an MBA from the Asian Institute of Management.

Ignacio C O Sison – 53, Filipino
Chief Corporate Officer

Mr Ignacio C O Sison has more than 20 years of finance experience spanning treasury, corporate and financial planning, controllership and, more recently, corporate sustainability. He was previously Vice President, Corporate Controller, and Vice President, Treasury and Corporate Development, of Del Monte Philippines, Inc., and Finance Director of the Company's subsidiary in Singapore. Before joining the Company in 1999, he was CFO of Macondray and Company, Inc. He also worked for SGV & Co, the largest audit firm in the Philippines, and Pepsi-Cola Products Philippines, Inc. Mr Sison holds a MS in Agricultural Economics from Oxford University. He also has a MA degree, Major in Economics, from the International University of Japan; a BA in Economics, magna cum laude, from the University of the Philippines; and an International Baccalaureate at the Lester B. Pearson United World College of the Pacific in Canada.

Parag Sachdeva – 47, Indian
Chief Financial Officer

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

Antonio E S Ungson – 45, Filipino
Chief Legal Counsel and Chief Compliance Officer; Company Secretary

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

Ruiz G. Salazar – 53, Filipino
Chief Human Resource Officer

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

Ma Bella B Javier – 57, Filipino
Chief Scientific Officer

Ms. Ma. Bella B. Javier has more than 30 years of experience in R&D from leading FMCGs in the food industry. She spent 20 years at Kraft Foods Inc., with her last assignment as the Director for Asia Pacific Beverage Technology and Southeast Asia Development. In her present role, she heads the Consumer Product and Packaging Development and the Quality Assurance functions for the Group. She is driving the Technology Development roadmap for the Company, including Plantation Research programs that impact consumer product development. She is a Certified Food Scientist from the Institute of Food Technologists, Chicago, Illinois, U.S. Ms. Javier is a Licensed Chemist with a bachelor's degree in Chemistry from the University of the Philippines. She also sits as Chairman of the Board of the University of the Philippines Chemistry Alumni Foundation.

<u>Directorships in Other Listed Companies</u>

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

Name	Position	Company	Date
Joselito D Campos, Jr	Independent Director	San Miguel Corporation	2010 – Present
Emil Q Javier	Independent Director	Centro Escolar University	2002 – Present

Godfrey E Scotchbrook	Independent Director	Boustead Singapore Ltd. (Singapore)	2000 – Present
	Non-Executive Director	Convenience Retail Asia (HK)	2002 – Present

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

Significant Employees

The Board of Directors and the Senior Management of the Company have been an integral part of its success. Their knowledge, experience, business relationships and expertise greatly contribute to the Company's operating efficiency and financial performance.

The Company maintains that it considers the collective efforts of the Board of Directors and all of its employees as instrumental to its overall success. The business of the Company is not dependent on any individual person. No employee is indispensable in the organization. The Company has institutionalized through documentation, its processes and training to ensure continuity and scalability in the business without relying on any particular employee.

Family Relationships

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

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

Involvement in Certain Legal Proceedings
As to the Directors, Executive Officers and Nominees for Election:

Except as set out below, the Company is not aware that any of the incumbent Directors and any nominee for election as director, executive officer or control person of the Company has been the subject of any: (a) bankruptcy petition; (b) conviction by final judgment in a criminal proceeding, domestic or foreign; (c) order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities; and (d) judgment of violation of a securities or commodities law or regulation by a domestic or foreign court of competent jurisdiction, in a civil action, the Philippine SEC or a comparable foreign body, or a domestic or foreign exchange or other organized trading market or self regulatory organization, which has not been reversed, suspended or vacated, for the past five (5) years up to the latest date that is material to the evaluation of his ability or integrity to hold the relevant position in the Company:

Mr. Luis F. Alejandro, Group Chief Operating Officer, is not involved in any criminal, bankruptcy or insolvency investigation or any other proceeding against him, except only the libel case pending between GMA Network, Inc. and ABS-CBN Broadcasting Corp. where he was impleaded eight years ago as co-accused in his capacity as then President and Chief Operating Officer of ABS-CBN Broadcasting Corp.

Item 10. Executive Compensation

The aggregate compensation paid or incurred during the last two (2) fiscal years and estimated to be paid in the ensuing fiscal year to the CEO and senior executive officers of the Company are as follows:

Name and principal position	Year	Salary (in PhP)	Other Income (in PhP)
A. Chief Executive Officer and most highly compensated executive officers*	FY 2018 (Est)	185,615,572	150,975,549
	FY 2017	182,962,908	166,371,213
	FY 2016	172,861,030	105,222,626
B. All other officers and directors as a group unnamed	FY 2018 (Est)	166,552,856	59,727,587
	FY 2017	159,340,727	57,905,103
	FY 2016	145,059,434	37,110,951

*The CEO and executive officers of the Company are as follows: Managing Director & CEO, Mr Joselito D Campos, Jr and the executives (in alphabetical order): Luis F Alejandro, Ma Bella B Javier, Parag Sachdeva, Ignacio Carmelo O Sison, and Antonio Eugenio S Ungson.

Standard Arrangement

Other than directors' fees or payment of reasonable per diem, there are no standard arrangements pursuant to which the Directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director for the last completed fiscal year and the ensuing year.

Other Arrangements

Dr. Emil Q. Javier has a consultancy agreement with the Company to act as a consultant, amongst other things, to provide guidance and support to the Group on its plantation operations and development of agri-based initiatives.

Except as described above, there are no other arrangements pursuant to which any of the Company's Directors and officers are compensated, or are to be compensated, directly or indirectly.

Employment Contracts and Termination of Employment and Change-in-Control Arrangements

There are no arrangements for compensation to be received by any executive officer from the Company in the event of a resignation, or termination of the executive officer's employment or a change of control of the Company. The Company, however, provides retirement benefits to qualified employees including Key Management Personnel.

Share Option

The following Directors have outstanding options as of the date of this Information Statement:

Director's Name	Number of Direct Options*	Number of Indirect Options	Number of Equivalent Shares	Total % from Capital Stock
Godfrey E. Scotchbrook	390,306	None	390,306	0.02%
Benedict Kwek Gim Song	325,255	None	325,255	0.02%
Total**	**715,561**	None	**715,561**	0.04%

Notes:
** At an exercise price of S$0.627 per share.*
*** The total outstanding options as at 30 April 2015 are 900,000. The total number of outstanding options increased to 975,765 due to the additional options granted by the Company on 1 July 2015.*

Of the total outstanding options, 750,000 options were granted on 07 March 2008. The option periods for this batch of options are:

i. Up to 60% exercisable from 07 March 2010 to 06 March 2011;
ii. Up to 40% exercisable from 07 March 2011 to 06 March 2018.

Of the total outstanding options, 150,000 additional options were granted on 30 April 2013, pursuant to an adjustment to account for the dilutive effect on unexercised options, arising from the bonus issue carried out by the Company in April 2013. The option period for this batch of options is 100% from 30 April 2013 to 6 March 2018.

Of the total outstanding options, 75,765 additional options were granted on 1 July 2015, pursuant to an adjustment to account for the dilutive effect on the unexercised options, arising from the rights issue carried out by the Company in March 2015. The option period for this batch of options is 100% from 1 July 2015 to 6 March 2018.

Share Awards

The following Directors have outstanding unvested share awards as of the date of the date of this Information Statement:

Share Awards*	Number of Share Awards
Rolando C. Gapud	228,763
Benedict Kwek Gim Song	117,092
Godfrey E. Scotchbrook	117,092
Edgardo M. Cruz, Jr.	102,997
Emil Q. Javier	76,977
Total**	**642,921**

Notes:
** Up to 60% of share awards granted may be released from 22 August 2013 to 21 August 2016.*
Remaining 40% of share awards granted may be released from 22 August 2016 to 21 August 2017.
*** On 1 July 2015, an additional of 57,918 shares were awarded at the market price of S$0.385 per share to six (6) Directors, arising from the rights issue of shares carried out by the Company in March 2015. The additional*

grant was pursuant to an adjustment to account for the dilutive effect arising from the rights issue on the unvested share awards previously granted by the Company.

Compensation Plans

Except as stated in Section (9) below, there are no actions to be taken with respect to any plan pursuant to which cash or non-cash compensation may be paid or distributed during the AGM or GM of the Company's shareholders.

Item 11. Security Ownership of Certain Beneficial Owners and Management

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

Title of Class	**Name and Address of Record Owner and Relationship with Issuer**	**Name of Beneficial Owner and Relationship with Record Owner**	**Citizenship**	**No. of Common Shares Held**	**% of Total Outstanding Shares**
Ordinary Shares	NutriAsia Pacific Limited ("**NAPL**") Trident Chambers Road Town, Tortola, British Virgin Islands Shareholder	NAPL is the beneficial and record owner of the shares indicated.*	British Virgin Islands	1,155,030,190 ordinary shares	59.44%
Ordinary Shares	HSBC (Singapore) Nom's Pte Ltd. ("**HSBC**") 21 Collyer Quay #13-01 HSBC Building Singapore 049320 Shareholder	Bluebell Group Holdings Limited ("**Bluebell**") is the beneficial owner of the shares indicated.* The shares are held in nominee by HSBC.	British Virgin Islands	148,226,771 ordinary shares	7.63%
Ordinary Shares	Lee Pineapple Company Pte. Ltd. ("**Lee**") 65 Chulia St, #44-01 OCBC Centre Singapore 049513 Shareholder	Lee is the beneficial and record owner of the shares indicated.	Singapore	100,422,000 ordinary shares	5.17%

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

1) Security Ownership of Management

The table below sets forth the security ownership of the Company's directors, executive officers and nominees as of the date of this Information Statement.

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	Percent of Class
Ordinary	Joselito D Campos, Jr	7,621,466	Direct	Filipino	0.39%
Ordinary	Rolando C Gapud	2,063,140	Direct	Filipino	0.11%
Ordinary	Edgardo M Cruz, Jr	2,881,635	Direct	Filipino	0.15%
Ordinary	Dr Emil Q Javier	534,851	Direct	Filipino	0.03%
Ordinary	Luis F Alejandro	3,681,000	Direct	Filipino	0.19%
Preference		15,000	Direct		0.08%
Ordinary	Ignacio C O Sison	1,079,736	Direct	Filipino	0.06%
Preference		8,000	Direct		0.04%
Preference	Parag Sachdeva	15,000	Direct	Indian	0.08%
Ordinary	Antonio E S Ungson	597,864	Direct	Filipino	0.03%
Ordinary	Ma Bella B Javier	392,359	Direct	Filipino	0.02%

a) Voting Trust Holders of 5% or More

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

b) Changes in Control

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

Item 12. Certain Relationships and Related Transactions

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

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

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

Related Party Transaction	Relationship	Nature	FY2017 US$'000	FY2016 US$'000	FY 2015 US$'000
Del Monte Philippines, Inc (DMPI Retirement Fund)	Retirement fund of the Company's subsidiary	Rental to DMPI Retirement Fund	1,619	1,395	1,519
		Purchases of Services to DMPI Retirement Fund	-	-	-
		Management fees from DMPI Retirement Fund	(4)	(4)	(5)
Del Monte Philippines, Inc (DMPI Provident Fund)	Retirement fund of the Company's subsidiary	Rental to DMPI Provident Fund	6	5	-
NutriAsia Inc (NAI)	Affiliate of the Company	Rental to NAI Retirement Fund	541	529	582
		Purchases of Production Materials	160	743	392
		Toll Pack Fees	666	551	472
		Utilities / Parking Space Rental	117	83	-
		Recharge of Inventory Count Shortage	-	(25)	(363)
		Shared IT & Other Services from NAI	(334)	(215)	(419)
		Sale of other raw materials with NAI	(34)	(13)	-
		Sale of tomato sauce with NAI	-	(1,098)	(1,627)
TOTAL			**2,737**	**1,951**	**551**

Part IV - CORPORATE GOVERNANCE

Item 13. Annual Corporate Governance

Please refer to the 2016 Annual Corporate Governance Report (SEC Form-ACGR) of DMPL, which was filed to SEC and posted in the Company's website www.delmontepacific.com, in compliance with SEC Memorandum Circular No. 20, Series of 2016.

Annex A

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

COMPANY NAME

DEL MONTE PACIFIC LIMITED AND
SUBSIDIARIES

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

CRAIGMUIR CHAMBERS, PO BOX 71
ROAD TOWN, TORTOLA BRITISH VIR
GIN ISLANDS

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

COMPANY INFORMATION

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

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,943,214,106	**30 Aug 2017**	**April 30**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Antonio E.S. Ungson	**ungsonAES@delmonte-phi.com**	**(02) 856-2888**	**–**

CONTACT PERSON's ADDRESS

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

NOTE1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The Management of **Del Monte Pacific Limited and its Subsidiaries** (collectively referred to as the "**Company**") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, for the years ended April 30, 2017, 2016, and 2015, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going-concern basis of accounting, unless Management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

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

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

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has audited the consolidated financial statements of the Company for the years ended April 30, 2017 and 2016 (R.G. Manabat & Co. for the year ended April 30, 2015) in accordance with Philippine Standards on Auditing and, in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature______________________________
Rolando C. Gapud, Executive Chairman

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

Signature______________________________
Parag Sachdeva, Chief Financial Officer

Signed on the 28th day of July 2017.

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY, METRO MANILA) S.S.

Before me, a Notary Public in and for Makati City, personally appeared on this 31st day of July 2017, the following:

Name	Passport No.	Date/Place Issued
Parag Sachdeva	Z3084975	24 Dec 2014/Shanghai

who was identified by me through competent evidence of identity to be the same person described in the foregoing instrument, who acknowledged before me that his signature on the instrument was voluntarily affixed by him for the purposes stated therein, and who declared to me that he has executed the instrument as his free and voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal on the date and at the place first above-written.

Doc. No. 201 ;
Page No. 42 ;
Book No. 109 ;
Series of 2017.

ATTY. VIRGILIO R. BATALLA
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. M-86
UNTIL DEC. 31, 2018
ROLL OF ATTY. NO. 48348
MCLE COMPLIANCE NO. IV-0016333-4/10/13
I.B.P O.R No. 706752, LIFETIME MEMBER JAN. 29,2007
PTR No. 590-90-87 JAN.3, 2017
EXECUTIVE BLDG. CENTER
MAKATI AVE. COR., JUPITER ST. MAKATI CITY

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Signature____________________________________
Rolando C. Gapud, Executive Chairman

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

Signature____________________________________
Parag Sachdeva, Chief Financial Officer

Signed on the 13th day of July 2017.

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY, METRO MANILA) S.S.

Before me, a Notary Public in and for Makati City, personally appeared on this 13th day of July 2017, the following:

Name	Passport No.	Date/Place Issued
Rolando C. Gapud	EB7643069	14 Mar 2013/PCG Hong Kong
Joselito D. Campos, Jr.	EB7219075	23 Jan 2013/DFA-Manila

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

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal on the date and at the place first above-written.

JUANITO H. VINCULADO
NOTARY PUBLIC
UNTIL DEC. 31, 2017
PTR 11208636J LAS PINAS 1/6/17
IBP 1058402 / 1/6/2017 PPLM
ROLL NO. 41092 / MCLE V-0021209
NOT APPT NO. M-184 3/2/16 MAKATI

Doc. No. 181;
Page No. 38;
Book No. 31;
Series of 2017.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **Del Monte Pacific Limited** (the "**Company**") is responsible for the preparation and fair presentation of the separate financial statements, including the schedules attached therein, for the years ended April 30, 2017, 2016, and 2015, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as Management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going-concern basis of accounting, unless Management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

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

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

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has examined the separate financial statements of the Company for the years ended April 30, 2017 and 2016 (R.G. Manabat & Co. for the year ended April 30, 2015) in accordance with Philippine Standards on Auditing and, in its reports to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

Signature________________________________
Rolando C. Gapud, Executive Chairman

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

Signature________________________________
Parag Sachdeva, Chief Financial Officer

Signed on the 28th day of July 2017.

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY, METRO MANILA) S.S.

Before me, a Notary Public in and for Makati City, personally appeared on this 31st day of July 2017, the following:

Name	Passport No.	Date/Place Issued
Parag Sachdeva	Z3084975	24 Dec 2014/Shanghai

who was identified by me through competent evidence of identity to be the same person described in the foregoing instrument, who acknowledged before me that his signature on the instrument was voluntarily affixed by him for the purposes stated therein, and who declared to me that he has executed the instrument as his free and voluntary act and deed.

JUL 3 1 2017

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal on the date and at the place first above-written.

Doc. No. 200 ;
Page No. 41 ;
Book No. 109 ;
Series of 2017.

ATTY. VIRGILIO R. BATALLA
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. M-85
UNTIL DEC. 31, 2018
ROLL OF ATTY. NO. 48348
MCLE COMPLIANCE NO. IV-0016333-4/10/13
I.B.P O.R No. 706762, LIFETIME MEMBER JAN. 29,2007
PTR No. 590-90-83 JAN.3, 2017
EXECUTIVE BLDG. CENTER
MAKATI AVE. COR., JUPITER ST. MAKATI CITY

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of **Del Monte Pacific Limited** (the "**Company**") is responsible for the preparation and fair presentation of the separate financial statements, including the schedules attached therein, for the years ended April 30, 2017, 2016, and 2015, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as Management determines is necessary to enable the preparation of the separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going-concern basis of accounting, unless Management either intends to liquidate the Company or cease operations, or has no realistic alternative but to do so.

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

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

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has examined the separate financial statements of the Company for the years ended April 30, 2017 and 2016 (R.G. Manabat & Co. for the year ended April 30, 2015) in accordance with Philippine Standards on Auditing and, in its reports to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

Signature____
Rolando C. Gapud, Executive Chairman

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

Signature____
Parag Sachdeva, Chief Financial Officer

Signed on the 13th day of July 2017.

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY, METRO MANILA) S.S.

Before me, a Notary Public in and for Makati City, personally appeared on this 13th day of July 2017, the following:

Name	Passport No.	Date/Place Issued
Rolando C. Gapud	EB7643069	14 Mar 2013/PCG Hong Kong
Joselito D. Campos, Jr.	EB7219075	23 Jan 2013/DFA-Manila

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

IN WITNESS WHEREOF, I have hereunto affixed my hand and seal on the date and at the place first above-written.

JUANITO H. VINCULADO
NOTARY PUBLIC
UNTIL DEC. 31, 2017
PTR 11208636J LAS PINAS 1/6/17
IBP 1056402 / 1/6/2017 PPLM
ROLL NO. 41092 / MCLE V-0021209
NOT APPT NO. M-194 3/2/16 MAKATI

Doc. No. 180;
Page No. 37;
Book No. 31;
Series of 2017.

Del Monte Pacific Limited and its Subsidiaries

Financial Statements
30 April 2017 and 2016

and

Independent Auditor's Report

SGV
Building a better working world

A member firm of Ernst & Young Global Limited

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

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Del Monte Pacific Limited

Opinion

We have audited the accompanying consolidated financial statements of Del Monte Pacific Limited and Subsidiaries (the Group) and the separate financial statements of Del Monte Pacific Limited (the Company), which comprise the statements of financial position as at 30 April 2017 and 2016, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group and the Company present fairly, in all material respects, the financial position of the Group and the Company as at 30 April 2017 and 2016, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

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

Biological assets

Why significant	How our audit addressed the matter
a. *Adoption of Amendments to IAS 16, Property, Plant and Equipment and IAS 41, Agriculture: Bearer Plants*	
On 1 January 2016, the amendments to IAS 16, *Property, Plant and Equipment* and IAS 41, *Agriculture: Bearer Plants* became effective. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, such bearer plants will be within the scope of IAS 16 and have to be measured at accumulated cost before maturity and using either the cost model or revaluation model after maturity. Produce that grows on bearer plants remained within the scope of IAS 41 and continues to be measured at fair value less costs to sell. We considered this to be a key audit matter as the adoption of these amendments resulted in material adjustments made to certain account balances, including the restatement of comparatives. In previous financial years, the Group has accounted for bearer plants at cost and reduced by the estimated cost of harvested produce while their agricultural produce at fair value less estimated point-of-sale costs at the point of harvest. Beginning 1 May 2016, the Group adopted these amendments and this resulted in a change in the Group's accounting policy for biological assets as disclosed in Note 3.	We obtained an understanding of management's process for separating bearer plants from the agricultural produce. With respect to bearer plants, we obtained an understanding of management's identification of the capitalizable costs and the method of depreciation and compared sample capitalized costs of bearer plants to supporting documents. For the agricultural produce prior to harvest, we obtained an understanding of management's fair value measurement methodology, the timing of the recognition of the agricultural produce prior to harvest considering the life cycle of the bearer plant, and evaluated the significant fair value assumptions which include future selling prices, gross margin, estimated tonnage of harvests and future growing costs used in the valuation by comparing them against available market and historical information. We involved our internal specialist in evaluating the methodology used in calculating the fair value. We assessed whether the adjustments to the respective account balances have been made in accordance with the requirements set out in the amendments.

Why significant	How our audit addressed the matter
This change resulted in the presentation of biological assets of US$85.5 million, net of accumulated depreciation, as bearer plants and an increase in the carrying value of biological assets as of 30 April 2017 by US$44.3 million, representing the fair value of the agricultural produce prior to harvest. In addition, the Group has also restated the comparative amounts as disclosed in Note 3. Refer to Notes 3, 6 and 12 to the financial statements.	
b. Fair value of biological assets	
The gain on changes in the fair value of produce prior to harvest and harvested produce amounted to US$45.6 million for the year ended 30 April 2017. The valuation of biological assets was significant to our audit because the estimation process is complex, involves significant management estimate, and is based on assumptions that can be affected by natural phenomena. The key assumptions for the fair value of harvested produce include selling prices. The key assumptions for the fair value of produce prior to harvest include future selling prices, gross margin, estimated tonnage of harvests and future growing costs. Refer to Note 12 to the financial statements.	We tested the key assumptions, which include selling prices and gross margin for harvested produce; and future selling prices, gross margin, estimated tonnage of harvests and future growing costs for produce prior to harvest, by comparing them to external data such as selling prices in the principal market and historical information. We also assessed the methodology used in estimating the fair value. Given the complexity of the valuation, our internal specialists were involved in performing some of these procedures. We also assessed the adequacy of the related disclosures on the assumptions underlying the measurement of these biological assets.

Recoverability of goodwill and indefinite life trademarks

Why significant	How our audit addressed the matter
a. Goodwill	
As at 30 April 2017, goodwill is carried at US$203.4 million, which represents 13% of the total non-current assets. The annual impairment test is significant to our audit because the valuation process is complex, involves significant management judgement, and is based on assumptions (market multiples) that can be affected by future market and economic conditions. The Group allocated goodwill to a Cash Generating Unit (CGU), Del Monte Foods, Inc. and its subsidiaries. The Group used the fair value less costs of disposal to estimate the recoverable value of the CGU. Refer to Note 9 to the financial statements.	We obtained an understanding of the Group's impairment assessment process and the related controls. We tested the key assumptions, which include market multiples, by comparing them to external data such as EBITDA and revenue levels of peer companies. Given the complexity of the valuation process, our internal valuation specialist was involved in performing some of these procedures. We also focused on the adequacy of the Group's disclosures in Note 9 to the financial statements, about those assumptions to which the outcome of the impairment test was most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill.
b. Indefinite life trademarks	
As at 30 April 2017, indefinite life trademarks were carried at U$408.0 million which comprises of the following trademarks: "Del Monte" in the United States of America (USA), Philippines and India, "College Inn" in the USA, "S&W" in Asia, and "Todays" in the Philippines. The annual impairment tests are significant to our audit because the valuation process is complex, involves significant management judgment and estimates based on assumptions that can be affected by future market and economic conditions as well as trademark and royalty rates in the market. The Group used the Royalty Savings Approach in valuing its intangible assets in the USA and Philippines. This approach relies on the forecasted revenue for the related brand or trademark and applies the royalty rates in the market. For the other trademarks in Asia, the	We assessed the reasonableness of the forecasted revenue and royalty rates used to derive the recoverable value of the brand and trademarks by comparing against available market and historical information. We also evaluated the significant assumptions in the financial forecast of the CGUs, which include revenue growth rates, EBITDA and long-term margins, terminal value growth rate and discount rate, by comparing them against available market information, historical data and management plans. Given the complexity of the valuation process, our internal specialist was involved in performing some of these procedures.

Why significant	How our audit addressed the matter
Group used the discounted cash flow of the related CGUs. This method relies on forecasted financial results which uses significant assumptions such as revenue growth rates, EBITDA and long-term margins, terminal value growth rate and discount rate. Refer to Note 9 to the financial statements.	

Recoverability of deferred tax assets

Why significant	How our audit addressed the matter
As at 30 April 2017, the Group has recognized net deferred tax assets of US$92.8 million, which includes deferred tax assets recognized by Del Monte Foods, Inc., a subsidiary in the United States of America (USA), amounting to US$91.1 million. The recoverability of the deferred tax asset is significant to our audit because it involves significant management judgment and is based on assumptions that are affected by future market or economic conditions. The key assumptions in the taxable income forecast include revenue and EBITDA growth rates. Refer to Note 10 to the financial statements.	We assessed the recognition of deferred tax assets by comparing it to the taxable income forecast. We tested the key assumptions in the taxable income forecast such as revenue and EBITDA growth rates against available market information, management plans, historical performance and industry/market outlook. We compared the consistency of management's taxable income forecasts with those included in the budget approved by the Board of Directors. We assessed the robustness of management's forecasting process by comparing the actual results of the subsidiary against the forecast used in prior year. We involved our internal specialist in reviewing the temporary differences.

Valuation of defined benefit liability

Why significant	How our audit addressed the matter
The Group has defined benefit plans in the Philippines and the USA, giving rise to defined benefit liability of US$76.9 million and pension asset amounting to US$5.5 million as at 30 April 2017 which are measured using actuarial valuation methods.	Our procedures included, among others, involving our internal specialist to assist us in reviewing the valuation methodology and the actuarial and demographic assumptions used by management to value the Group's various pension obligations. We evaluated the competence, capabilities and objectivity of management's specialist.

Why significant	How our audit addressed the matter
We considered this to be a key audit matter because of the magnitude of the amounts, management's judgement in the use of assumptions such as future salary increases, discount rates, mortality rates and health care trends and technical expertise required to determine these amounts. Refer to Note 22 to the financial statements.	We evaluated the key actuarial assumptions such as future salary increases, discount rates, mortality rates and health care trends by comparing them to market data and historical information. We tested the employees' payroll data on a sample basis, and reviewed the reconciliation of the membership census data used in the actuarial models to the payroll data of the Group.

We have determined that there are no key audit matters to communicate in our report on the separate financial statements of the Company.

Other Matter

The financial statements of the Group and of the Company as at and for the year ended 30 April 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 28 July 2015.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended 30 April 2017, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended 30 April 2017 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Catherine E. Lopez.

SYCIP GORRES VELAYO & CO.

Catherine E. Lopez

Catherine E. Lopez
Partner
CPA Certificate No. 86447
SEC Accreditation No. 0468-AR-3 (Group A),
May 1, 2016, valid until May l, 2019
Tax Identification No. 102-085-895
BIR Accreditation No. 08-001998-65-2015,
February 27, 2015, valid until February 26, 2018
PTR No. 5908710, January 3, 2017, Makati City

July 13, 2017

Del Monte Pacific Limited and its Subsidiaries

Statements of financial position
As at 30 April 2017 and 2016 and 1 May 2015
(In US$'000)

	Note	Group: 30 April 2017	Group: 30 April 2016 (As restated*)	Group: 1 May 2015 (As restated*)	Company: 30 April 2017	Company: 30 April 2016 (As restated*)	Company: 1 May 2015 (As restated*)
Noncurrent assets							
Property, plant and equipment - net	6	**657,185**	661,233	679,312	–	–	–
Investments in subsidiaries	7	–	–	–	**831,888**	760,898	772,119
Investments in joint ventures	8	**25,797**	22,820	22,590	**1,924**	2,551	2,551
Intangible assets and goodwill	9	**741,026**	750,373	759,700	–	–	–
Deferred tax assets - net	10	**92,786**	99,284	85,491	**2**	–	–
Biological assets	12	**1,420**	1,448	1,446	–	–	–
Pension asset	22	**5,517**	–	–	–	–	–
Other noncurrent assets	11	**27,112**	25,941	28,985	–	–	–
		1,550,843	1,561,099	1,577,524	**833,814**	763,449	774,670
Current assets							
Biological assets	12	**44,347**	39,775	33,374	–	–	–
Inventories	13	**916,892**	845,233	749,549	–	–	–
Trade and other receivables	14	**164,447**	175,532	184,402	**119,703**	145,240	105,723
Prepaid expenses and other current assets	15	**43,046**	35,598	39,870	**328**	257	137
Cash and cash equivalents	16	**37,571**	47,203	35,618	**6,767**	361	6,126
		1,206,303	1,143,341	1,042,813	**126,798**	145,858	111,986
Noncurrent assets held for sale	17	–	1,950	8,113	–	–	–
		1,206,303	1,145,291	1,050,926	**126,798**	145,858	111,986
Total assets		**2,757,146**	2,706,390	2,628,450	**960,612**	909,307	886,656
Equity							
Share capital	18	**39,449**	19,449	19,449	**39,449**	19,449	19,449
Retained earnings	19	**159,169**	160,631	103,653	**159,169**	160,631	103,653
Reserves	19	**318,460**	134,926	148,750	**318,599**	135,065	148,889
Equity attributable to owners of the Company	39	**517,078**	315,006	271,852	**517,217**	315,145	271,991
Non-controlling interests	39	**61,477**	61,971	58,644	–	–	–
Total equity		**578,555**	376,977	330,496	**517,217**	315,145	271,991
Noncurrent liabilities							
Loans and borrowings	20	**1,264,268**	1,116,422	1,272,945	**281,854**	129,234	348,250
Employee benefits	22	**87,599**	97,118	129,199	–	–	–
Environmental remediation liabilities	23	**6,198**	6,313	4,580	–	–	–
Deferred tax liabilities - net	10	**3,913**	1,092	1,092	–	–	–
Other noncurrent liabilities	21	**44,018**	62,586	61,163	–	–	–
		1,405,996	1,283,531	1,468,979	**281,854**	129,234	348,250
Current liabilities							
Loans and borrowings	20	**449,698**	727,360	445,542	**43,070**	348,630	102,630
Employee benefits	22	**22,165**	33,652	43,080	–	–	–
Trade and other payables	24	**299,545**	281,043	339,054	**118,471**	116,298	163,785
Current tax liabilities		**1,187**	3,827	1,299	–	–	–
		772,595	1,045,882	828,975	**161,541**	464,928	266,415
Total liabilities		**2,178,591**	2,329,413	2,297,954	**443,395**	594,162	614,665
Total equity and liabilities		**2,757,146**	2,706,390	2,628,450	**960,612**	909,307	886,656

** see Note 3.6*

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

Del Monte Pacific Limited and its Subsidiaries

Income statements
Years ended 30 April 2017, 2016 and 2015
(In US$'000)

	Note	Group: Year ended 30 April 2017	Group: Year ended 30 April 2016 (As restated*)	Group: Year ended 30 April 2015 (As restated*)	Company: Year ended 30 April 2017	Company: Year ended 30 April 2016 (As restated*)	Company: Year ended 30 April 2015 (As restated*)
Revenue	25	**2,252,783**	2,274,085	2,189,983	–	–	–
Cost of sales	26	**(1,757,891)**	(1,788,269)	(1,778,531)	–	–	–
Gross profit		**494,892**	485,816	411,452	–	–	–
Distribution and selling expenses	26	**(203,168)**	(201,031)	(199,160)	–	–	–
General and administrative expenses	26	**(165,074)**	(147,837)	(190,892)	**(15,906)**	(13,968)	(6,417)
Other income (expenses) - net	5	**960**	31,038	16,896	**673**	67	(582)
Results from operating activities		**127,610**	167,986	38,296	**(15,233)**	(13,901)	(6,999)
Finance income	27	**5,809**	2,231	400	**47**	2	8
Finance expense	27	**(111,068)**	(99,581)	(99,861)	**(22,829)**	(21,703)	(25,294)
Net finance expense		**(105,259)**	(97,350)	(99,461)	**(22,782)**	(21,701)	(25,286)
Share in income (loss) of joint ventures and subsidiaries, net of tax	30	**(1,909)**	(1,717)	(2,453)	**62,393**	92,585	(7,993)
Profit (loss) before taxation	26	**20,442**	68,919	(63,618)	**24,378**	56,983	(40,278)
Tax credit (expense) – net	28	**(551)**	(8,943)	17,528	**(12)**	(5)	–
Profit (loss) for the year		**19,891**	59,976	(46,090)	**24,366**	56,978	(40,278)
Profit (loss) attributable to:							
Owners of the Company		**24,366**	56,978	(40,278)	**24,366**	56,978	(40,278)
Non-controlling interests		**(4,475)**	2,998	(5,812)	–	–	–
		19,891	59,976	(46,090)	**24,366**	56,978	(40,278)
Earnings per share							
Basic earnings (loss) per share (US cents)	29	**1.21**	2.93	(2.90)			
Diluted earnings (loss) per share (US cents)	29	**1.21**	2.93	(2.90)			

** see Note 3.6*

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

Del Monte Pacific Limited and its Subsidiaries

Statements of comprehensive income
Years ended 30 April 2017, 2016 and 2015
(In US$'000)

Group	**Note**	**Year ended 30 April 2017**	**Year ended 30 April 2016 (As restated*)**	**Year ended 30 April 2015 (As restated*)**
Profit (loss) for the year		**19,891**	59,976	(46,090)
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss:				
Currency translation differences		**(18,276)**	(13,476)	(1,655)
Effective portion of changes in fair value of cash flow hedges		**18,140**	(10,553)	(16,643)
Income tax effect on cash flow hedges	10	**(6,893)**	4,090	6,244
		(7,029)	(19,939)	(12,054)
Items that will not be reclassified to profit or loss:				
Remeasurement of retirement plans	22	**20,337**	(428)	(23,184)
Income tax effect on remeasurement of retirement plans	10	**(6,360)**	7,647	8,806
Gain on property revaluation		**4,119**	–	–
Tax impact on revaluation reserve	10	**(1,236)**	(1,504)	–
		16,860	5,715	(14,378)
Other comprehensive income (loss) for the year, net of tax		**9,831**	(14,224)	(26,432)
Total comprehensive income (loss) for the year		**29,722**	45,752	(72,522)
Total comprehensive income (loss) attributable to:				
Owners of the Company		**31,675**	42,614	(63,907)
Non-controlling interests		**(1,953)**	3,138	(8,615)
		29,722	45,752	(72,522)

** see Note 3.6*

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

Del Monte Pacific Limited and its Subsidiaries

Statements of comprehensive income
Years ended 30 April 2017, 2016 and 2015
(In US$'000)

	Year ended 30 April 2017	Year ended 30 April 2016 (As restated*)	Year ended 30 April 2015 (As restated*)
Company			
Profit (loss) for the year	**24,366**	56,978	(40,278)
Other comprehensive income			
Items that will or may be reclassified subsequently to profit or loss:			
Share in currency translation differences of subsidiaries	**(18,274)**	(13,478)	(1,468)
Share in effective portion of changes in fair value of cash flow hedges of a subsidiary	**16,224**	(9,323)	(15,000)
Income tax effect on cash flow hedges	**(6,165)**	3,543	5,700
	(8,215)	(19,258)	(10,768)
Items that will not be reclassified to profit or loss:			
Share in remeasurement of retirement plans of subsidiaries	**12,641**	6,398	(12,861)
Share in the revaluation reserve of a subsidiary, net of tax	**2,883**	(1,504)	–
	15,524	4,894	(12,861)
Other comprehensive income (loss) for the year, net of tax	**7,309**	(14,364)	(23,629)
Total comprehensive income (loss) for the year	**31,675**	42,614	(63,907)

** see Note 3.6*

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

Del Monte Pacific Limited and its Subsidiaries

Statements of changes in equity
Years ended 30 April 2017, 2016 and 2015

(In US$'000)

		<--- Attributable to owners of the Company --->											
	Note	**Share capital**	**Share premium**	**Translation reserve**	**Revaluation reserve**	**Remeasure -ment of retirement plans**	**Hedging reserve**	**Share option reserve**	**Reserve for own shares**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Group													
2017													
At 30 April 2016, as previously reported		19,449	214,843	(59,813)	8,002	(10,833)	(17,502)	1,031	(802)	148,866	303,241	61,971	365,212
Adjustment due to amendments to IAS 16 and IAS 41	3.6	–	–	–	–	–	–	–	–	11,765	11,765	–	11,765
At 30 April 2016, as restated		19,449	214,843	(59,813)	8,002	(10,833)	(17,502)	1,031	(802)	160,631	315,006	61,971	376,977
Total comprehensive income (loss) for the year													
Profit for the year		–	–	–	–	–	–	–	–	24,366	24,366	(4,475)	19,891
Other comprehensive income													
Currency translation differences		–	–	(18,274)	–	–	–	–	–	–	(18,274)	(2)	(18,276)
Gain on property revaluation, net of tax		–	–	–	2,883	–	–	–	–	–	2,883	–	2,883
Remeasurement of retirement plans, net of tax	22	–	–	–	–	12,641	–	–	–	–	12,641	1,336	13,977
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	10,059	–	–	–	10,059	1,188	11,247
Total other comprehensive income (loss)		–	–	(18,274)	2,883	12,641	10,059	–	–	–	7,309	2,522	9,831
Total comprehensive income (loss) for the year		–	–	(18,274)	2,883	12,641	10,059	–	–	24,366	31,675	(1,953)	29,722
Transactions with owners of the Company recognised directly in equity													
Contributions by and distributions to owners of the Company													
Issuance of preference shares	18	20,000	180,000	–	–	–	–	–	–	–	200,000	–	200,000
Transaction cost from issue of preference shares		–	(4,523)	–	–	–	–	–	–	–	(4,523)	–	(4,523)
Reclassification of non-controlling interest contribution		–	–	–	–	–	–	–	–	–	–	1,317	1,317
Value of employee services received for issue of share options	26	–	–	–	–	–	–	748	–	–	748	142	890
Payment of dividends	19	–	–	–	–	–	–	–	–	(25,828)	(25,828)	–	(25,828)
Total contributions by and distributions to owners		20,000	175,477	–	–	–	–	748	–	(25,828)	170,397	1,459	171,856
At 30 April 2017	19	39,449	390,320	(78,087)	10,885	1,808	(7,443)	1,779	(802)	159,169	517,078	61,477	578,555

Del Monte Pacific Limited and its Subsidiaries
Statements of changes in equity (cont'd)
Years ended 30 April 2017, 2016 and 2015

(In US$'000)

	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure -ment of retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		<------ Attributable to owners of the Company ------>											
Group													
2016													
At 1 May 2015, as previously reported		19,449	214,843	(46,335)	9,506	(17,231)	(11,722)	318	(629)	97,332	265,531	58,644	324,175
Adjustment due to amendments to IAS 16 and IAS 41		–	–	–	–	–	–	–	–	6,321	6,321	–	6,321
At 1 May 2015, as restated		19,449	214,843	(46,335)	9,506	(17,231)	(11,722)	318	(629)	103,653	271,852	58,644	330,496
Total comprehensive income for the year													
Profit for the year		–	–	–	–	–	–	–	–	56,978	56,978	2,998	59,976
Other comprehensive income													
Currency translation differences		–	–	(13,478)	–	–	–	–	–	–	(13,478)	2	(13,476)
Tax impact on revaluation reserve		–	–	–	(1,504)	–	–	–	–	–	(1,504)	–	(1,504)
Remeasurement of retirement plans, net of tax	22	–	–	–	–	6,398	–	–	–	–	6,398	821	7,219
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	(5,780)	–	–	–	(5,780)	(683)	(6,463)
Total other comprehensive income (loss)		–	–	(13,478)	(1,504)	6,398	(5,780)	–	–	–	(14,364)	140	(14,224)
Total comprehensive income (loss) for the year		–	–	(13,478)	(1,504)	6,398	(5,780)	–	–	56,978	42,614	3,138	45,752
Transactions with owners of the Company recognised directly in equity													
Contributions by and distributions to owners of the Company													
Acquisition of treasury shares		–	–	–	–	–	–	–	(173)	–	(173)	–	(173)
Value of employee services received for issue of share options	26	–	–	–	–	–	–	713	–	–	713	–	713
Capital injection by non-controlling interests		–	–	–	–	–	–	–	–	–	–	189	189
Total contributions by and distributions to owners		–	–	–	–	–	–	713	(173)	–	540	189	729
At 30 April 2016	19	19,449	214,843	(59,813)	8,002	(10,833)	(17,502)	1,031	(802)	160,631	315,006	61,971	376,977

Del Monte Pacific Limited and its Subsidiaries
Statements of changes in equity (cont'd)
Years ended 30 April 2017, 2016 and 2015

(In US$'000)

Group	*Note*	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure -ment of retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		<--- Attributable to owners of the Company									--->		
2015													
At 1 May 2014, as previously reported		12,975	69,205	(44,867)	9,506	(4,370)	(2,422)	174	(629)	140,515	180,087	67,255	247,342
Adjustment due to amendments to IAS 16 and IAS 41		–	–	–	–	–	–	–	–	3,416	3,416	–	3,416
At 1 May 2014, as restated		12,975	69,205	(44,867)	9,506	(4,370)	(2,422)	174	(629)	143,931	183,503	67,255	250,758
Total comprehensive loss for the year													
Loss for the year		–	–	–	–	–	–	–	–	(40,278)	(40,278)	(5,812)	(46,090)
Other comprehensive income													
Currency translation differences		–	–	(1,468)	–	–	–	–	–	–	(1,468)	(187)	(1,655)
Remeasurement of retirement plans, net of tax	22	–	–	–	–	(12,861)	–	–	–	–	(12,861)	(1,517)	(14,378)
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	(9,300)	–	–	–	(9,300)	(1,099)	(10,399)
Total other comprehensive loss		–	–	(1,468)	–	(12,861)	(9,300)	–	–	–	(23,629)	(2,803)	(26,432)
Total comprehensive loss for the year		–	–	(1,468)	–	(12,861)	(9,300)	–	–	(40,278)	(63,907)	(8,615)	(72,522)
Transactions with owners of the Company recognised directly in equity													
Contributions by and distributions to owners of the Company													
Proceeds from issuance of ordinary shares	18	6,474	148,562	–	–	–	–	–	–	–	155,036	–	155,036
Transactions costs related to issuance of share capital		–	(2,924)	–	–	–	–	–	–	–	(2,924)	–	(2,924)
Value of employee services received for issue of share options	26	–	–	–	–	–	–	144	–	–	144	–	144
Capital injection by non-controlling interests		–	–	–	–	–	–	–	–	–	–	4	4
Total contributions by and distributions to owners		6,474	145,638	–	–	–	–	144	–	–	152,256	4	152,260
At 30 April 2015, as restated	19	19,449	214,843	(46,335)	9,506	(17,231)	(11,722)	318	(629)	103,653	271,852	58,644	330,496

Del Monte Pacific Limited and its Subsidiaries
Statements of changes in equity (cont'd)
Years ended 30 April 2017, 2016 and 2015

(In US$'000)

Company	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total equity
2017											
At 30 April 2016, as previously reported		19,449	214,982	(59,813)	8,002	(10,833)	(17,502)	1,031	(802)	148,866	303,380
Adjustment due to amendments to IAS 16 and IAS 41	3.6	–	–	–	–	–	–	–	–	11,765	11,765
At 30 April 2016, as restated		19,449	214,982	(59,813)	8,002	(10,833)	(17,502)	1,031	(802)	160,631	315,145
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	–	–	24,366	24,366
Other comprehensive income											
Currency translation differences		–	–	(18,274)	–	–	–	–	–	–	(18,274)
Gain on property revaluation, net of tax		–	–	–	2,883	–	–	–	–	–	2,883
Remeasurement of retirement plans, net of tax	22	–	–	–	–	12,641	–	–	–	–	12,641
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	10,059	–	–	–	10,059
Total other comprehensive income (loss)		–	–	(18,274)	2,883	12,641	10,059	–	–	–	7,309
Total comprehensive income (loss) for the year		–	–	(18,274)	2,883	12,641	10,059	–	–	24,366	31,675
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Issuance of preference shares	18	20,000	180,000	–	–	–	–	–	–	–	200,000
Transaction cost from issue of preference shares		–	(4,523)	–	–	–	–	–	–	–	(4,523)
Value of employee services received for issue of share options	26	–	–	–	–	–	–	748	–	–	748
Payment of dividends	19	–	–	–	–	–	–	–	–	(25,828)	(25,828)
Total contributions by and distributions to owners		20,000	175,477	–	–	–	–	748	–	(25,828)	170,397
At 30 April 2017	19	39,449	390,459	(78,087)	10,885	1,808	(7,443)	1,779	(802)	159,169	517,217

Del Monte Pacific Limited and its Subsidiaries
Statements of changes in equity (cont'd)
Years ended 30 April 2017, 2016 and 2015
(In US$'000)

Company	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasurement of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total equity
2016											
At 1 May 2015, as previously reported		19,449	214,982	(46,335)	9,506	(17,231)	(11,722)	318	(629)	97,332	265,670
Adjustment due to amendments to IAS 16 and IAS 41	3.6	–	–	–	–	–	–	–	–	6,321	6,321
At 1 May 2015, as restated		19,449	214,982	(46,335)	9,506	(17,231)	(11,722)	318	(629)	103,653	271,991
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	–	–	56,978	56,978
Other comprehensive income											
Currency translation differences		–	–	(13,478)	–	–	–	–	–	–	(13,478)
Tax impact on revaluation reserve		–	–	–	(1,504)	–	–	–	–	–	(1,504)
Remeasurement of retirement plans, net of tax	22	–	–	–	–	6,398	–	–	–	–	6,398
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	(5,780)	–	–	–	(5,780)
Total other comprehensive income (loss)		–	–	(13,478)	(1,504)	6,398	(5,780)	–	–	–	(14,364)
Total comprehensive income (loss) for the year		–	–	(13,478)	(1,504)	6,398	(5,780)	–	–	56,978	42,614
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Acquisition of treasury shares		–	–	–	–	–	–	–	(173)	–	(173)
Value of employee services received for issue of share options	26	–	–	–	–	–	–	713	–	–	713
Total contributions by and distributions to owners		–	–	–	–	–	–	713	(173)	–	540
At 30 April 2016	19	19,449	214,982	(59,813)	8,002	(10,833)	(17,502)	1,031	(802)	160,631	315,145

(In US$'000)

Company	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total equity
2015											
At 1 May 2014, as previously reported		12,975	69,344	(44,867)	9,506	(4,370)	(2,422)	174	(629)	140,515	180,226
Adjustment due to amendments to IAS 16 and IAS 41	3.6	–	–		–	–	–	–	–	3,416	3,416
At 1 May 2014, as restated		12,975	69,344	(44,867)	9,506	(4,370)	(2,422)	174	(629)	143,931	183,642
Total comprehensive loss for the year											
Loss for the year		–	–	–	–	–	–	–	–	(40,278)	(40,278)
Other comprehensive income											
Currency translation differences		–	–	(1,468)	–	–	–	–	–	–	(1,468)
Remeasurement of retirement plans, net of tax	22	–	–	–	–	(12,861)	–	–	–	–	(12,861)
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	(9,300)	–	–	–	(9,300)
Total other comprehensive loss		–	–	(1,468)	–	(12,861)	(9,300)	–	–	–	(23,629)
Total comprehensive loss for the year		–	–	(1,468)	–	(12,861)	(9,300)	–	–	(40,278)	(63,907)
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Proceeds from issuance of ordinary shares	18	6,474	148,562	–	–	–	–	–	–	–	155,036
Transactions costs related to issuance of share capital		–	(2,924)	–	–	–	–	–	–	–	(2,924)
Value of employee services received for issue of share options	26	–	–	–	–	–	–	144	–	–	144
Total contributions by and distributions to owners		6,474	145,638	–	–	–	–	144	–	–	152,256
At 30 April 2015	19	19,449	214,982	(46,335)	9,506	(17,231)	(11,722)	318	(629)	103,653	271,991

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

Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows
Years ended 30 April 2017, 2016 and 2015
(In US$'000)

	Note	Group: Year ended 30 April 2017	Group: Year ended 30 April 2016 (As restated*)	Group: Year ended 30 April 2015 (As restated*)	Company: Year ended 30 April 2017	Company: Year ended 30 April 2016 (As restated*)	Company: Year ended 30 April 2015 (As restated*)
Cash flows from operating activities							
Profit (loss) for the year		19,891	59,976	(46,090)	24,366	56,978	(40,278)
Adjustments for:							
Amortisation of intangible assets	9	9,347	9,327	7,560	–	–	–
Depreciation of property, plant and equipment	6	138,995	139,991	141,394	–	–	–
Impairment loss (reversal of impairment) of property, plant and equipment	6	(330)	4,928	(508)	–	–	–
Loss on disposal of property, plant and equipment		729	1,052	1,278	–	–	–
Equity-settled share-based payment transactions	26	890	713	144	96	161	144
Share in loss (profit) of joint ventures and subsidiaries, net of tax		1,909	1,717	2,453	(62,393)	(92,585)	7,993
Finance income	27	(5,809)	(2,231)	(400)	(47)	(2)	(8)
Finance expense	27	111,068	99,581	99,861	22,829	21,703	25,294
Tax expense – current	28	6,730	12,729	7,189	14	5	–
Tax credit – deferred	28	(6,179)	(3,786)	(24,717)	(2)	–	–
Ineffective portion of cash flow hedges		(1,070)	5,193	319	–	–	–
Bargain purchase on acquisition of Sager Creek	5	–	–	(26,568)	–	–	–
Defined benefit plan amendment	22	–	(39,422)	–	–	–	–
Impairment losses on noncurrent assets held for sale	26	–	1,659	–	–	–	–
Deconsolidation of a subsidiary	7, 26	–	–	5,186	–	–	–
		276,171	291,427	167,101	(15,137)	(13,740)	(6,855)
Changes in:							
Other assets		1,786	(13,277)	10,951	–	–	–
Inventories		(64,858)	(103,705)	128,225	–	–	–
Biological assets		(12,550)	(8,427)	(33,351)	–	–	–
Trade and other receivables		(331)	22,851	(42,480)	(5)	(2)	(6,013)
Prepaid expenses and other current assets		(8,602)	(2,787)	(18,001)	(102)	(83)	(90)
Trade and other payables		(7,255)	(97,072)	98,580	3,360	2,834	860
Employee benefits		5,052	18,989	10,180	–	–	–
Operating cash flows		189,413	107,999	321,205	(11,884)	(10,991)	(12,098)
Taxes paid		(2,344)	(38)	(12,623)	–	–	–
Net cash flows provided by (used in) operating activities		187,069	107,961	308,582	(11,884)	(10,991)	(12,098)

** see Note 3.6*

Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows (cont'd)
Years ended 30 April 2017, 2016 and 2015
(In US$'000)

	Note	<----- Group	-----	----->	<----- Company	-----	----->
		Year ended 30 April 2017	Year ended 30 April 2016 (As restated*)	Year ended 30 April 2015 (As restated*)	Year ended 30 April 2017	Year ended 30 April 2016 (As restated*)	Year ended 30 April 2015 (As restated*)
Cash flows from investing activities							
Interest received		476	357	353	–	–	–
Proceeds from disposal of property, plant and equipment and noncurrent assets held for sale		2,191	3,775	353	–	–	–
Acquisitions of property, plant and equipment		(144,123)	(137,230)	(144,133)	–	–	–
Investments in joint ventures	8	(3,570)	(1,947)	(4,249)	–	–	(2,551)
Purchase of Sager Creek	5	–	–	(75,000)	–	–	–
Deconsolidation of a subsidiary		–	–	(1,258)	–	–	–
Net cash flows used in investing activities		(145,026)	(135,045)	(223,934)	–	–	(2,551)
Cash flows from financing activities							
Interest paid		(103,098)	(85,682)	(88,111)	(24,183)	(19,907)	(27,087)
Proceeds from borrowings	20	930,901	1,113,193	1,270,084	52,650	233,000	16,000
Repayment of borrowings	20	(1,056,280)	(986,800)	(1,411,388)	(205,580)	(207,000)	(167,000)
Proceeds from issuance of share capital	18	200,000	–	155,036	200,000	–	155,036
Payment of transaction costs related to issuance of share capital		(4,523)	–	(2,924)	(4,523)	–	(2,924)
Capital injection by non-controlling interests of subsidiaries		–	189	4	–	–	–
Acquisition of treasury shares		–	(173)	–	–	(173)	–
Payment of amounts due to subsidiaries (non-trade)		–	–	–	247	(6,170)	41,716
Increase in due from subsidiaries (non-trade)		–	–	–	25,542	5,485	4,802
Dividends paid	19	(25,828)	–	–	(25,828)	–	–
Net cash flows provided by (used in) financing activities		(58,828)	40,727	(77,299)	18,325	5,235	20,543

** see Note 3.6*

Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows (cont'd)
Years ended 30 April 2017, 2016 and 2015
(In US$'000)

	Note	Group: Year ended 30 April 2017	Group: Year ended 30 April 2016 (As restated*)	Group: Year ended 30 April 2015 (As restated*)	Company: Year ended 30 April 2017	Company: Year ended 30 April 2016 (As restated*)	Company: Year ended 30 April 2015 (As restated*)
Net increase (decrease) in cash and cash equivalents		(16,785)	13,643	7,349	6,441	(5,756)	5,894
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		7,153	(2,058)	(132)	(35)	(9)	–
Cash and cash equivalents at beginning of year		47,203	35,618	28,401	361	6,126	232
Cash and cash equivalents at end of year	16	37,571	47,203	35,618	6,767	361	6,126

** see Note 3.6*

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

These notes form an integral part of the financial statements.

The accompanying financial statements were approved and authorised for issuance by the Board of Directors (the "Board" or "BOD") on 13 July 2017.

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 canned and fresh pineapples, pineapple juice concentrate, tropical mixed fruit, canned peaches and pears, canned vegetables, tomato-based products, and certain other food and beverage products 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 ultimate shareholders are NutriAsia Inc ("NAI") and Well Grounded Limited ("WGL"), which at 30 April 2017, 2016 and 2015, 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.

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 and its Preference Shares on 7 April 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 30 April 2017 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. Going concern – The Company

The Company's current liabilities are higher by US$34.7 million compared to current assets as at 30 April 2017 (30 April 2016: US$319.1 million, 30 April 2015: US$154.4 million). Management believes that the Company will be able to pay its liabilities as and when they fall due. Accordingly, the use of going concern assumption is appropriate taking into account the following:

2. Going concern – The Company (cont'd)

- the Group's net current assets position of US$433.7 million as at 30 April 2017 and the Company expects dividend payment from its subsidiaries;
- the option of the Company, subject to counterparty's approval, to extend the maturity dates of certain of its financing facilities to more than twelve months after the reporting date.

3. Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). IFRS includes statements named IFRS and International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB), and International Financial Reporting and Interpretations Committee and Standing Interpretations Committee Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

3.2 Basis of measurement

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

3.3 Functional and presentation currency

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

3.4 Use of estimates and judgements

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

Judgements

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

Note 6 – Bearer plants
Note 7 – Determination of control over subsidiaries
Note 8 – Classification of the joint arrangement
Note 37 – Contingencies

Estimates and underlying assumptions

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

3. Basis of preparation (cont'd)

3.4 Use of estimates and judgements (cont'd)

Estimates and underlying assumptions (cont'd)

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

Note 6 – Useful lives of property, plant and equipment, revaluation of freehold land, estimate of yield for bearer plant's depreciation for bearer plant's depreciation
Note 7 – Recoverability of investments in subsidiaries
Note 8 – Recoverability of investments in joint ventures
Note 9 – Useful lives of intangible assets and impairment of goodwill and intangible assets
Note 10 – Realisability of deferred tax assets
Note 12 – Future cost of growing crops and fair value of livestock, harvested crops, and produce prior to harvest
Note 13 – Allowance for inventory obsolescence and net realisable value
Note 14 – Impairment of trade receivables
Note 22 – Measurement of employee benefit obligations
Note 24 – Estimation of trade promotion accruals
Note 23 – Estimation of environmental remediation liabilities
Note 28 – Measurement of tax
Note 35 – Determination of fair values
Note 37 – Contingencies

3.5 Measurement of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the most advantageous market for the asset or liability. The principal or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3: unobservable inputs for the asset or liability.

3. Basis of preparation (cont'd)

3.5 Measurement of fair value (cont'd)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

The Group has adopted the following standards, amendments to standards, including any consequential amendments to other standards, and interpretations with a date of initial application of 1 May 2016. The adoption of these new standards, amendments to standards, and interpretations has no significant impact to the Group unless otherwise stated.

Amendments to IAS 16, Property, Plant, and Equipment and IAS 41, Agriculture: Bearer Plants. The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. In previous financial years, the Group has accounted for bearer plants at cost reduced by the estimated cost of harvested produce, and their agricultural produce at fair value less estimated point of sale costs at the point of harvest.

The Group has assessed that the pineapple crops qualify as bearer plants. Accordingly, the Group applied the requirements of the amendments. The restatements and reclassification of accounts were applied on a retrospective basis and comparative amounts for fiscal years 2016 and 2015 have been restated to reflect the changes in accounting policies.

The following table summarises the material impact resulting from the above change in accounting policy:

Statements of financial position

	<-------------- Group -------------->			<-------------- Company -------------->		
	As previously reported	**Adjustments**	**As restated**	**As previously reported**	**Adjustments**	**As restated**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
At 30 April 2016						
Property, plant and equipment - net	563,614	97,619	661,233	–	–	–
Investments in subsidiaries	–	–	–	749,133	11,765	760,898
Deferred tax assets - net	100,899	(1,615)	99,284	–	–	–
Biological assets, noncurrent	37,468	(36,020)	1,448	–	–	–
Biological assets, current	87,994	(48,219)	39,775	–	–	–
Total assets	789,975	11,765	801,740	749,133	11,765	760,898
Retained earnings	148,866	11,765	160,631	148,866	11,765	160,631
Total equity	148,866	11,765	160,631	148,866	11,765	160,631

3. Basis of preparation (cont'd)

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

	Group			Company		
	As previously reported US$'000	Adjustments US$'000	As restated US$'000	As previously reported US$'000	Adjustments US$'000	As restated US$'000
At 1 May 2015						
Property, plant and equipment - net	578,359	100,953	679,312	–	–	–
Investments in subsidiaries	–	–	–	765,798	6,321	772,119
Deferred tax assets – net	86,303	(812)	85,491	–	–	–
Biological assets, noncurrent	41,606	(40,160)	1,446	–	–	–
Biological assets, current	87,034	(53,660)	33,374	–	–	–
Total assets	793,302	6,321	799,623	765,798	6,321	799,623
Retained earnings	97,332	6,321	103,653	97,332	6,321	103,653
Total equity	97,332	6,321	103,653	97,332	6,321	103,653

<u>**Income statements**</u>

	Group			Company		
	As previously reported US$'000	Adjustments US$'000	As restated US$'000	As previously reported US$'000	Adjustments US$'000	As restated US$'000
For the year ended 30 April 2016						
Revenue	2,267,837	6,248	2,274,085	–	–	–
Share in income (loss) of joint ventures and subsidiaries, net of tax	(1,717)	–	(1,717)	87,141	5,444	92,585
Tax credit (expense) – net	(8,139)	(804)	(8,943)	–	–	–
Profit (loss) for the year	54,532	5,444	59,976	51,534	5,444	56,978
For the year ended 30 April 2015						
Revenue	2,186,689	3,294	2,189,983	–	–	–
Share in income (loss) of joint ventures and subsidiaries, net of tax	(2,453)	–	(2,453)	(10,898)	2,905	(7,993)
Tax credit (expense) – net	17,917	(389)	17,528	–	–	–
Profit (loss) for the year	(48,995)	2,905	(46,090)	(43,183)	2,905	(40,278)

3. Basis of preparation (cont'd)

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

Earnings per share

	<------------------------- Group ------------------------->		
	As previously reported US$	**Adjustments US$**	**As restated US$**
For the year ended 30 April 2016			
Basic loss per share (US cents)	2.65	0.28	2.93
Diluted loss per share (US cents)	2.65	0.28	2.93
For the year ended 30 April 2015			
Basic loss per share (US cents)	(3.10)	(0.20)	(2.90)
Diluted loss per share (US cents)	(3.10)	(0.20)	(2.90)

Statements of Cash Flows

	<------------------------- Group ------------------------->		
	As previously reported US$'000	**Adjustments US$'000**	**As restated US$'000**
For the year ended 30 April 2016			
Cash flow provided by operating activities	31,040	76,921	107,961
Cash flow used in investing activities	(58,124)	(76,921)	(135,045)
For the year ended 30 April 2015			
Cash flow provided by operating activities	239,628	68,954	308,582
Cash flow used in investing activities	(154,980)	(68,954)	(223,934)

The change in accounting policy has no significant impact in the statements of cash flows of the Company for the year ended 30 April 2016 and 2015.

Amendments to IFRS 10, Consolidated Financial Statements, IFRS 12, Disclosure of Interests in Other Entities, and IAS 28, Investments in Associates and Joint Ventures, Investment Entities: Applying the Consolidation Exception. The amendments clarify that the exemption in IFRS 10 from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity that measures all of its subsidiaries at fair value. They also clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity parent is consolidated. The amendments also allow an investor (that is not an investment entity and has an investment entity associate or joint venture) to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries when applying the equity method.

Amendments to IFRS 11, Joint Arrangements, Accounting for Acquisitions of Interests in Joint Operations. The amendments to IFRS 11 require a joint operator that is accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business (as defined by IFRS 3, *Business Combination*), to apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

3. Basis of preparation (cont'd)

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

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

IFRS 14, Regulatory Deferral Accounts, is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of income and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements.

Amendments to IAS 1, Presentation of Financial Statements, Disclosure Initiative. The amendments are intended to assist entities in applying judgment when meeting the presentation and disclosure requirements in IFRSs. They clarify the following:

(i) That entities shall not reduce the understandability of their financial statements by either obscuring material information with immaterial information; or aggregating material items that have different natures or functions

(ii) That specific line items in the income statement and other comprehensive income and the statement of financial position may be disaggregated

(iii) That entities have flexibility as to the order in which they present the notes to financial statements

(iv) That the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Amendments to IAS 16, Property, Plant and Equipment and IAS 38, Intangible Assets, Clarification of Acceptable Methods of Depreciation and Amortization. The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

Annual Improvements to IFRSs 2012 - 2014 Cycle

(i) *Amendment to IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, Changes in Methods of Disposal.* The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

3. Basis of preparation (cont'd)

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

(ii) *Amendment to IFRS 7, Financial Instruments: Disclosures, Servicing Contracts.* IFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(iii) *Amendment to IFRS 7, Applicability of the Amendments to IFRS 7 to Condensed Interim Financial Statements.* This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

(iv) *Amendment to IAS 19, Employee Benefits, Discount Rate: Regional Market Issue.* This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

(v) *Amendment to IAS 34, Interim Financial Reporting, Disclosure of Information 'Elsewhere in the Interim Financial Report'.* The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

4. Significant accounting policies

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

4.1 Basis of consolidation

(i) Business combination

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

4. Significant accounting policies (cont'd)

4.1 Basis of consolidation (cont'd)

(i) Business combination (cont'd)

The Group measures goodwill at the acquisition date as:

- the fair value of consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

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

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.
Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other components of non-controlling interests are measured at acquisition-date fair value unless another measurement is required by another standard.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period it occurs, provisional amounts for the items for which the accounting is incomplete is reported in the financial statements. During the measurement period, which is not more than one year from acquisition date, the provisional amounts recognised are retrospectively adjusted, and any additional assets or liabilities recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date. Comparative information for prior periods are revised, as needed.

The Group acquired Sager Creek Vegetable Company's vegetable business in March 2015 (see Note 5).

4. Significant accounting policies (cont'd)

4.1 Basis of consolidation (cont'd)

(i) Business combination (cont'd)

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

(ii) Investments in subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through power over the investee. Specifically, the Company controls an investee if and only if the Company has:

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

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

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

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

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

4. Significant accounting policies (cont'd)

4.1 Basis of consolidation (cont'd)

(iii) Acquisition under common control

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

(iv) Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognised in the income statement.

(v) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill on initial recognition, see Note 5.

Subsequent measurement

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

Impairment of goodwill is discussed in Note 4.10.

(vi) Investments in joint ventures

Joint ventures are those entities in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Joint control is the contractually sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.
Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transactions costs. Subsequent to the initial recognition, the financial statements include the Group's share of profit or loss and other comprehensive income of the joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

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

4. Significant accounting policies (cont'd)

4.1 Basis of consolidation (cont'd)

(vii) Transactions eliminated on consolidation

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

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

Interest in subsidiaries and joint ventures are accounted for using the equity method. In 2016, the Company early adopted the amendments to *IAS 27, Equity Method in Separate Financial Statements*. It is initially recognised at cost, which includes transactions costs. Subsequent to the initial recognition, the financial statements include the Company's share of profit or loss and other comprehensive income of the equity-accounted investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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

4.2 Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

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

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

4. Significant accounting policies (cont'd)

4.2 Foreign currency (cont'd)

(ii) Foreign operations

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

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to the income statement.

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

4.3 Current versus Noncurrent Classification

The Group presents assets and liabilities in the statements of financial position based on current/noncurrent classification. An asset is current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within 12 months after the reporting period, or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

The Group classifies all other liabilities as noncurrent.

Deferred tax assets and deferred tax liabilities are classified as noncurrent assets and liabilities, respectively.

4. Significant accounting policies (cont'd)

4.4 Intangible assets

(i) Indefinite intangible assets

Intangible assets are measured at cost less accumulated impairment losses.

(ii) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use, and capitalised borrowing costs. Other development expenditure is recognised in the income statement as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

(iii) Other intangible assets

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

(iv) Subsequent expenditure

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

(v) Amortisation

Amortisation is calculated based on the cost of the asset.

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

Trademarks	-	10 to 40 years
Customer relationships	-	8 to 20 years

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

4. Significant accounting policies (cont'd)

4.5 Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss (FVPL), held-to-maturity (HTM) financial assets, loans and receivables and available-for-sale (AFS) financial assets. The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at FVPL and other financial liabilities. The classification depends on the purpose for which the investments were acquired and whether they are quoted in an active market. Classification is determined at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date. The Group has no financial assets and liabilities at FVPL, HTM financial assets, and AFS financial assets as at 30 April 2017 and 2016, and 2015.

(i) Non-derivative financial assets

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Non-derivative financial assets comprise of loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables, refundable deposits, and cash and cash equivalents. Cash and cash equivalents comprise bank balances, cash on hand and short-term marketable securities.

(ii) Non-derivative financial liabilities

Financial liabilities are recognised initially on the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, are cancelled or expire.

4. Significant accounting policies (cont'd)

4.5 Financial instruments (cont'd)

(ii) Non-derivative financial liabilities (cont'd)

The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Non-derivative financial liabilities comprise loans and borrowings, and trade and other payables.

(iii) Derivative financial instruments, including hedge accounting

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

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and the hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be 'highly effective' in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80 - 125%. For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that could ultimately affect reported profit or loss.

Derivatives are recognised initially at fair value; any directly attributable transaction costs are recognised in the income statement as they are incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the income statement.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the income statement under "Finance expense".

4. Significant accounting policies (cont'd)

4.5 Financial instruments (cont'd)

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

The amount accumulated in equity is retained in other comprehensive income and reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the amount accumulated in equity is reclassified to the income statement.

4.6 Property, plant and equipment

(i) Recognition and measurement

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

A bearer plant is a pineapple and papaya living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Costs related to bearer plants are capitalized up to point of maturity of the bearer plants, including costs during the ratoon crop cycle. These costs include land preparation, cultural, spraying and plantation overhead costs.

Any increase in the revaluation amount is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value of the same asset that was recognised in the income statement. A decrease in value is recognised in the income statement where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from other comprehensive income to retained earnings and is not taken into account in arriving at the gain or loss on disposal.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, when the Group has an obligation to remove the asset or restore the site as estimate of the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

4. Significant accounting policies (cont'd)

4.6 Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

Depreciation (except bearer plants) is recognised in the income statement on a straight-line basis over their estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated.

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

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

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

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

4. Significant accounting policies (cont'd)

4.6 Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

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

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

4.7 Biological assets

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

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

Dairy and Breeding Herd

The dairy and breeding herd are measured at cost less accumulated depreciation. The breeding and dairy herd have useful lives of 3½ to 6 years. The cost method was used since fair value cannot be measured reliably. The breeding and dairy herd have no active markets and no similar assets are available in the relevant markets. In addition, existing sector benchmarks are irrelevant and estimates necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result in a reliable basis for determining the fair value. Dairy and breeding herd are classified as noncurrent assets in the statement of financial position.

Growing Herd

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

Cattle for Slaughter

Cattle for slaughter are measured at each reporting date at their fair value less point-of-sale costs. Gains and losses arising from changes in fair values are included in profit or loss for the period in which they arise. Cattle for slaughter are classified as current assets in the statement of financial position.

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

Agricultural Produce

The Group's growing produce are measured at their fair value from the time of maturity of the bearer plant until harvest. The Group uses the future selling prices and gross margin of finished goods less future growing cost applied to the estimated volume of harvest as the basis of fair value. The Group's harvested produce are measured at fair value at the point of harvest based on the estimated future selling prices reduced by cost to sell.

4. Significant accounting policies (cont'd)

4.7 Biological assets (cont'd)

Cut Meat

Cut meat is measured at each reporting date at their fair value less point-of-sale costs. Gains and losses arising from changes in fair values are included in profit or loss for the period in which they arise.

4.8 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

(a) There is a change in contractual terms, other than a renewal or extension of the arrangement;

(b) A renewal option is exercised or extension granted, unless that term of the renewal or extension was initially included in the lease term;

(c) There is a change in the determination of whether fulfillment is dependent on a specified asset; or

(d) There is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for scenarios (a), (c) or (d) above, and at the date of renewal or extension period for scenario (b).

Group as Lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

4.9 Inventories

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

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

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

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

4. Significant accounting policies (cont'd)

4.9 Inventories (cont'd)

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

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

4.10 Cash Equivalents

Cash equivalents are short term, highly liquid investments that are readily convertible to known amount of cash with original maturities of three months or less that are subject to insignificant risk of change in value.

4.11 Impairment

(i) Non-derivative financial assets

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event(s) have occurred after the initial recognition of the asset, and that the loss event(s) had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Group, or economic conditions that correlate with defaults.

Loans and receivables

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the income statement and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised.

4. Significant accounting policies (cont'd)

4.11 Impairment (cont'd)

(i) Non-derivative financial assets (cont'd)

Loans and receivables (cont'd)

When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the income statement.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

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

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

Joint ventures

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

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss recognised in prior periods for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4. Significant accounting policies (cont'd)

4.11 Impairment (cont'd)

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

Goodwill

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

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

Goodwill is allocated to a CGU or group of CGUs that represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The recoverable amount is computed using two approaches: the value-in-use approach, which is the present value of expected cash flows, discounted at a risk adjusted weighted average cost of capital; and the fair value less cost to sell approach, which is based on using market multiples of companies in similar lines of business. The recoverable amount of an asset or CGU is the greater of its VIU and its fair value less costs to sell. An impairment loss is recognised if the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount.

In assessing VIU, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

Intangible assets with indefinite lives, are components of the CGU containing goodwill and the impairment assessment is as described above.

4. Significant accounting policies (cont'd)

4.12 Noncurrent assets held for sale

Assets held for sale are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognised in the income statement. Once classified as held-for-sale, property, plant and equipment are no longer depreciated. If it is no longer highly probable that an asset will be recovered primarily through sale, the asset ceases to be classified as held-for-sale and is measured at the lower of its carrying amount before the asset was classified as held-for-sale adjusted for any depreciation that would have been recognised had the asset not been reclassified as held for sale and its recoverable amount at the date of the subsequent reclassification. The required adjustment to the carrying amount of an asset that ceases to be classified as held-for-sale is included in the income statement. The Group classified part of Sager Creek's assets as held-for-sale as of 1 May 2016 (see Note 14). The Group did not have any assets held for sale as of 30 April 2017.

4.13 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

(ii) Defined benefit pension plan

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

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

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

4. Significant accounting policies (cont'd)

4.13 Employee benefits (cont'd)

(ii) Defined benefit pension plan

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

When the plan amendment or curtailment occurs, the Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement. In fiscal 2016, a plan amendment was implemented for certain medical and dental benefits (See Note 22).

Multi-employer plans

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

(iii) Other plans

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

(iv) Other long-term employee benefits

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

(v) Termination benefits

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

4. Significant accounting policies (cont'd)

4.13 Employee benefits (cont'd)

(vi) Short-term employee benefits

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

(vii) Share-based payment transactions

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

Share awards

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

Share options

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

4.14 Share Capital and Retained earnings

(i) Share capital

Ordinary shares

Ordinary shares are classified as equity. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

Preferred shares

Preferred shares are classified as equity. Holders of these shares are entitled to cash dividends based on the issue price, at the dividend rate per annum from the issue date, payable every 7 October and 7 April of each year following the issue date, upon declaration by the BOD.

The transaction costs directly attributable to the issue of ordinary and preference shares are accounted for as deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided. The costs of an equity transaction that is abandoned are recognised as an expense.

4. Significant accounting policies (cont'd)

4.14 Share Capital and Retained earnings (cont'd)

(i) Share capital (cont')

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

Share premium

Share premium represents the excess of consideration received over the par value of common and preferred stocks.

(ii) Retained Earnings

Retained earnings include profit attributable to the equity holders of the Group and reduced by dividends declared on share capital.

(iii) Dividends

Dividends are recognised as a liability and deducted from retained earnings when they are declared.

4.15 Provisions

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

(i) Environment remediation liabilities

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

4. Significant accounting policies (cont'd)

4.15 Provisions (cont')

(ii) Retained insurance liabilities

The Group accrues for retained insurance risks associated with the deductible portion of any potential liabilities that might arise out of claims of employees, customers or other third parties for personal injury or property damage occurring in the course of the Group's operations. A third-party actuary is engaged to assist the Group in estimating the ultimate cost of certain retained insurance risks. Additionally, the Group's estimate of retained insurance liabilities is subject to change as new events or circumstances develop which might materially impact the ultimate cost to settle these losses.

4.16 Revenue recognition

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

The timing of transfers of risks and rewards varies depending on the individual terms of the contract of sale but usually occurs when the customer receives the product.

(ii) Dividend income

Dividend income is recognised when the Company's right to receive payment is established.

4.17 Lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expenses, over the term of the lease.

Rent expense is being recognised on a straight-line basis over the life of the lease. The difference between rent expense recognised and rental payments, as stipulated in the lease, is reflected as deferred rent in the statements of financial position.

4.18 Finance income and finance costs

Finance income comprises interest income earned mainly from bank deposits. Interest income is recognised as it accrues in the income statement, using the effective interest method.

Finance expense comprises interest expense on borrowings. All borrowing costs are recognised in profit or loss using the effective interest method, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

4. Significant accounting policies (cont'd)

4.19 Tax

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to offset current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

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

4.20 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise the restricted share plan and share options granted to employees.

4. Significant accounting policies (cont'd)

4.21 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Committee to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly non-recurring expenses.

4.22 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

   (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

   (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

4.23 New standards and interpretations issued but not yet adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 May 2017. However, the Group has not applied the following new or amended standards in preparing these financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Group's financial statements.

<u>Effective 1 May 2017</u>

- Amendment to IFRS 12, *Clarification of the Scope of the Standard (Part of Annual Improvements to IFRSs 2014 - 2016 Cycle)*

The amendments clarify that the disclosure requirements in IFRS 12, other than those relating to summarized financial information, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale.

The Group will include the required disclosures in its 2018 financial statements.

4. Significant accounting policies (cont'd)

4.23 New standards and interpretations issued but not yet adopted (cont'd)

Effective 1 May 2017 (cont'd)

- Amendments to IAS 7, *Statement of Cash Flows, Disclosure Initiative*

  The amendments to IAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). On initial application of the amendments, entities are not required to provide comparative information for preceding periods. Early application of the amendments is permitted.

  Application of amendments will result in additional disclosures in the 2018 financial statements.

- Amendments to IAS 12, *Income Taxes, Recognition of Deferred Tax Assets for Unrealized Losses*

  The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

  Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. Early application of the amendments is permitted.

  The Group is currently assessing the potential impact of the amendments to IAS 12.

Effective 1 May 2018

- Amendments to IFRS 2, *Share-based Payment*, *Classification and Measurement of Share-based Payment Transactions* The amendments to IFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

- Amendments to IFRS 4, *Insurance Contracts*, *Applying IFRS 9, Financial Instruments, with IFRS 4*

  The amendments address concerns arising from implementing IFRS 9, the new financial instruments standard before implementing the forthcoming insurance contracts standard.

4. Significant accounting policies (cont'd)

4.23 New standards and interpretations issued but not yet adopted (cont'd)

Effective 1 May 2018 (cont'd)

- Amendments to IFRS 4, *Insurance Contracts*, *Applying IFRS 9, Financial Instruments, with IFRS 4*

  They allow entities to choose between the overlay approach and the deferral approach to deal with the transitional challenges. The overlay approach gives all entities that issue insurance contracts the option to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued. On the other hand, the deferral approach gives entities whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until the earlier of application of the forthcoming insurance contracts standard or 1 January 2021.

  The overlay approach and the deferral approach will only be available to an entity if it has not previously applied IFRS 9.

- Amendments to IAS 28, *Measuring an Associate or Joint Venture at Fair Value* (Part of *Annual Improvements to IFRSs* 2014 - 2016 Cycle)

  - The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. The amendments should be applied retrospectively, with earlier application permitted.

- Amendments to IAS 40, *Investment Property*, *Transfers of Investment Property*

  The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. The amendments should be applied prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. Retrospective application is only permitted if this is possible without the use of hindsight.

4. Significant accounting policies (cont'd)

4.23 New standards and interpretations issued but not yet adopted (cont'd)

Effective 1 May 2018 (cont'd)

- IFRIC-22, *Foreign Currency Transactions and Advance Consideration*

  The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation may be applied on a fully retrospective basis. Entities may also apply the interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after the beginning of the reporting period in which the entity first applies the interpretation or the beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

- *IFRS 9 Financial Instruments (2014).* IFRS 9 (2014) replaces IAS 39 *Financial Instruments: Recognition and Measurement* and supersedes the previously published versions of IFRS 9 that introduced new classifications and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). IFRS 9 includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, guidance on own credit risk on financial liabilities measured at fair value and the new general hedge accounting requirements. IFRS 9 incorporates new hedge accounting requirements that represent a major overhaul of hedge accounting and introduces significant improvements by aligning the accounting more closely with risk management.

  The Group is assessing the potential impact on its financial statements resulting from the application of IFRS 9.

- *IFRS 15, Revenue from Contracts with Customers.* IFRS 15 was issued in May 2014 by the IASB and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to customers. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue.

  The Group is currently assessing the impact of the IFRS 15 and plans to adopt this new standard on revenue on the required effective date.

Effective 1 May 2019

- *IFRS 16, Leases.* IFRS 16 supersedes IAS 17, *Leases* and the related Interpretations. The new standard introduces a single lease accounting model for lessees under which all major leases are recognised on-balance sheet, removing the lease classification test. Lease accounting for lessors essentially remains unchanged except for a number of details including the application of the new lease definition, new sale-and-leaseback guidance, new sub-lease guidance and new disclosure requirements. Practical expedients and targeted reliefs were introduced including an optional lessee exemption for short-term leases (leases with a term of 12 months or less) and low-value items, as well as the permission of portfolio-level accounting instead of applying the requirements to individual leases. New estimates and judgemental thresholds that affect the identification, classification and measurement of lease transactions, as well as requirements to reassess certain key estimates and judgements at each reporting date were introduced.

4. Significant accounting policies (cont'd)

4.23 New standards and interpretations issued but not yet adopted (cont'd)

Effective 1 May 2019 (cont'd)

The Group is currently assessing the potential impact of IFRS 16 and plans to adopt this new standard on leases on the required effective date.

5. Acquisition of business

Acquisition of Sager Creek

The Group, through its wholly-owned U.S. subsidiary, Sager Creek Foods, Inc. (formerly Vegetable Acquisition Corp.), has acquired Sager Creek Vegetable Company's ("Sager Creek") vegetable business effective 10 March 2015 in San Francisco, U.S.A. Sager Creek is a producer of specialty vegetables for the foodservice and retail markets headquartered in Siloam Springs, Arkansas. Sager Creek has manufacturing operations located in North Carolina, Arkansas, and Wisconsin. Sager Creek's well-known brands include Veg-All, Freshlike, Popeye, Princella and Allens', among others. The cash price paid for the Sager Creek assets is US$75.0 million. Such price was established through an auction process and negotiations between the parties. The acquisition cost was financed through Del Monte Foods, Inc.'s ("DMFI") revolving credit facility, the payment for which will be secured by the acquired assets.

The acquisition of Sager Creek's business provides the Group access to new customers and new retail product offerings and the opportunity to expand on Sager Creek's foodservice business platform, while driving significant operating synergies in the Group's network of vegetable production facilities.

During the period from the date of acquisition on 10 March 2015 to 30 April 2015, Sager Creek contributed revenue of US$29.5 million and an operating loss of US$0.2 million to the Group's results. If the acquisition had occurred on 1 May 2014, management estimates that the contribution to the revenue for the year ended 30 April 2015 would have been US$251.6 million, and operating loss would have been US$23.3 million.

(a) Consideration transferred

The consideration for the acquisition of Sager Creek was US$75.0 million and subject to post closing working capital adjustments.

(b) Acquisition-related costs

The Group incurred acquisition-related costs in respect of the acquisition of Sager Creek amounting to US$0.5 million and US$0.8 million for the years ended 30 April 2016 and 2015, respectively. These costs, which include external legal fees and due diligence costs, are included as part of "General and administrative expenses" account in the income statement.

5. Acquisition of business (cont'd)

Acquisition of Sager Creek (cont'd)

(c) Identifiable assets acquired and liabilities assumed

The transaction was accounted for as a business acquisition under the purchase method of accounting. The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of the acquisition:

	Note	**Fair values recognised on acquisition 10 March 2015 US$'000**
Property, plant and equipment	6	39,511
Intangible assets	9	25,400
Other non-current assets		2,117
Inventories		53,589
Assets held for sale		8,113
Other current assets		4,412
Trade and other payables		(31,113)
Other non-current liabilities		(461)
Total identifiable net assets		101,568

Of the US$25.4 million of acquired intangible assets, US$13.5 million was assigned to customer relationships and US$11.9 million was assigned to trademarks and trade names.

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Property, plant and equipment: Market comparison technique and cost technique: The valuation model considered market prices for similar items when available, and depreciated replacement cost as appropriate.

Intangible assets: Relief-from-royalty method: The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as result of the patents or trademarks being owned.

Inventories: Market comparison technique: The fair value was determined based on the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

5. Acquisition of business (cont'd)

Acquisition of Sager Creek (cont'd)

(d) Bargain purchase

Bargain purchase arising from the acquisition has been recognised as follows:

	US$'000
Total consideration transferred	75,000
Fair value of identifiable net assets	(101,568)
Bargain purchase	(26,568)

This acquisition resulted in a bargain purchase transaction because the fair value of assets acquired exceeded the total of the fair value of consideration paid. The gain on bargain purchase is included as part of "Other income (expenses) - net" account in the 2015 consolidated income statement. The Group believes that the bargain purchase arose mainly because the transaction occurred at a more rapid pace than what would be considered a normal transaction timeframe for similar purchase transactions. The prior owners had a short time period to close the deal so that the new buyer handles the grower and other commitments for the upcoming grower season and it was important to the acquiree to get these commitments signed. The process was subject to a limited competitive bidding process, due to the need to close quickly.

6. Property, plant and equipment - net

	<---At cost			--->	At appraised value	
Group	**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**
Cost/Valuation						
At 1 May 2016 (As restated*)	212,311	499,213	38,291	193,414	65,762	1,008,991
Additions	217	4,393	69,293	71,126	–	145,029
Revaluation	–	–	–	–	4,119	4,119
Disposals	(208)	(3,860)	–	–	–	(4,068)
Write off – closed fields	–	–	–	(32,402)	–	(32,402)
Reclassifications	6,846	58,067	(69,270)	–	(1,287)	(5,644)
Currency realignment	(2,549)	(11,284)	(607)	(12,695)	(594)	(27,729)
At 30 April 2017	216,617	546,529	37,707	219,443	68,000	1,088,296
At 1 May 2015 (As restated*)	203,068	465,657	29,781	154,230	72,068	924,804
Additions	2,895	8,255	50,860	76,921	–	138,931
Disposals	(727)	(4,180)	–	–	–	(4,907)
Write off – closed fields	–	–	–	(29,757)	–	(29,757)
Reclassifications	9,173	38,489	(41,877)	–	(5,785)	–
Currency realignment	(2,098)	(9,008)	(473)	(7,980)	(521)	(20,080)
At 30 April 2016	212,311	499,213	38,291	193,414	65,762	1,008,991

*see Note 3.6

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

	<----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 2014 (As restated*)	181,123	369,478	33,100	128,614	57,608	769,923
Additions through business combinations	14,603	10,462	–	–	14,446	39,511
Additions	3,998	14,367	77,075	68,954	9	164,403
Disposals	(140)	(5,615)	–	–	–	(5,755)
Write off – closed fields	–	–	–	(43,532)	–	(43,532)
Reclassifications	3,481	76,921	(80,402)	–	–	–
Currency realignment	3	44	8	194	5	254
At 30 April 2015	203,068	465,657	29,781	154,230	72,068	924,804
Accumulated depreciation and impairment losses						
At 1 May 2016 (As restated*)	38,638	212,935	–	95,795	390	347,758
Charge for the year	9,630	51,809	–	77,556	–	138,995
Reversal of impairment loss	(178)	(152)	–	–	–	(330)
Write off – closed fields	–	–	–	(32,402)	–	(32,402)
Disposals	(49)	(1,918)	–	–	–	(1,967)
Reclassification	(2,210)	(3,735)	–	–	(390)	(6,335)
Currency realignment	746	(8,397)	–	(6,957)	–	(14,608)
At 30 April 2017	46,577	250,542	–	133,992	–	431,111

*see Note 3.6

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

	<----------At cost			---------->	At appraised value	
	Buildings, land improvements and leasehold improvements US$'000	**Machineries and equipment US$'000**	**Construction -in-progress US$'000**	**Bearer Plant US$'000**	**Freehold land US$'000**	**Total US$'000**
Group						
Accumulated depreciation and impairment losses						
At 1 May 2015 (As restated*)	25,940	166,275	–	53,277	–	245,492
Charge for the year	11,692	53,131	–	75,168	–	139,991
Impairment loss	2,159	2,379	–	–	390	4,928
Write off – closed fields	–	–	–	(29,757)	–	(29,757)
Disposals	(334)	(2,310)	–	–	–	(2,644)
Currency realignment	(819)	(6,540)	–	(2,893)	–	(10,252)
At 30 April 2016	38,638	212,935	–	95,795	390	347,758
At 1 May 2014 (As restated*)	15,914	120,442	–	15,879	–	152,235
Charge for the year	10,316	50,355	–	80,723	–	141,394
Reversal of impairment loss	(205)	(303)	–	–	–	(508)
Write off – closed fields	–	–	–	(43,532)	–	(43,532)
Disposals	(6)	(4,145)	–	–	–	(4,151)
Currency realignment	(79)	(74)	–	207	–	54
At 30 April 2015	25,940	166,275	–	53,277	–	245,492
Carrying amounts						
At 30 April 2017	170,040	295,987	37,707	85,451	68,000	657,185
At 30 April 2016	173,673	286,278	38,291	97,619	65,372	661,233
At 1 May 2015	177,128	299,382	29,781	100,953	72,068	679,312

*see Note 3.6

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

As of 30 April 2017 and 2016, the Group has amounts included in accrued liabilities for Property, Plant and Equipment acquired of US$2.1 million and US$0.7 million, respectively.

Bearer Plants

	Group		
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Hectares planted with growing crops			
− Pineapples	16,572	15,822	15,227
− Papaya	733	205	194
Fruits harvested from the growing crops: (in metric tons)			
− Pineapples	749,099	622,842	675,584
− Papaya	11,455	4,903	8,187

*see Note 3.6

Bearer plants is stated at cost which comprises actual costs incurred in nurturing the crops reduced by the cost of fruits harvested. The cost of fruits harvested from the Group's plant crops and subsequently used in production is the cost of the actual volume of fruits harvested in a given period. An estimated cost is necessary since the growth cycle of the plant crops is beyond twelve months, hence actual growing costs are not yet known as of reporting date. The estimated cost is developed by allocating estimated growing costs for the estimated growth cycle of two to three years over the estimated harvests to be made during the life cycle of the plant crops. Estimated growing costs are affected by inflation and foreign exchange rates, volume and labour requirements. Estimated harvest is affected by natural phenomenon such as weather patterns and volume of rainfall. Field performance and market demand also affect the level of estimated harvests. The Group reviews and monitors the estimated cost of harvested fruits regularly.

Leasehold Improvements

As at 30 April 2017 and 2016 and 1 May 2015, the Group has no significant legal or constructive obligation to dismantle any of its leasehold improvements as the lease contracts provide, among other things, that the improvements introduced on the leased assets shall become the property of the lessor upon termination of the lease.

Freehold Land

The table below summarises the valuation of freehold land held by the Group as at 30 April 2017 in various locations:

Located in	Valuation US$'000	Date of Valuation
The Philippines	9,171	2016 (Various)
United States of America	49,639	31 December 2016
Singapore	9,190	09 September 2016
	68,000	

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

Freehold Land (cont'd)

The Group engaged independent appraisers to determine the fair values of its freehold land. Revaluations are performed at regular intervals to ensure that the fair value of the freehold land does not differ materially from its carrying amount. Management evaluated that the fair values of freehold land at the respective valuation dates approximate their fair values as of the reporting date. The assumptions used in determining the fair value are disclosed in Note 35.

The carrying amount of the freehold land of the Group as at 30 April 2017 would be US$52.7 million (30 April 2016: US$58.7 million, 30 April 2015: US$59.1 million) had the freehold land been carried at cost less impairment losses.

Construction-in-Progress

Construction-in-progress includes on-going item expansion projects for the Group's operations.

Plant closure

In April 2016, the Group announced its intention to close Sager Creek's plant in Turkey, North Carolina. The Group closed the plant's canning facilities during fiscal 2016 and the remainder of the production lines were redeployed to other production locations as of 30 April 2017. In connection with the plant closure, the Group recognised impairment losses on related property, plant and equipment amounting to US$5.0 million in fiscal year 2016.

Under the termination plan, approximately 300 employees were affected, about two-thirds of which were terminated by the end of fiscal 2016, and the remainder terminated in fiscal 2017. The Group recognised provisions for employee severance benefits amounting to US$1.4 million, with US$1.2 million outstanding as of 30 April 2016. The employee severance benefits are presented under "Employee benefits". Related equipment removal costs amounting to US$2.3 million, together with other related costs, were recognised in fiscal 2016 and included under "Trade and other payables". These expenditures were incurred in 2017 and there are no outstanding provisions as of 30 April 2017.

As of 30 April 2017, the Group has sold the Turkey plant and recognised a gain of US$0.7 million.

Source of estimation uncertainty

The Group estimates the useful lives of its buildings, land improvements, leasehold improvements and machineries and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

In addition, the estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experiences with similar assets. It is possible, however, that future financial performance could be materially affected by changes in estimates brought about by changes in factors mentioned above. The amount and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of property, plant and equipment would increase recorded depreciation expense and decrease non-current assets.

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

Source of estimation uncertainty (cont'd)

The depreciation of bearer plants require estimation of future yield which is affected by natural phenomena and weather patterns.

The valuation of freehold land is based on comparable transaction subject to adjustments. These adjustments require judgment.

7. Investments in subsidiaries

	30 April 2017 US$'000	30 April 2016 US$'000 (As restated*)	1 May 2015 US$'000 (As restated*)
Unquoted equity shares, at cost	640,699	640,699	640,699
Amounts due from subsidiaries (non-trade)	75,243	75,243	75,243
	715,942	715,942	715,942
Accumulated share in profit and other comprehensive income at the beginning of the year	44,956	56,177	87,799
Share in profit of subsidiaries, net of tax	62,159	92,585	(7,993)
Share in dividend income and others, net of tax	1,522	(89,442)	–
Share in other comprehensive loss of subsidiaries, net of tax	7,309	(14,364)	(23,629)
	115,946	44,956	56,177
Interests in subsidiaries at the end of the year	831,888	760,898	772,119

*see Note 3.6

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

7. Investments in subsidiaries (cont'd)

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2017 %	30 April 2016 %	1 May 2015 %
Held by the Company					
Del Monte Pacific Resources Limited ("DMPRL") [6]	Investment holding	British Virgin Islands	100.00	100.00	100.00
DMPL India Pte Ltd ("DMPLI") [2]	Investment holding	Singapore	100.00	100.00	100.00
DMPL Management Services Pte Ltd [2]	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00	100.00
GTL Limited [6]	Trading food products mainly under the brand names: "Del Monte" and buyer's own label	Federal Territory of Labuan, Malaysia	100.00	100.00	100.00
S&W Fine Foods International Limited ("S&W") [6]	Selling processed and fresh food products under the "S&W" trademark; Owner of the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa	British Virgin Islands	100.00	100.00	100.00
DMPL Foods Limited ("DMPLFL") [7]	Investment holding	British Virgin Islands	89.43	89.43	89.43
Held by DMPRL					
Central American Resources, Inc ("CARI")[6]	Investment holding	Panama	100.00	100.00	100.00

7. Investments in subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2017 %	30 April 2016 %	1 May 2015 %
Held by CARI					
Del Monte Philippines, Inc ("DMPI") [1]	Growing, processing and distribution of food products mainly under the brand name "Del Monte".	Philippines	100.00	100.00	100.00
Dewey Limited ("Dewey") [7]	Mainly investment holding	Bermuda	100.00	100.00	100.00
Pacific Brands Philippines, Inc [1]	Inactive	State of Delaware, U.S.A.	100.00	100.00	100.00
South Bukidnon Fresh Trading Inc ("SBFTI") [1]	Production, packing, sale and export of food products	Philippines	100.00	100.00	100.00
Held by DMPI					
Philippines Packing Management Services Corporation [1]	Management, logistics and support services	Philippines	100.00	100.00	100.00
Del Monte Txanton Distribution Inc ("DMTDI") [b] [1]	Trading, selling and distributing food, beverages and other related products	Philippines	40.00	40.00	40.00
Held by Dewey					
Dewey Sdn. Bhd. [3]	Owner of various trademarks	Malaysia	100.00	100.00	100.00
Held by DMPLI					
Del Monte Foods India Private Limited ("DMFIPL") [a] [4]	Manufacturing, processing and distributing food, beverages and other related products	Mumbai, India	100.00	100.00	100.00
DMPL India Limited [4]	Investment holding	Mauritius	94.94	94.45	94.20
Held by S&W					
S&W Japan Limited[7]	Support and marketing services for S&W	Japan	100.00	–	–
Held by DMPLFL					
Del Monte Foods Holdings Limited ("DMFHL") [1]	Investment holding	British Virgin Islands	89.43	89.43	89.43
Held by DMFHL					
Del Monte Foods Holdings Inc. ("DMFHI")[5]	Investment holding	State of Delaware, U.S.A.	89.43	89.43	89.43

7. Investments in subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2017 %	30 April 2016 %	1 May 2015 %
Held by DMFHI					
Del Monte Foods Inc. ("DMFI") [5]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A	89.43	89.43	89.43
Held by DMFI					
Sager Creek Foods, Inc. (formerly Vegetable Acquisition Corp.) [5]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A.	89.43	89.43	89.43
Del Monte Andina C.A. [7]	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	–	–	–
Del Monte Colombiana S.A. [3]	Manufacturing, processing and distributing food, beverages and other related products	Colombia	73.31	73.31	89.40
Industrias Citricolas de Montemorelos, S.A. de C.V. (ICMOSA) [3]	Manufacturing, processing and distributing food, beverages and other related products	Mexico	89.43	89.43	89.43
Del Monte Peru S.A.C.[7]	Distribution of food, beverages and other related products	Peru	89.43	89.43	89.43
Del Monte Ecuador DME C.A. [7]	Distribution of food, beverages and other related products	Ecuador	89.43	89.43	89.43
Hi-Continental Corp. [7]	Lessee of real property	State of California, U.S.A.	89.43	89.43	89.43
College Inn Foods [7]	Inactive	State of California, U.S.A.	89.43	89.43	89.43
Contadina Foods, Inc.[7]	Inactive	State of Delaware, U.S.A.	89.43	89.43	89.43
S&W Fine Foods, Inc.[7]	Inactive	State of Delaware, U.S.A.	89.43	89.43	89.43

7. Investments in subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2017 %	30 April 2016 %	1 May 2015 %
Held by Del Monte Andina C.A.					
Del Monte Argentina S.A. [3]	Inactive	Argentina	–	–	–

(a) 0.1% held by DMPRL

(b) DMTDI is consolidated as the Group has de facto control over the entity. Management believes that the Group has control over DTMTDI since it is exposed, or has rights, to variable returns and has the ability to affect those returns through its power over DMTDI.

[1] Audited by SyCip Gorres Velayo & Co. ("SGV")

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

[3] Audited by Ernst & Young member firms in the respective countries

[4] Audited by other certified public accountants. Subsidiary is not significant under rule 718 of the SGX-ST Listing Manual

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

[6] Not required to be audited in the country of incorporation. Audited by Ernst and Young LLP, Singapore for the purpose of group reporting

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

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

In fiscal year 2015, the Group deconsolidated its subsidiary, Del Monte Andina C.A., an entity which has operations in Venezuela. Venezuela has a hyperinflationary economy. The Venezuelan exchange control regulations have resulted in other-than-temporary lack of exchangeability between the Venezuelan Bolivar and US Dollar. This has restricted the Venezuelan entity's ability to pay dividends and obligations denominated in US Dollars. The exchange regulations, combined with other recent Venezuelan regulations, have constrained the Venezuelan entity's ability to maintain normal production. Due to the Group's inability to effectively control the operations of the entity, the Group deconsolidated the subsidiary with effect from February 2015. The equity interest in this entity is determined to be the cost of investment of the entity at the date of deconsolidation. The investment is carried at cost less impairment.

The deconsolidation of the Venezuelan entity resulted in a loss from deconsolidation of US$5.2 million, which was recognised as part of "Other income (expenses) – net" in the 2015 income statement (See Note 26).

7. Investments in subsidiaries (cont'd)

Prior to deconsolidation, the Group treated Venezuela as a highly inflationary economy based upon the three-year cumulative inflation rate, effective as of 18 February 2014, the date of the completion of the acquisition of the Consumer Food Business. The functional currency for the Group's Venezuelan subsidiary is the Venezuelan Bolivar. Management has restated the subsidiary's financial statements, whereby financial information recorded in the hyperinflationary currency is adjusted using the current cost approach by applying the Venezuelan National Consumer Price Index to calculate the inflation adjustment factor of 1.10 and expressed this in the measuring unit (the hyperinflationary currency) current at the end of the reporting period. The Group used the official SICAD I rate to translate these financial statements for purposes of consolidation. The financial statements for the South American entity are based on a historical cost basis.

Source of estimation uncertainty

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

8. Investments in joint ventures

Name of joint venture	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2017 %	30 April 2016 %	1 May 2015 %
FieldFresh Foods Private Limited ("FFPL") *	Production and sale of fresh and processed fruits and vegetable food products	India	47.47	47.23	47.08
Nice Fruit Hong Kong Limited (NFHKL) #	Production and sale of frozen fruits and vegetable food products	Hong Kong	35.00	35.00	35.00

* Audited by Deloitte Haskins & Sells, Gurgaon, India.
\# Audited by Ernst and Young Hong Kong. Not material to the Group as at 30 April 2017.

8. Investments in joint ventures (cont'd)

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

	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000
Revenue	72,914	65,838	62,285
Loss from continuing operations [a]	(3,140)	(3,398)	(4,564)
Other comprehensive income	–	(3)	(369)
Total comprehensive income	(3,140)	(3,401)	(4,933)
[a] Includes:			
- depreciation	177	168	264
- interest expense	2,086	2,605	2,876
Non-current assets	15,877	17,110	18,365
Current assets [b]	20,907	23,842	19,292
Non-current liabilities [c]	(19,927)	(25,271)	(25,821)
Current liabilities [d]	(11,616)	(14,283)	(10,807)
Net assets	5,241	1,398	1,029
Proportion of the Group's ownership including non-controlling interest	50%	50%	50%
	2,621	699	515
Goodwill	20,000	20,000	20,000
Valuation difference	1,251	(38)	(96)
Carrying amount of investment	23,872	20,661	20,419
Includes:			
[b] Cash and cash equivalents	111	96	70
[c] Non-current financial liabilities (excluding trade and other payables)	8,187	13,548	25,821
[d] Current financial liabilities (excluding trade and other payables)	10,828	11,727	–

	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000
Group's interest in net assets of FFPL at beginning of the year	20,661	20,419	21,008
Capital injection during the year	4,887	1,950	1,694
Group's share of:			
- loss from continuing operations	(1,676)	(1,705)	(2,149)
- other comprehensive income	–	(3)	(134)
- total comprehensive income	(1,676)	(1,708)	(2,283)
Carrying amount of interest at end of the year	23,872	20,661	20,419

8. Investments in joint ventures (cont'd)

The summarised financial information of an immaterial joint venture, NFHKL, not adjusted for the percentage ownership held by the Group, is as follows:

	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000
Group's interest in net assets of NFHKL at beginning of the year	2,159	2,171	–
Capital injection during the year	–	–	2,552
Group's share of:			
- loss from continuing operations	(234)	(12)	(171)
- other comprehensive income		–	(210)
- total comprehensive income	(234)	(12)	(381)
Carrying amount of interest at end of the year	1,925	2,159	2,171

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

	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000
Group's interest in joint ventures			
FFPL	23,872	20,661	20,419
NFHKL	1,925	2,159	2,171
Carrying amount of investments in joint ventures	**25,797**	**22,820**	**22,590**

Determination of joint control and the type of joint arrangement

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

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

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

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

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

8. Investments in joint ventures (cont'd)

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 (see Note 9) 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.

Key assumptions used in discounted cash flow projection calculations

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

	30 April 2017 %	**30 April 2016 %**	**1 May 2015 %**
Discount rate	12.7	22.5	17.1
Revenue growth rate	14.7	15.9	16.0 – 21.0
EBITDA margin	4.0 – 11.0	4.0 – 8.0	4.0 – 11.0
Long-term EBITDA margin	10.8	7.9	11.3
Terminal value growth rate	5.0	5.0	5.0

The fiscal year 2017 discount rate is a pre-tax measure estimated based on past experience, and industry average weighted average cost of capital, which is based on a possible rate of debt leveraging of 15.7% (2016: 26.50%) at a market interest rate of 9.7% (2016: 10.0%).

Revenue growth rate is expressed as compound annual growth rates in the initial five years of the plan. In the first year of the business plan, revenue growth rate was projected at 15% (2016: 19%) based on the near-term business plan and market demand. The annual revenue growth included in the cash flow projections for four years was projected at the growth rate based on the historical growth in volume and prices and industry growth.

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

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

Sensitivity to changes in assumptions

The estimated recoverable amount exceeds its carrying amount of interest in joint venture and trademark (see Note 9) and accordingly no impairment loss is recorded.

8. Investments in joint ventures (cont'd)

has identified that a reasonably possible change in two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Change required for carrying amount to equal the recoverable amount		
	31 March 2017	30 April 2016	1 May 2015
	%	%	%
Group			
Discount rate	3.8	0.1	0.7
Revenue growth rate	(1.0)	(0.2)	(0.3)

9. Intangible assets and goodwill

	Goodwill US$'000	Indefinite life trademarks US$'000	Amortisable trademarks US$'000	Customer relationships US$'000	Total US$'000
Cost					
At 1 May 2016	203,432	408,043	36,080	120,500	768,055
At 30 April 2017	203,432	408,043	36,080	120,500	768,055
At 1 May 2015	203,432	394,000	58,210	120,500	776,142
Adjustment	–	14,043	(22,130)	–	(8,087)
At 30 April 2016	203,432	408,043	36,080	120,500	768,055
At 1 May 2014	204,335	394,000	46,310	107,000	751,645
Additions through business combinations	–	–	11,900	13,500	25,400
Deconsolidation of a subsidiary	(903)	–	–	–	(903)
At 30 April 2015	203,432	394,000	58,210	120,500	776,142
Accumulated amortisation					
At 1 May 2016	–	–	4,096	13,586	17,682
Amortisation	–	–	2,309	7,038	9,347
At 30 April 2017	–	–	6,405	20,624	27,029
At 1 May 2015	–	–	9,907	6,535	16,442
Amortisation	–	–	2,276	7,051	9,327
Adjustment	–	–	(8,087)	–	(8,087)
At 30 April 2016	–	–	4,096	13,586	17,682
At 1 May 2014	–	–	7,878	1,004	8,882
Amortisation	–	–	2,029	5,531	7,560
At 30 April 2015	–	–	9,907	6,535	16,442

9. Intangible assets and goodwill (cont'd)

	Goodwill US$'000	Indefinite life trademarks US$'000	Amortisable trademarks US$'000	Customer relationships US$'000	Total US$'000
Carrying amounts					
At 30 April 2017	203,432	408,043	29,675	99,876	741,026
At 30 April 2016	203,432	408,043	31,984	106,914	750,373
At 1 May 2015	203,432	394,000	48,303	113,965	759,700

Goodwill

Goodwill arising from the acquisition of Consumer Food Business (see Note 5) was allocated to DMFI and its subsidiaries, which is considered as one 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 on a royalty free basis.

America trademarks

The indefinite life trademarks arising from the acquisition of Consumer Food Business (see Note 5) relate to those of DMFI for the use of the "Del Monte" trademark 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, Dewey, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines ("The Philippines trademarks").

Indian sub-continent trademark

In November 1996, a subsidiary, DMPRL, entered into a sub-license agreement with an affiliated company to acquire the exclusive right to use the "Del Monte" trademark in the Indian sub-continent territories in connection with the production, manufacture, sale and distribution of food products and the right to grant sub-licences to others ("Indian sub-continent trademark"). This led to the acquisition of a joint venture, FFPL in 2007 and the grant of trademarks to FFPL to market the company's product under the "Del Monte" brand name.

Asia S&W trademark

In November 2007, a subsidiary, S&W, entered into an agreement with Del Monte Corporation to acquire the exclusive right to use the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa for a total consideration of US$10.0 million.

Impairment Test

Management has performed impairment testing for all indefinite life trademarks and concluded that no impairment exist at the reporting date.

9. Intangible assets and goodwill (cont'd)

America Trademarks and Philippines Trademarks

In 2017 and 2016, the recoverable amounts of these intangible assets were based on fair value less cost of disposal. The key assumptions used in the estimation of the fair value less cost of disposal are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

	2017	2016
	%	%
Royalty rate	3.5 - 6.5	3.5 - 6.5
Discount rate	9.0 - 9.3	9.3
Terminal value growth rate	2.5	2.0
Revenue growth rate (five years average)	3.1 - 20.0	1.8 - 9.3

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter.

Revenue growth was projected taking into account the average growth levels experienced over the past five years and estimated sales volume and price growth for the next five years. It was assumed that sales price would increase in line with forecast inflation over the next five years.

Asia S&W trademark

In 2017 and 2016, the recoverable amounts of Asia S&W trademark was based on based VIU. The key assumptions used in the estimation of the fair value less cost of disposal are set out below.

	2017	2016
	%	%
Revenue growth rate (five years average)	23.0	26.0
Gross margin	33.0 – 40.0	35.0
EBITDA margin	15.0 - 20.0	15.0
Discount rate	9.0	9.0

The cash flow projections included specific estimates for five years.

Revenue growth was projected taking into account the average growth levels experienced over the past five years and estimated sales volume and price growth for the next five years.

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital.

Indian sub-continent trademark

The Indian sub-continent trademark and the investment in FFPL were allocated to Indian sub-continent CGU (Note 8).

9. Intangible assets and goodwill (cont'd)

Goodwill

In 2017 and 2016, the recoverable amount of the CGU was based on fair value less costs of disposal, being greater than the VIU:

	30 April 2017 US$'000	30 April 2016 US$'000
Value-in-use	1,870,000	1,950,000
Fair value less costs of disposal	1,990,000	2,110,000
Recoverable amount	1,990,000	2,110,000

As of valuation date in January 2017 and 2016, the estimated recoverable amount of the CGU exceeded its carrying amount by approximately US$177.7 million and US$275.8 million, respectively.

Value-in-use

The VIU is the present value of expected cash flows, discounted at a risk-adjusted weighted average cost of capital.

The key assumptions used in the estimation of the recoverable amount using the VIU approach are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

	2017 %	2016 %
Pre-tax discount rate	11.1	11.5
Terminal value growth rate	2.0	2.0
Budgeted EBITDA growth rate (average of next five years)	21.9	7.9
Long-term margin	13.3	11.4

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible range of debt leveraging of 35% (30 April 2016: 35%) at a risk free interest rate of 3.5% (30 April 2016: 4%).

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate consistent with the assumption that a market participant would make.

Budgeted EBITDA was estimated taking into account past experience adjusted as follows:

- Revenue growth was projected taking into account the average growth levels experienced over the past five years and estimated sales volume and price growth for the next five years. It was assumed that sales price would increase in line with forecast inflation over the next five years.
- The amounts are probability-weighted.

9. Intangible assets and goodwill (cont'd)

Fair value less costs of disposal

Fair value less costs of disposal is determined using the market approach, which makes use of prices and other relevant information generated by market transactions involving similar companies.

The Market Comparable Method was used in applying the Market Approach, making use of market price data of companies engaged in the same or similar line of business as that of DMFI and its subsidiaries. Stocks of these companies are traded in a free and open market or in private transactions. The process involves the identification of comparable companies, calculation and application of market multiples representing ratios of invested capital or equity to financial measures of DMFI and its subsidiaries, application of an appropriate control premium to the companies being compared, and adjustment for any non-operating assets or liabilities or working capital excess/deficit to arrive at an indication of Business Enterprise Value.

The approach involves the use of both observable inputs and unobservable inputs (e.g. projected revenue and EBITDA, and adjusted market multiples). Accordingly, the fair value measurement is categorised under level 3 of the fair value hierarchy.

Comparable companies were selected from comprehensive lists and directories of public companies in the packaged foods industry. Potential comparable companies were analysed based on various factors, including, but not limited to, industry similarity, financial risk, company size, geographic diversification, profitability, growth characteristics, financial data availability, and active trading volume. The following comparable companies were selected:

- B&G Foods Inc.
- Campbell Soup Company
- ConAgra Foods, Inc.
- General Mills, Inc.
- Hormel Foods Corporation
- Seneca Foods Corp.
- Treehouse Foods, Inc.

Calculation of the market multiples considered Market Value of Invested Capital (MVIC), the sum of the market values of a comparable company's common stock, interest-bearing debt and preferred stock, assuming that the book value of the comparable companies' debt approximated the market value of the debt. Adjustments to the market multiples were made to reflect the difference between the estimated size of DMFI and its subsidiaries and each comparable company, improving comparability based on relative size difference prospects. Relative size adjustment factors were calculated based on a regression of a Price / Earnings ratio using size as an independent variable. The market multiples selected and applied to the DMFI and its subsidiaries' financial results in the analysis were as follows:

	2017		2016	
	Selected multiple	**Assigned weight**	**Selected multiple**	**Assigned weight**
MVIC/Revenue – Last twelve months	1.0x	50%	1.1x	25%
MVIC/Revenue – Projected	1.1x	0%	0.9x	25%
MVIC/EBITDA – Last twelve months	13.6x	50%	15.7x	25%
MVIC/EBITDA – Projected	11.9x	0%	11.9x	25%

9. Intangible assets and goodwill (cont'd)

Sensitivity analysis

Management has identified that a reasonably possible change in the market multiples could cause the carrying amount to exceed the recoverable amount. The following table shows the amount to which the market multiples would need to change independently for the estimated recoverable amount of the DMFI CGU to be equal to its carrying amount.

	Breakeven Multiple	
	2017	2016
MVIC/Revenue – Last twelve months	**0.9x**	0.9x
MVIC/Revenue – Projected	**–**	0.8x
MVIC/EBITDA – Last twelve months	**12.1x**	15.7x
MVIC/EBITDA – Projected	**–**	8.5x

Source of estimation uncertainty

Goodwill and the indefinite life trademarks are assessed for impairment annually. The impairment assessment requires an estimation of the VIU and fair value less costs of disposal of the CGU to which the goodwill and indefinite life trademarks are allocated.

Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and apply an appropriate discount rate in order to calculate the present value of those cash flows. Actual cash flows will differ from these estimates as a result of differences between assumptions used and actual operations.

Amortisable trademarks and customer relationships

	Net carrying amount			Remaining amortisation period (years)		
	30 April 2017	**30 April 2016**	**1 May 2015**	**2017**	**2016**	**2015**
	US$'000	**US$'000**	**US$'000**			
Indian sub-continent trademark	–	–	4,111	–	–	21.7
The Philippines trademarks	–	–	1,773	–	–	15.7
Asia S&W trademark	22	39	8,216	1.2	2.2	32.7
America S&W trademark	1,363	1,563	1,763	6.8	7.8	8.8
America Contadina trademark	18,497	19,598	20,697	16.8	17.8	18.8
Sager Creek trademarks	9,793	10,784	11,743	9.9	10.9	11.9
	29,675	31,984	48,303			

In 2016, "Del Monte" trademark in the Philippines and India, and the "S&W" trademark in Asia excluding label development were reclassified to indefinite life trademarks. This change in estimated useful life resulted in a decrease in amortisation expense by US$0.6 million in 2016.

9. Intangible assets and goodwill (cont'd)

Amortisable trademarks and customer relationships (cont'd)

Asia S&W trademark

The amortisable trademark pertains to "Label Development" trademark.

America trademarks

The amortisable 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.

Sager Creek trademarks

The trademarks were acquired when the Group acquired the Sager Creek business in March 2015. Sager Creek's well-known brands include Veg-All, Freshlike, Popeye, Princella and Allens', among others. Management has included these trademarks in the CGU impairment assessment. The Group did not recognise any impairment for these trademarks as of 30 April 2017 and 2016 respectively.

Customer relationships

Customer relationships relate to the network of customers where DMFI and Sager Creek has established relationships with the customers, particularly in the United States market through contracts.

	Net carrying amount			Remaining amortisation period (years)		
	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000	2017	2016	2015
DMFI customer relationships	89,962	95,313	100,663	16.8	17.8	18.8
Sager Creek customer relationships	9,914	11,601	13,302	5.9	6.9	7.9
	99,876	106,914	113,965			

Management has included the DMFI trademarks and customer relationships in the DMFI CGU impairment assessment and concluded that no impairment exists at the reporting date. On the other hand, no impairment loss was recognised on Sager Creek trademark and customer relationships.

Source of estimation uncertainty

The Group estimates the useful lives of its amortisable 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 amortisable trademarks and customer relationships would increase recorded amortisation expense and decrease non-current assets.

10. Deferred tax

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Deferred tax assets and liabilities of the Group are attributable to the following:

	Assets			Liabilities		
	30 April 2017 US$'000	30 April 2016 US$'000 (As restated*)	1 May 2015 US$'000 (As restated*)	30 April 2017 US$'000	30 April 2016 US$'000 (As restated*)	1 May 2015 US$'000 (As restated*)
Group						
Provisions	5,437	6,675	4,162	–	–	–
Employee benefits	36,554	43,485	32,013	–	–	–
Property, plant and equipment – net	–	–	–	(40,216)	(34,667)	(29,025)
Intangible assets and goodwill	–	–	–	(64,890)	(44,794)	(20,394)
Effective portion of changes in fair value of cash flow hedges	5,809	13,403	7,324	–	–	–
Tax loss carry-forwards	138,299	103,643	78,618	–	–	–
Inventories	1,518	3,256	5,170	–	–	–
Biological assets	–	–	–	(2,436)	(1,616)	(1,125)
Others	8,798	8,807	7,656	–	–	–
Deferred tax assets/(liabilities)	196,415	179,269	134,943	(107,542)	(81,077)	(50,544)
Set off of tax	(103,629)	(79,985)	(49,452)	103,629	79,985	49,452
Deferred Taxes	92,786	99,284	85,491	(3,913)	(1,092)	(1,092)

**see Note 3.6*

Movements in deferred tax assets and deferred tax liabilities of the Group during the year are as follows:

	At 1 May 2016 US$'000 (As restated*)	Recognised in profit or loss US$'000	Recognised in other comprehensive income US$'000	Currency realignment US$'000	At 30 April 2017 US$'000
30 April 2017					
Provisions	6,675	(203)	–	(1,035)	5,437
Employee benefits	43,485	(416)	(6,360)	(155)	36,554
Property, plant and equipment - net	(34,667)	(4,445)	(1,236)	132	(40,216)
Intangible assets and goodwill	(44,794)	(20,096)	–	–	(64,890)
Effective portion of changes in fair value of cash flow hedges	13,403	(701)	(6,893)	–	5,809
Tax loss carry-forwards	103,643	34,670	–	(14)	138,299
Inventories	3,256	(1,738)	–	–	1,518
Biological assets	(1,616)	(831)	–	11	(2,436)
Others	8,807	(61)	–	52	8,798
	98,192	6,179	(14,489)	(1,009)	88,873

**see Note 3.6*

10. Deferred tax (cont'd)

	At 1 May 2015 US$'000 (As restated*)	Recognised in profit or loss US$'000 (Note 28) (As restated*)	Recognised in other comprehen-sive income US$'000	Currency realignment US$'000	At 30 April 2016 US$'000 (As restated*)
30 April 2016					
Provisions	4,162	2,681	–	(168)	6,675
Employee benefits	32,013	4,061	7,647	(236)	43,485
Property, plant and equipment - net	(29,025)	(4,256)	(1,504)	118	(34,667)
Intangible assets and goodwill	(20,394)	(24,400)	–	–	(44,794)
Effective portion of changes in fair value of cash flow hedges	7,324	1,989	4,090	–	13,403
Tax loss carry-forwards	78,618	25,030	–	(5)	103,643
Inventories	5,170	(1,914)	–	–	3,256
Biological assets	(1,125)	(574)	–	83	(1,616)
Others	7,656	1,169	–	(18)	8,807
	84,399	3,786	10,233	(226)	98,192

**see Note 3.6*

	At 1 May 2014 US$'000 (As restated*)	Recognised in profit or loss US$'000 (Note 28) (As restated*)	Recognised in other comprehen-sive income US$'000	Deconsolida-tion of a subsidiary US$'000	Currency realignment US$'000	At 30 April 2015 US$'000 (As restated*)
30 April 2015						
Provisions	3,784	310	–	–	68	4,162
Employee benefits	9,086	14,118	8,806	–	3	32,013
Property, plant and equipment - net	(5,596)	(22,578)	–	(830)	(21)	(29,025)
Intangible assets and goodwill	(4,393)	(16,001)	–	–	–	(20,394)
Effective portion of changes in fair value of cash flow hedges	1,660	(580)	6,244	–	–	7,324
Tax loss carry-forwards	39,641	38,977	–	–	–	78,618
Inventories	(1,634)	6,800	–	–	4	5,170
Biological assets	(1,171)	42	–	–	4	(1,125)
Others	4,266	3,629	–	(194)	(45)	7,656
	45,643	24,717	15,050	(1,024)	13	84,399

**see Note 3.6*

10. Deferred tax (cont'd)

The total amount of potential income tax consequences that would arise from the payment of dividends by a subsidiary to the Company, on the total retained earnings as at 30 April 2017, is approximately US$8.5 million (30 April 2016: US$6.8 million, 30 April 2015: US$8.9 million).

No provision has been made in respect of this potential income tax as it is the Company's intention to reinvest these reserves and not to distribute them as dividends.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised with respect to the following items.

	30 April 2017 US$'000
Deductible temporary differences:	
Allowance for inventory obsolescence	8,371
Worker's compensation	5,000
Accrued vacation leave	9,297
Others	6,190
Tax losses and tax credits	5,745
	34,603

The tax losses will expire in 2019 and 2020. The tax credits will expire between 2024 and 2027. Deferred tax assets have not been recognised with respect to these items because it is not probable that future taxable profits will be available to utilize the benefits.

Sources of estimation uncertainty

As at 30 April 2017, deferred tax assets amounting to US$138.4 million (30 April 2016: US$103.7 million, 1 May 2015: US$78.6 million) of DMFI have been recognised in respect of the tax loss carry-forwards because management assessed that it is probable that future taxable profit, will be available against which DMFI can utilise these benefits. Net defined asset related to DMFI amounted to US$91.1 million as at 30 April 2017. DMFI incurred operating loss in current and prior years. Management expects profitable growth coming from revenue strategies and cost efficiencies in the future. To the extent that profitable growth does not materialise in the future periods, deferred tax assets of US$191.5 million may not be realised. The net operating loss carry forward maybe realised up to a 20-year period from the year the loss was incurred.

11. Other noncurrent assets

		Group	
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Advances to growers	11,867	10,342	9,333
Advance rentals and deposits	6,289	6,628	7,424
Excess insurance	4,279	4,500	7,083
Land expansion (development costs of acquired leased areas)	3,295	2,378	2,708
Prepayments	508	1,273	2,423
Others	874	820	14
	27,112	25,941	28,985

11. Other noncurrent assets (cont'd)

Excess insurance relate mainly to reimbursements from insurers to cover certain workers' compensation claims liabilities (see Note 21).

Land expansion comprises development costs of newly acquired leased areas including costs such as creation of access roads, construction of bridges and clearing costs. These costs are amortised on a straight-line basis over the lease periods of 10 years or lease term, whichever is shorter.

12. Biological assets

	Group		
	30 April 2017 US$'000	**30 April 2016 US$'000 (As restated*)**	**1 May 2015 US$'000 (As restated*)**
Livestock (at cost)			
At beginning of the year	1,448	1,446	1,613
Purchases of livestock	776	525	568
Sales of livestock	(717)	(451)	(736)
Currency realignment	(87)	(72)	1
At end of the year	1,420	1,448	1,446
Agricultural produce			
At beginning of the year (at cost)	26,395	26,243	5,575
Additions	13,547	9,406	21,938
Harvested	(15,079)	(7,924)	(1,384)
Currency realignment	(1,556)	(1,330)	114
At end of the year	23,307	26,395	26,243
Fair value gain on produce prior to harvest	21,040	13,380	7,131
At end of the year	44,347	39,775	33,374

	Group		
	30 April 2017 US$'000	**30 April 2016 US$'000 (As restated*)**	**1 May 2015 US$'000 (As restated*)**
Current	44,347	39,775	33,374
Noncurrent	1,420	1,448	1,446
Totals	45,767	41,223	34,820

12. Biological assets (cont'd)

	Note	Group 30 April 2017 US$'000	30 April 2016 US$'000 (As restated*)	1 May 2015 US$'000 (As restated*)
Fair value gain recognised under:				
Inventories		4,535	1,557	1,155
Cost of sales	26	33,501	22,060	15,456
Growing crops		7,610	6,249	3,294
Fair value gain recognised under revenues		45,646	29,866	19,905

Livestock

Livestock comprises growing herd and cattle for slaughter and is stated at cost. The fair value is determined based on the actual selling prices approximating those at year end less estimated point-of-sale costs.

Risk Management strategy related to agricultural activities

(i) *Regulatory and environmental risks*

The Group is subject to laws and regulations in the Philippines in which it operates its agricultural activities. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

(ii) *Supply and demand risks*

The Group is exposed to risks arising from fluctuations in the price and sales volume of pineapples and papayas. When possible, the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing.

(iii) *Climate and other risks*

The Group's pineapple plantations are exposed to the risk of damage from climate changes, diseases, forest fires, flood, and other natural forces. To manage these risks, the Group develops and executes a long-term strategic plan and annual operating plan, supported by a contingency plan and risk management measures ensuring business continuity should there be a natural catastrophes. The Group is also insured against natural disasters such as floods and earthquakes.

Source of estimation uncertainty

The fair values of pineapple fruits are based on the most reliable estimate of market prices, in both local and international markets, as determined by the Group. The market price is derived from average sales price of the processed product adjusted for margin and associated costs related to production. The estimated margin and associated costs of production are affected by inflation, foreign exchange rates, commodities prices and available supply. Changes in these factors will affect the estimates in the determination of fair values of agricultural produce. The Group reviews and monitors these estimates regularly.

12. Biological assets (cont'd)

Source of estimation uncertainty (cont'd)

The valuation techniques and significant unobservable inputs used in determining the fair value of these biological assets are discussed in Note 35.

13. Inventories

	Group 30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Finished goods			
- at cost	708,637	644,667	534,709
- at net realisable value	30,902	12,843	10,372
Semi-finished goods			
- at cost	299	327	759
- at net realisable value	7,235	11,292	10,682
Raw materials and packaging supplies			
- at net realisable value	169,819	176,104	193,027
	916,892	845,233	749,549

Inventories recognised as an expense in cost of sales amounted to US$1,288.0 million for the year ended 30 April 2017 (30 April 2016: US$1,316.5 million, 30 April 2015: US$1,267.9 million) (see Note 26).

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

	Note	Group 30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
At beginning of the year		12,715	11,701	7,982
Allowance for the year	26	7,415	2,926	5,992
Write-off against allowance		(4,350)	(1,508)	(2,279)
Currency realignment		(694)	(404)	6
At end of the year		15,086	12,715	11,701

The allowance for inventory obsolescence recognised during the period is included in "Cost of sales".

13. Inventories (cont'd)

Source of estimation uncertainty

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

The 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 realisable values. The write-down of inventories is reviewed periodically to reflect the accurate valuation in the financial records. An increase in write-down of inventories would increase the recorded cost of sales and operating expenses and decrease current assets.

In 2017, DMFI revised its estimate of inventory obsolescence and accordingly recognised additional provision amounting to US$2.3 million.

14. Trade and other receivables

	<------------- Group ------------->			<------------ Company ----------->		
	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Trade receivables	147,167	152,936	177,677	–	–	–
Non trade receivables	23,812	22,677	9,495	6,020	2	–
Amounts due from joint venture (non-trade)	–	6,013	6,013	–	6,013	6,013
Amounts due from subsidiaries (non-trade)	–	–	–	113,683	139,225	99,710
Allowance for doubtful accounts – trade	(2,022)	(1,640)	(2,643)	–	–	–
Allowance for doubtful accounts - nontrade	(4,510)	(4,454)	(6,140)	–	–	–
Trade and other receivables	164,447	175,532	184,402	119,703	145,240	105,723

The amounts due from subsidiaries and joint venture are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from these outstanding balances.

14. Trade and other receivables (cont'd)

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

	Group			
	Gross		Impairment losses	
	Trade	Non trade	Trade	Non trade
At 30 April 2017	US$'000	US$'000	US$'000	US$'000
Not past due	114,730	14,767	–	–
Past due 0 - 60 days	22,997	871	–	–
Past due 61 - 90 days	1,758	245	–	–
Past due 91 - 120 days	1,286	112	–	–
More than 120 days	6,396	7,817	(2,022)	(4,510)
	147,167	23,812	(2,022)	(4,510)

	Group			
	Gross		Impairment losses	
	Trade	Non trade	Trade	Non trade
At 30 April 2016	US$'000	US$'000	US$'000	US$'000
Not past due	97,404	13,967	–	–
Past due 0 - 60 days	35,835	846	–	–
Past due 61 - 90 days	3,825	799	–	–
Past due 91 - 120 days	3,688	122	–	–
More than 120 days	12,184	6,943	(1,640)	(4,454)
	152,936	22,677	(1,640)	(4,454)

	Group			
	Gross		Impairment losses	
	Trade	Non trade	Trade	Non trade
At 1 May 2015	US$'000	US$'000	US$'000	US$'000
Not past due	123,528	2,523	–	–
Past due 0 - 60 days	31,685	169	–	–
Past due 61 - 90 days	4,166	57	(26)	–
Past due 91 - 120 days	7,310	32	–	–
More than 120 days	10,988	6,714	(2,617)	(6,140)
	177,677	9,495	(2,643)	(6,140)

The recorded impairment loss falls within the Group's historical experience in the collection of accounts receivables. Therefore, management believes that there is no significant additional credit risk beyond what has been recorded.

14. Trade and other receivables (cont'd)

Movements in allowance for impairment during the year are as follows:

	Note	Trade US$'000	Group Nontrade US$'000	Total US$'000
At 1 May 2016		1,640	4,454	6,094
Provision for the year	26	679	112	791
Write-off against allowance		(386)	(43)	(429)
Currency realignment		89	(13)	76
At 30 April 2017		2,022	4,510	6,532

	Note	Trade US$'000	Group Nontrade US$'000	Total US$'000
At 1 May 2015		2,643	6,140	8,783
Allowance reversed	26	(707)	(648)	(1,355)
Write-off against allowance		(263)	(938)	(1,201)
Currency realignment		(33)	(100)	(133)
At 30 April 2016		1,640	4,454	6,094

	Note	Trade US$'000	Group Nontrade US$'000	Total US$'000
At 1 May 2014		7,428	6,224	13,652
Allowance reversed	26	(4,652)	(81)	(4,733)
Write-off against allowance		(144)	(4)	(148)
Currency realignment		11	1	12
At 30 April 2015		2,643	6,140	8,783

Allowance for doubtful accounts are based on specific and collective impairment assessment by the Group.

Source of estimation uncertainty

The Group maintains allowance for impairment of accounts receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behaviour and known market factors. The Group reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Group made different judgement or utilised different estimates. An increase in the Group's allowance for impairment would increase the Group's recorded operating expenses and decrease current assets.

15. Prepaid expense and other current assets

	Note	Group 30 April 2017 US$'000	Group 30 April 2016 US$'000	Group 1 May 2015 US$'000	Company 30 April 2017 US$'000	Company 30 April 2016 US$'000	Company 1 May 2015 US$'000
Prepaid expenses		29,698	24,397	23,375	328	257	137
Downpayment to contractors and suppliers		9,933	9,025	15,677	–	–	–
Derivative asset	34	2,685	1,473	818	–	–	–
Others		730	703	–	–	–	–
		43,046	35,598	39,870	328	257	137

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

16. Cash and cash equivalents

	Group 30 April 2017 US$'000	Group 30 April 2016 US$'000	Group 1 May 2015 US$'000	Company 30 April 2017 US$'000	Company 30 April 2016 US$'000	Company 1 May 2015 US$'000
Cash on hand	48	50	47	–	–	–
Cash in banks	33,141	47,153	34,223	6,767	361	6,126
Cash equivalents	4,382	–	1,348	–	–	–
Cash and cash equivalents	37,571	47,203	35,618	6,767	361	6,126

Certain of the cash in bank balances earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 1.74% 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 0.375% per annum.

17. Noncurrent assets held for sale

In March 2015, management committed to a plan to sell part of the property, plant and equipment of Sager Creek. Accordingly, these assets are presented as noncurrent assets held for sale. Efforts to sell the assets have started and a sale is expected within twelve months.

In 2016, the Group recognised impairment loss on assets held for sale amounting to US$1.7 million (see Note 26). There is no cumulative income or expense included in other comprehensive income relating to the assets held for sale as of 30 April 2016.

In 2017, several of the assets were sold resulting in a gain of US$0.3 million recognised in "Other income (expenses) – net" in the consolidated income statement. The remaining unsold assets amounting to US$0.7 million have been reclassified out of assets held for sale and back to property, plant and equipment.

18. Share capital

	Company					
	30 April 2017		30 April 2016		1 May 2015	
	No. of shares ('000)	US$'000	No. of shares ('000)	US$'000	No. of shares ('000)	US$'000
Authorised:						
Ordinary shares of US$0.01 each	3,000,000	30,000	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	600,000	600,000
	3,600,000	630,000	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	1,944,936	19,449
Preference shares of US$1.00 each	20,000	20,000	–	–	–	–
	1,964,936	39,449	1,944,936	19,449	1,944,936	19,449

Reconciliation of number of outstanding ordinary shares in issue:

	Company		
	Year ended 30 April 2017 (US$'000)	Year ended 30 April 2016 (US$'000)	Year ended 1 May 2015 (US$'000)
At beginning of the year	1,943,214	1,944,035	1,296,600
Acquisition of own shares	–	(821)	–
Issued for cash	–	–	647,435
At end of the year	1,943,214	1,943,214	1,944,035

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 authorised share capital from US$20.0 million, divided into 2,000,000,000 ordinary shares at US$0.01 per share, to US$630.0 million, divided into 3,000,000,000 ordinary shares at US$0.01 per share and 600,000,000 preference shares at US$1.00 per share. The preference shares may be issued in one or more series, each such class of shares will have rights and restrictions as the Board may designate. The terms and conditions of the authorised preference share are finalised 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.

18. Share capital (cont'd)

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.

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 of Directors 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 capital 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 year.

19. Retained Earnings and Reserves

Retained earnings

Dividends

Ordinary shares

On 29 June 2016, the Company declared a dividend of 1.33 US cents (US$0.0133) per share to stockholders on record as at 26 August 2016. The final dividend was paid on 8 September 2016. No dividends were declared in 2015.

Preference shares

The cumulative dividend on the preference shares amounted to US$0.8 million as of 30 April 2017.

The retained earnings is restricted for the payment of dividends to the extent representing the accumulated equity in net earnings of the subsidiaries. The accumulated equity in net earnings of the subsidiaries and joint ventures is not available for dividend distribution until such time that the Company receives the dividends from the subsidiaries.

19. Retained Earnings and Reserves (cont'd)

Reserves

	Group			Company		
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**	**30 April 2017 US$'000**	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Share premium	390,320	214,843	214,843	390,459	214,982	214,982
Translation reserve	(78,087)	(59,813)	(46,335)	(78,087)	(59,813)	(46,335)
Revaluation reserve	10,885	8,002	9,506	10,885	8,002	9,506
Remeasurement of retirement plan	1,808	(10,833)	(17,231)	1,808	(10,833)	(17,231)
Hedging reserve	(7,443)	(17,502)	(11,722)	(7,443)	(17,502)	(11,722)
Share option reserve	1,779	1,031	318	1,779	1,031	318
Reserve for own shares	(802)	(802)	(629)	(802)	(802)	(629)
	318,460	134,926	148,750	318,599	135,065	148,889

Under the British Virgin Islands law in whose jurisdiction the Company operates, the Company's share premium and retained earnings form part of the Company's surplus account that may be available for dividend distribution. The Group's share premium is shown net of a merger deficit of US$0.14 million, which arose from the acquisition of a subsidiary, DMPRL, under common control in 1999.

The share premium account includes any premium received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account, net of any related income tax effects.

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

The revaluation reserve relates to surplus on the revaluation of freehold land of the Group.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect the consolidated income statement (see Note 21).

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

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 30 April 2017, the Group held 1,721,000 (30 April 2016: 1,721,000, 30 April 2015: 900,000) of the Company's shares.

20. Loans and borrowings

	Group 30 April 2017 US$'000	Group 30 April 2016 US$'000	Group 1 May 2015 US$'000	Company 30 April 2017 US$'000	Company 30 April 2016 US$'000	Company 1 May 2015 US$'000
Current liabilities						
Unsecured bank loans	280,584	501,481	347,180	43,070	348,630	102,630
Secured bank loans	169,114	225,879	98,362	–	–	–
	449,698	727,360	445,542	43,070	348,630	102,630
Non-current liabilities						
Unsecured bank loans	341,974	193,224	348,250	281,854	129,234	348,250
Secured bank loans	922,294	923,198	924,695	–	–	–
	1,264,268	1,116,422	1,272,945	281,854	129,234	348,250
	1,713,966	1,843,782	1,718,487	324,924	477,864	450,880

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	30 April 2017 Face value US$'000	30 April 2017 Carrying amount US$'000	30 April 2016 Face value US$'000	30 April 2016 Carrying amount US$'000	1 May 2015 Face value US$'000	1 May 2015 Carrying amount US$'000
Group									
Unsecured bank loans	PHP	2.00-4.50	2017-2020	117,835	117,835	97,697	97,697	110,984	110,984
Unsecured bank loans	USD	1.15-2.50	2017	222,869	222,869	119,145	119,145	133,566	133,566
Unsecured bridging loan	USD	1.50-4.53	2020	130,000	129,414	130,000	129,234	104,000	102,630
Unsecured bridging loan	USD	90 days Libor + 3.25%	2019	154,000	152,440	350,000	348,630	350,000	348,249
Secured bank loan under ABL Credit Agreement	USD	Libor rate + 2% to 4.25%	2017	168,000	166,730	225,442	221,971	99,000	94,488
Secured First lien term loan	USD	Higher of Libor +3.25% or 4.25%	2017-2021	686,925	668,109	694,025	677,220	701,125	680,588
Secured Second lien term Loan	USD	Higher of Libor + 7.25% or 8.25%	2021	260,000	256,569	260,000	249,885	260,000	247,982
				1,739,629	1,713,966	1,876,309	1,843,782	1,758,675	1,718,487

	Currency	Nominal interest rate % p.a.	Year of maturity	30 April 2017 Face value US$'000	30 April 2017 Carrying amount US$'000	30 April 2016 Face value US$'000	30 April 2016 Carrying amount US$'000	1 May 2015 Face value US$'000	1 May 2015 Carrying amount US$'000
Company									
Unsecured bank loans	USD	1.60	2017	43,070	43,070	–	–	–	–
Unsecured bridging loans	USD	1.50-4.53	2019 to 2020	284,000	281,854	480,000	477,864	454,000	450,880
				327,070	324,924	480,000	477,864	454,000	450,880

PDSTF – Philippine Dealing System Treasury Fixing Rate
GRT – Gross Receipt Tax

20. Loans and borrowings (cont'd)

Terms and debt repayment schedule (cont'd)

The unsecured bridging loans of US$154 million as at 30 April 2017 is the remaining balance for the bridging loan that were obtained by the Company to finance the Acquisition (see Note 5) and its related costs.

Long Term Borrowings

Long Term Borrowings	Principal Amount (In '000)	Interest Rate % p.a.	Year of Maturity	Payment Terms (e.g. annually, quarterly, etc.)	Interest already paid 1 May 2015 to 30 April 2017 (In '000)
Senior secured variable rate first lien term loan	USD 710,000	Higher of Libor +3.25% or 4.25%	2021	0.25% quarterly principal payments from April 30, 2014 to January 31, 2021; Balance due in full at its maturity, February 18, 2021.	$30,198
Senior secured second lien variable rate term loan	USD 260,000	Higher of Libor + 7.25% or 8.25%	2021	Due in full at its maturity, August 18, 2021.	$22,256
BDO bridging facility	USD 350,000	90day Libor + 3.5% margin	2019	Quarterly interest payment and principal on maturity date.	$17,502
BDO Long-Term Loan	USD 30,000	4.50%	2020	Quarterly interest payment and principal on maturity date.	$1,035
BDO Long-Term Loan	USD 100,000	4.50%	2020	Quarterly interest payment and principal on maturity date.	$3,450
BDO Long-Term Loan	PHP 3,000,000	3.5% for the first 60 days; 4.5% for the remaining term + 5% GRT	2020	Quarterly interest payment and principal on maturity date.	PHP 143,325

In 2017, the Company signed a two-year extension of the US$350.0 million BDO loans from 10 February 2017 to 2019 on the same terms and conditions. In April 2017, DMPL settled US$196.0 million of the US$350.0 million BDO loan using the proceeds from the issuance of preference share.

Loans and borrowings are stated net of unamortised debt issuance cost. The balance of unamortised debt issuance cost follows:

	Note	Group			Company		
		Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 1 May 2015 US$'000	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 1 May 2015 US$'000
Beginning of year		32,527	40,188	45,731	2,136	3,120	2,509
Additions		1,749	1,114	4,767	1,750	900	4,387
Amortisation	27	(8,613)	(8,775)	(10,310)	(1,740)	(1,884)	(3,776)
End of year		25,663	32,527	40,188	2,146	2,136	3,120

20. Loans and borrowings (cont'd)

Secured Term Loan Credit Agreements

DMFI is a party to a First Lien term loan credit agreement and a Second Lien term loan credit agreement (the "Term Loan Credit Agreements") with the lenders party thereto, Citibank, N.A., as administrative agent and collateral agent, and the other agents named therein, that provided for a US$710.0 million First Lien Term Loan and a US$260.0 million Second Lien Term Loan with terms of seven years and seven years plus six months, respectively.

Interest Rates. Loans under the First and Second Lien Term Loans bear interest at a rate equal to an applicable margin, plus a LIBOR rate (with a floor of 1.00%). As of 30 April 2017, the interest rate for First Lien Term Loans is 4.31% (30 April 2016: 4.25%) and the interest rate for Second Lien Term Loans is 8.31% (30 April 2016: 8.25%).

Principal Payments. The First Lien Term Loan generally requires quarterly scheduled principal payments of 0.25% of the outstanding principal per quarter from 30 April 2014 to 31 January 2021. The balance is due in full on the maturity date of 18 February 2021. Scheduled principal payments with respect to the First Lien Term Loan are subject to reduction following any mandatory or voluntary prepayments on terms and conditions set forth in the First Lien Term Loan Credit Agreement.

The Second Lien Term Loan is due in full at its maturity date of 18 August 2021.

The Term Loan Credit Agreements also require DMFI to prepay outstanding loans under the First Lien Term Loan and the Second Lien Term Loan, subject to certain exceptions, with, among other things:

- 50% (which percentage will be reduced to 25% if the leverage ratio is 4.0x or less and to 0% if the leverage ratio is 3.0x or less) of the annual excess cash flow, as defined in the First Lien Term Loan Credit Agreement;
- 100% of the net cash proceeds of certain casualty events and non-ordinary course asset sales or other dispositions of property for a purchase price above US$2.0 million, in each case, subject to DMFI's right to reinvest the proceeds; and
- 100% of the net cash proceeds of any incurrence of debt, other than proceeds from debt permitted under the First Lien Term Loan Credit Agreement.

Ability to Incur Additional Indebtedness. DMFI has the right to request an additional US$100 million plus an additional amount of secured indebtedness under the First Lien Term Loan and the Second Lien Term Loan. Lenders under this facility are under no obligation to provide any such additional loans, and any such borrowings will be subject to customary conditions precedent, including satisfaction of a prescribed leverage ratio, subject to the identification of willing lenders and other customary conditions precedent.

ABL Credit Agreement

DMFI is a party to a credit agreement (the "ABL Credit Agreement") with Citibank, N.A., as administrative agent, and the other lenders and agents parties thereto, as amended, that provides for senior secured financing of up to US$442 million (with all related loan documents, and as amended from time to time, the ABL Facility) with a term of five years.

Interest Rates. Borrowings under the ABL Credit Agreement bear interest at an initial interest rate equal to an applicable margin, plus LIBOR rate. The applicable margin with respect to LIBOR borrowings is currently 2.25% (and may decrease to 1.75% depending on average excess availability) (1 May 2016: 2.0%).

20. Loans and borrowings (cont'd)

ABL Credit Agreement (cont'd)

Commitment Fees. In addition to paying interest on outstanding principal under the ABL Credit Agreement, DMFI is required to pay a commitment fee that was initially 0.375% per annum in respect of the unutilised commitments thereunder. The commitment fee rate from time to time is 0.375% or 0.25% depending on the amount of unused commitments under the ABL Credit Agreement for the prior fiscal quarter. DMFI must also pay customary letter of credit fees between 1.75% to 2.25% based on average excess availability, and fronting fees equal to 0.125% of the face amount for each letter of credit issued.

Availability under the ABL Credit Agreement. Availability under the ABL Credit Agreement is subject to a borrowing base. The borrowing base, determined at the time of calculation, is an amount equal to: (a) 85% of eligible accounts receivable and (b) the lesser of (1) 75% of the net book value of eligible inventory and (2) 85% of the net orderly liquidation value of eligible inventory, of DMFI at such time, less customary reserves. The ABL Credit Agreement will terminate, and the commitments thereunder will mature, on 18 February 2019. As of 30 April 2017, there were US$168.0 million (30 April 2016: US$225.4 million) of loans outstanding under the ABL Credit Agreement, the amount of letters of credit issued under the ABL Credit Agreement was US$14.0 million (30 April 2016: US$11.4 million) and the Group's net availability under the ABL Credit Agreement was US$260.5 million (30 April 2016: US$201.8 million). The interest rate on the ABL Credit Agreement was approximately 3.39% on 30 April 2017 (30 April 2016: 3.15%).

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. The commitments under the ABL Facility may be increased, subject only to the consent of the new or existing lenders providing such increases, such that the aggregate principal amount of commitments does not exceed US$442 million. The lenders under this facility are under no obligation to provide any such additional commitments, and any increase in commitments will be subject to customary conditions precedent. Notwithstanding any such increase in the facility size, DMFI's ability to borrow under the facility will remain limited at all times by the borrowing base (to the extent the borrowing base is less than the commitments).

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 Del Monte Foods Holdings Limited (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

Indebtedness under the First Lien Term Loan is generally secured by (i) a first priority pledge of all of the equity interests of DMFHL, (ii) a second priority lien on all ABL Priority Collateral of DMFHL and (iii) a first priority lien on substantially all other properties and assets of DMFHL. The Second Lien Term Loan is generally secured by (i) a second priority pledge of all of the equity interests of DMFHL, (ii) a third priority lien on all ABL Priority Collateral of DMFHL and (iii) a second priority lien on substantially all other properties and assets of DMFHL. The ABL Credit Agreement is generally secured by a first priority lien on DMFI's inventories and accounts receivable and by a third priority lien on substantially all other assets.

20. Loans and borrowings (cont'd)

ABL Credit Agreement (cont'd)

Restrictive and Financial Covenants

The Term Loan Credit Agreements and the ABL Credit Agreement contain restrictive covenants that limit DMFI's ability and the ability of its subsidiaries to take certain actions

Term Loan Credit Agreement and ABL Credit Agreement Restrictive Covenants. The restrictive covenants in the Term Loan Credit Agreement and the ABL Credit Agreement include covenants limiting DMFI's ability, and the ability of DMFI's restricted subsidiaries, to incur additional indebtedness, create liens, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions or repurchase DMFHL'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 DMFI's lines of business.

Financial Maintenance Covenants. The Term Loan Credit Agreements and ABL Credit Agreement generally do not require that DMFI comply with financial maintenance covenants. The ABL Credit Agreement, however, contains a financial covenant that applies if availability under the ABL Credit Agreement (US$260.5 million at 30 April 2017; US$201.8 million at 30 April 2016) falls below a certain level. As of 30 April 2017, the financial covenant was not applicable.

Effect of Restrictive and Financial Covenants. The restrictive and financial covenants in the Term Loan Credit Agreements and the ABL Credit Agreement may adversely affect DMFI's ability to finance its future operations or capital needs or engage in other business activities that may be in its interest, such as acquisitions.

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.

Unsecured Bank Loans (cont'd)

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 30 April 2017, 2016 and 2015.

21. Other noncurrent liabilities

	Group		
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Workers' compensation	23,410	30,969	32,101
Derivative liabilities	8,442	21,527	20,090
Deferred rental liabilities	3,818	5,173	5,823
Accrued lease liabilities	7,036	4,440	2,352
Other payables	1,312	477	797
	44,018	62,586	61,163

21. Other noncurrent liabilities (cont'd)

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

Derivative liabilities

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

As of 30 April 2017 and 2016, the Group designated each of its derivative contracts as a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognised asset or liability ("cash flow hedge"). The following cash flow hedges were outstanding for the Group:

			Group	
	Note	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Interest rate swap valuation	33	(17,891)	(35,115)	(20,090)
Peso FX contracts	33	2,565	1,473	(1,003)
Commodity contracts	33	38	(1,630)	818
Total		(15,288)	(35,272)	(20,275)
Included in :				
Prepaid expense and other current assets	15	2,685	1,473	818
Trade and other payables	24	(9,531)	(15,218)	(1,003)
Other noncurrent liabilities		(8,442)	(21,527)	(20,090)
		(15,288)	(35,272)	(20,275)

22. Employee benefits

		Group	
	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Pension asset	5,517	–	–
Total pension asset (non-current)	5,517	–	–
Post-retirement benefit obligation	39,017	41,908	94,643
Executive retirement plan	5,423	9,758	11,147
Cash incentive award	3,707	1,773	–
Short-term employee benefits	16,558	19,389	35,360
Other plans	7,114	7,732	4,280
Net defined benefit liability	37,945	50,209	26,849
Total employee benefit liability	109,764	130,769	172,279
Current	22,165	33,652	43,080
Non-Current	87,599	97,118	129,199
	109,764	130,770	172,279

22. Employee benefits (cont'd)

The Group contributes to the following post-employment defined benefit plans:

The DMPI Plan

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

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

DMPI expects to pay US$1.9 million in contributions to the pension plan in fiscal year 2017.

The DMFI Plan

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

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

The second part is an arrangement which provides for grandfathered and suspended hourly participants a traditional pension benefit based upon service, final average compensation and age at termination. This plan was frozen since 31 December 1995, which the active participation of certain participants was grandfathered and the active participation of other participants was suspended.

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

DMFI does not expect to make contributions to the plan in 2018.

22. Employee benefits (cont'd)

Movement in net defined benefit liability (asset)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability (asset) and its components:

	Defined benefit obligation			Fair value of plan assets			Net defined benefit liability/(asset)		
	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Group									
Balance, Beginning	438,697	515,042	482,221	(346,580)	(393,550)	(394,890)	92,117	121,492	87,331
Included in profit or loss:									
Current service cost	10,595	10,120	10,444	–	–	–	10,595	10,120	10,444
Plan administration cost	–	–	–	691	–	514	691	–	514
Interest cost/ (income)	17,819	20,875	21,192	(14,188)	(15,772)	(17,226)	3,631	5,103	3,966
Past service cost (plan amendments)	–	(40,470)	–	–	–	–	–	(40,470)	–
Curtailment gain	–	(3,814)	–	–	–	–	–	(3,814)	–
Settlement loss	–	–	–	–	5,669	–	–	5,669	–
	467,111	501,753	513,857	(360,077)	(403,653)	(411,602)	107,034	98,100	102,255
Included in OCI									
Remeasurements loss/(gain):									
- Actuarial loss/(gain) arising from:									
- financial assumptions	3,293	(2,061)	11,973	–	–	–	3,293	(2,061)	11,973
- demographic assumptions	(7,045)	(6,183)	33,046	–	–	–	(7,045)	(6,183)	33,046
- experience adjustment	(3,875)	(4,486)	(7,657)	–	–	–	(3,875)	(4,486)	(7,657)
- Return on plan assets excluding interest income	–	–	–	(10,477)	16,227	(14,026)	(10,477)	16,227	(14,026)
- Effect of movements in exchange rates	(2,389)	(2,210)	12	2,201	1,693	(3)	(188)	(517)	9
	(10,016)	(14,940)	37,374	(8,276)	17,920	(14,029)	(18,292)	2,980	23,345
Others									
Contributions paid into the plan	–	–	–	(15,513)	(5,979)	(4,108)	(15,513)	(5,979)	(4,108)
Benefits paid	(38,493)	(48,116)	(36,189)	36,709	45,132	36,189	(1,784)	(2,984)	–
	(38,493)	(48,116)	(36,189)	21,196	39,153	32,081	(17,297)	(8,963)	(4,108)
Balance, Ending	418,602	438,697	515,042	(347,157)	(346,580)	(393,550)	71,445	92,117	121,492

22. Employee benefits (cont'd)

Represented by:

	Net defined benefit liability/(asset) 30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Net defined benefit asset	(5,517)	–	–
Post-retirement benefit obligation	39,017	41,908	94,643
Net defined benefit liability	37,945	50,209	26,849
	71,445	92,117	121,492

During fiscal year 2016, a change to the post-retirement benefits plan of certain non-union employees were made where current retiree medical and dental benefits were replaced for contributions to a health reimbursement arrangement (HRA) account. As a result of the plan amendment, the Group's defined benefit obligation decreased by US$40.7 million. A corresponding reduction against past service cost was recognised as part of "General and administrative expenses" account in the 2016 consolidated income statement.

During fiscal year 2015, the actuarial assumptions used in the pension valuation of the arrangements for a number of employees in the United States were adjusted to reflect longer lifespans of Americans. As a result of the change in these assumptions, the Group's defined benefit obligation increased by US$24.2 million. A corresponding remeasurement in retirement reserve was recognised in other comprehensive income during 2015.

Plan assets

Plan assets comprise:

	Group 30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Interest-bearing cash/bank deposits	5,710	3,622	7,495
Real estate	15,130	12,852	12,514
Common collective trust funds			
Fixed income	88,577	85,663	12,286
Equity fund	113,164	115,634	134,951
Mutual funds			
Equity fund	9,143	8,926	250
Debt instruments			
Corporate	39,348	40,238	47,373
Government	50,613	53,649	62,045
Others	5,958	6,388	10,519
Equity securities			
Quoted	3,053	3,237	87,302
Unquoted	–	–	426
Others	16,461	16,371	18,389
Fair value of plan assets	347,157	346,580	393,550

22. Employee benefits (cont'd)

In accordance with the Purchase Agreement with the seller (see Note 5), an initial transfer representing the fair value of plan assets related to the Consumer Food Business was completed in connection with the closing date of 18 February 2014. The fair value of plan assets includes the estimated residual fair value of plan assets to be transferred within 270 days after the acquisition date.

The BOD of DMFI reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching ("ALM") strategy and investment risk management policy. DMFI's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Group monitors how the duration and expected yield of the investments match the expected cash outflows arising from the retirement benefit obligation.

DMFI's investment objectives are to ensure that the assets of its qualified defined benefit plan are invested to provide an optimal rate of investment return on the total investment portfolio, consistent with the assumption of a reasonable risk level, and to ensure that pension funds are available to meet the plan's benefit obligations as they become due.

DMFI believes that a well-diversified investment portfolio, including both equity and fixed income components, will result in the highest attainable investment return with an acceptable level of overall risk. DMFI's investment policies and procedures are designed to ensure that the plan's investments are in compliance with the Employee Retirement Income Security Act ("ERISA").

Actuarial valuation

The funded obligations and plan assets are measured and valued with the advice of qualified actuary who carries out a full valuation annually. The last valuation of these obligations and plan was performed in April 2017 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 30 April 2017.

The principal actuarial assumptions used for accounting purposes expressed as weighted average were:

	<------------- DMFI ------------>			<------------- DMPI ------------>		
	30 April 2017	**30 April 2016**	**1 May 2015**	**30 April 2017**	**30 April 2016**	**1 May 2015**
Discount rate (per annum)	4.15% - 4.25%	4.10% - 4.35%	4.50% - 4.75%	5.08%	5.23%	5.18%
Future salary increases (per annum)	3.00% - 4.00%	3.00% - 4.00%	3.00% - 4.00%	6.80%	6.80%	6.00%
Current health care cost trend rate (per annum)	7.30%/ 7.50%	7.60%/ 7.90%	7.80%/ 8.30%	–	–	–
Ultimate health care cost trend rate	4.00%	4.00%	4.00%	–	–	–

Since the defined benefit plans and other benefits liabilities are measured on a discounted basis, the discount rate is a significant assumption. The discount rate was determined based on an analysis of interest rates for high-quality, long-term corporate debt at each measurement date. In order to appropriately match the bond maturities with expected future cash payments, the Group utilised differing bond portfolios to estimate the discount rates for the defined benefits pension plans and for the post-retirement benefits.

22. Employee benefits (cont'd)

The discount rate used to determine the defined benefit plans and for the post-retirement benefits projected benefit obligation as of the balance sheet date is the rate in effect at the measurement date. The same rate is also used to determine the defined benefit pension plans and post-retirement benefits for the following fiscal year. The long-term rate of return for defined benefits pension plans' assets is based on the Group's historical experience; the defined benefits pension plans' investment guidelines and the Group's expectations for long-term rates of return. The defined benefits pension plans' investment guidelines are established based upon an evaluation of market conditions, tolerance for risk and cash requirements for benefit payments. Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows.

As at 30 April 2017 and 2016, the weighted average duration of DMPI's defined benefit retirement obligation is 18.58 years and 19.30 years, respectively.

The projected future benefit payments for the DMPI plan are as follows:

	Normal Retirement US$'000	Other than Normal Retirement US$'000	Total US$'000
Less than one year	3,032	844	3,876
More than one year to five years	11,817	3,570	15,387
More than five years	146,652	24,270	170,922

The weighted average duration of DMFI's defined benefit retirement obligation for each year are as follows.

	Duration (years)		
	30 April 2017	30 April 2016	1 May 2015
Qualified retirement plan	9.9	9.8	9.0
Post-retirement benefits plan	12.4	12.3	14.0
Executive retirement plans	5.6 - 11.7	7.3 - 9.6	7.9 - 9.0

The projected future benefit payments for the DMFI plan are as follows:

	Normal Retirement US$'000	Other than Normal Retirement US$'000	Total US$'000
Less than one year	27,069	2,242	29,311
More than one year to five years	107,674	9,698	117,372
More than five years	123,721	12,366	136,087

The weighted-average asset allocation of the Group's pension plan assets and weighted-average target allocation as of the measurement date from date of incorporation is as follows:

	30 April 2017	Target Allocation Range
Equity securities	40%	31-51%
Debt securities	53%	42-64%
Other	7%	2-19%
Total	100%	

22. Employee benefits (cont'd)

	30 April 2016	Target Allocation Range
Equity securities	37%	31-51%
Debt securities	54%	42-64%
Other	9%	2-19%
Total	100%	

	30 April 2015	Target Allocation Range
Equity securities	43%	31-51%
Debt securities	52%	42-64%
Other	5%	2-19%
Total	100%	

The plan exposes the Group to market risk.

The BOD of DMFI approves the percentage of asset to be allocated for fixed income instruments and equities. The retirement plan has set maximum exposure limits for each type of permissible investments in marketable securities and deposit instruments. The BOD of DMFI may, from time to time, in the exercise of its reasonable discretion and taking into account existing investment opportunities, review and revise such allocation and limits.

Source of estimation uncertainty

Pension expense and pension assets/liabilities are determined using certain actuarial estimates and assumptions relating to the discount rate used in valuing the subsidiary's defined benefit obligations and future experiences such as the rate of return on plan assets, future salary increases, retirement date or age, mortality and turnover rate of covered employees. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognised in the financial statements.

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of reporting period would have increased (decreased) as a result of a change in the respective assumptions by the respective percentages below.

Defined benefit obligation	**<------------------------------DMFI---------------------------->**					
	2017		**2016**		**2015**	
	0.5% increase US$'000	0.5% decrease US$'000	0.5% increase US$'000	0.5% decrease US$'000	0.5% increase US$'000	0.5% decrease US$'000
Discount rate (per annum)	($15,217)	$16,578	($16,802)	$18,411	($16,070)	$17,498
Future salary increases (per annum)	$1,522	($1,482)	$1,610	($1,569)	$1,426	($1,381)

22. Employee benefits (cont'd)

Defined benefit obligation	<------DMPI------>					
	2017		**2016**		**2015**	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Discount rate (per annum)	(2,465)	2,954	(2,687)	2,967	(2,478)	2,892
Future salary increases (per annum)	1,424	(1,174)	1,371	(1,340)	2,663	(2,321)

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 30 April 2017 and are applied to adjust the defined benefit obligation at the end of the report period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumption shown.

Sensitivity analysis

Post-retirement benefit obligation

	2017		**2016**		**2015**	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Health care cost trend rates (per annum)	3,994	(3,284)	4,278	(3,525)	12,441	(10,128)

Accumulated Post-retirement Benefit Obligation

The Accumulated Post-retirement Benefit Obligation is computed in accordance with IAS 19 *Employee Benefits*. This quantity is the actuarial present value of all benefits attributed under the projected unit credit method to service rendered prior to a particular date. Prior to an employee's full eligibility date, the accumulated post-retirement benefit obligation as of a particular date for an employee is the portion of the expected post-retirement benefit obligation attributed to that employee's service rendered to that date; on and after the full eligibility date, the accumulated and expected post-retirement benefit obligations for an employee are the same.

Source of estimation uncertainty

Accumulated post-retirement benefit obligation is determined using certain actuarial estimates and assumptions relating to the annual rate(s) of change in the cost of health care benefits currently provided by the post-retirement benefit plans due to factors other than changes in the composition of the plan population by age and dependency status, for each year from the measurement date until the end of the period in which benefits are expected to be paid. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognised in the financial statements.

22. Employee benefits (cont'd)

Multi-employer plans

The Group participates in several multi-employer pension plans, which provide defined benefits to covered union employees. Contributions rates to the multi-employer plans are provided in the collective bargaining agreements for the covered union employees. The contribution rates are expressed in terms of specific amounts to be contributed based on hours worked by covered union employees. The Group made contributions of US$7.1 million, US$6.7 million and US$6.0 million during fiscal 2017, 2016 and 2015 respectively.

The risks of participating in the multi-employer pension plans are as follows:

- assets contributed to the multi-employer plan by the Group may be used to provide benefits to employees of other participating employers;
- if a participating employer stops contributing to the plan, the unfunded obligations of the plan allocable to such withdrawing employer may be partially borne by the Group; and
- if the Group stops participating in some of its multi-employer pension plans, the Group may be required to pay those plans an amount based on its allocable share of the underfunded status of the plan, referred to as a withdrawal liability.

Defined Contribution Plans

The Group participates in two defined contribution plans. Group contributions to these defined contribution plans are based on employee contributions and compensation. The expense recognised under these plans for the year ended 30 April 2017 was US$4.8 million (30 April 2016: US$5.1 million).

Other plans

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

23. Environmental remediation liabilities

		Group		
	Note	**30 April 2017 US$'000**	**30 April 2016 US$'000**	**1 May 2015 US$'000**
At beginning of the year		6,313	4,580	4,241
Provision made during the period	6	80	1,815	339
Provisions used during the period		(195)	(82)	–
At end of the year		6,198	6,313	4,580

Provision for environmental remediation relates to legal or constructive obligations incurred by the Group in connection with its operations. In connection with the closure of the plant in Turkey, North Carolina, the Group has estimated and recognised additional environmental remediation liabilities of US$0.4 million in 2017 and US$1.8 million in 2016.

24. Trade and other payables

	Note	Group 30 April 2017 US$'000	Group 30 April 2016 US$'000	Group 1 May 2015 US$'000	Company 30 April 2017 US$'000	Company 30 April 2016 US$'000	Company 1 May 2015 US$'000
Trade payables		162,505	167,197	191,085	783	–	–
Overdrafts		12,191	11,438	4,714	–	–	–
Accrued operating expenses:							
Advertising		12,220	11,967	11,852	–	–	–
Professional fees		13,591	7,620	9,072	2,796	4,587	4,388
Taxes and insurance		8,639	6,146	1,213	–	–	–
Freight and warehousing		6,320	5,875	8,897	–	–	–
Accrued interest		11,133	11,778	11,144	–	–	–
Trade promotions		11,584	11,824	8,827	–	–	–
Miscellaneous		33,966	14,961	41,710	1,991	–	–
Derivative liabilities	21	9,531	15,218	1,003	–	–	–
Accrued payroll expenses		8,282	6,875	38,122	4,467	3,359	–
Advances from customers		3,137	2,465	3,189	–	–	–
Withheld from employees (taxes and social security cost)		1,692	1,527	6,214	20	–	–
Other payables		4,623	6,152	2,012	–	351	226
VAT payables		131	–	–	131	–	–
Amounts due to subsidiaries (non-trade)		–	–	–	108,283	108,001	159,171
		299,545	281,043	339,054	118,471	116,298	163,785

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

Accrued miscellaneous include interest, utilities, customer deposits, freight and warehousing and customs and other importation incidental costs.

Sources of estimation uncertainty

The determination of the unbilled trade promotion accrual requires significant estimation of the lag time when the services are performed and billings are received.

25. Revenue

Revenue of the Group comprises gross invoiced sales of goods, net of discounts and returns, and is recognised when goods are delivered, and title has passed to customers. All intra-group transactions have been excluded from Group revenue.

Revenue for fiscal year ended 30 April 2017 is net of discounts of US$86.0 million, returns of US$20.1 million and direct promotions of US$491.2 million. Revenue for fiscal year ended 30 April 2016 is net of discounts of US$85.2 million, returns of US$19.0 million and direct promotions of US$485.2 million. Revenue for fiscal year ended 30 April 2015 is net of discounts of US$83.3 million, returns of US$21.1 million and direct promotions of US$482.6 million.

26. Profit (loss) before taxation

Profit (loss) before taxation is arrived at after charging (crediting):

		<---------------- Group ---------------	->		<------------- Company -------------	>	
	Note	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2015 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2015 US$'000**
Allowance for inventory obsolescence	13	7,415	2,926	5,992	–	–	–
Impairment of (reversal of allowance for) trade and nontrade receivables	14	791	(1,355)	(4,733)	–	–	–
Amortisation of intangible assets	9	9,347	9,327	7,560	–	–	–
Audit fees							
- paid to the auditors of the Company*		371	339	322	371	339	302
- paid to other auditors		1,553	2,374	2,658		354	37
Changes in fair value of agricultural produce harvested and sold	12	33,501	22,060	15,456	–	–	–
Depreciation of property, plant and equipment	6	138,995	139,991	141,394	–	–	–
Loss on deconsolidation of a subsidiary	7	–	–	5,186	–	–	–
Loss on disposal of property, plant and equipment		729	1,052	1,278	–	–	–
Impairment loss (reversal of impairment) on property, plant and equipment	6	(330)	4,928	(508)	–	–	–
Inventories recognised as cost of sales	13	1,288,042	1,316,517	1,267,927	–	–	–
Non-audit fees							
- paid to the auditors of the Company*		–	–	222	–	–	218
- paid to other auditors		667	579	590	14	99	–
Operating lease rentals	36	64,951	52,141	52,444		–	–
Impairment loss on noncurrent assets held for sale	17	–	1,659	–	–	–	–
Research and development expenses		2,779	12,615	13,077	–	–	–
Income from post-closing working capital amount	5	–	(38,000)	–	–	–	–
Bargain purchase on acquisition of Sager Creek	5	–	–	(26,568)	–	–	–
Acquisition-related costs pertaining to Consumer Food Business	5	–	–	2,200	–	–	–

**excludes professional expenses related to the Acquisition of Consumer Food Business*

26. Profit (loss) before taxation (cont'd)

Profit (loss) before taxation is arrived at after charging (crediting) (cont'd):

	Note	Group: Year ended 30 April 2017 US$'000	Group: Year ended 30 April 2016 US$'000	Group: Year ended 30 April 2015 US$'000	Company: Year ended 30 April 2017 US$'000	Company: Year ended 30 April 2016 US$'000	Company: Year ended 30 April 2015 US$'000
Staff costs							
Pension costs – defined benefit pension plan**		14,917	(23,392)	14,924	–	–	–
Pension costs – provident fund		4,825	5,131	5,114	–	–	–
Social security costs		18,760	20,471	16,853	–	–	–
Equity-settled share-based payment transactions	32	890	713	144	96	161	144
Wages and salaries		385,192	375,982	364,079	3,792	8,768	3,076

***includes effect of post-retirement medical plan amendment and enhanced early retirement program*

Other expenses not included above are advertising and marketing costs, freight, warehousing costs and others.

27. Net finance expense

	Note	Group: Year ended 30 April 2017 US$'000	Group: Year ended 30 April 2016 US$'000	Group: Year ended 30 April 2015 US$'000	Company: Year ended 30 April 2017 US$'000	Company: Year ended 30 April 2016 US$'000	Company: Year ended 30 April 2015 US$'000
Finance income							
Interest income from							
bank deposits		129	365	400	4	2	4
land leases		362	–	–	–	–	–
Foreign exchange gain		5,318	1,866	–	43	–	4
		5,809	2,231	400	47	2	8
Finance expense							
Interest expenses on bank loans		(101,375)	(89,843)	(84,347)	(21,047)	(19,809)	(21,518)
Amortisation of debt issue cost, discount	20	(8,613)	(8,775)	(10,310)	(1,740)	(1,884)	(3,776)
Foreign exchange loss		(1,080)	(963)	(5,204)	(42)	(10)	–
		(111,068)	(99,581)	(99,861)	(22,829)	(21,703)	(25,294)
Net finance expense		(105,259)	(97,350)	(99,461)	(22,782)	(21,701)	(25,286)

28. Tax expense (credit) - net

	Note	Group Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000 (As restated*)	Year ended 30 April 2015 US$'000 (As restated*)
Current tax expense				
- current year		6,730	12,729	7,189
Deferred tax credit				
- origination and reversal of temporary differences	10	(6,179)	(3,786)	(24,717)
		551	8,943	(17,528)
Reconciliation of effective tax rate				
Profit (loss) before taxation		20,442	68,919	(63,618)
Taxation on profit at weighted average of the applicable tax rates		9,898	18,600	(23,452)
Non-deductible expenses		(9,347)	(9,657)	5,924
		551	8,943	(17,528)

** see Note 3.6*

	Note	Company Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000
Current tax expense				
- current year		14	5	–
Deferred tax credit				
- origination and reversal of temporary differences	10	(2)	–	–
		12	5	–

28. Tax expense (credit) – net (cont'd)

		Group		
		Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000
Applicable tax rates	**Note**			
- Philippines (non-PEZA)		30%	30%	30%
- Philippines (PEZA)*		5%	5%	5%
- India		31%	31%	31%
- Singapore		17%	17%	17%
- United States of America		38%	38%	38%
- Mexico		30%	30%	30%

* based on gross profit for the year

DMPI's core production operations in Cagayan de Oro City, Philippines is under Philippine Packing Agricultural Export Processing Zone. This new zone has been established in accordance with the policies of the Philippine Economic Zone Authority ("PEZA"). DMPI enjoys certain fiscal and non-fiscal incentives including a 5% (2016 and 2015: 5%) tax on gross profit in lieu of the statutory 30% (2016 and 2015: 30%) on profit before tax, duty free importation of capital equipment, raw materials and supplies used in pursuit of its Ecozone-registered activities, among other incentives. The incentives will be available for as long as DMPI complies with the PEZA's requirements which includes exporting 70% of its production. This current tax incentive will expire in fiscal year 2018.

DMPI has received the PEZA approval for a second zone, the Bukidnon Agro-Resources Export Zone, for agri-development projects. This current tax incentive will expire in fiscal year 2018.

Company

There is no tax expense for the Company as the income of the Company is exempt from all income taxes in the British Virgin Islands but its ROHQ in the Philippines has a preferential tax rate of 10%.

Sources of estimation uncertainty

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

29. Earnings (loss) per share

Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

Cumulative undeclared preference dividends as of 30 April 2017 is US$0.8 million.

		Group	
	Year ended 30 April 2017	**Year ended 30 April 2016 (As restated*)**	**Year ended 30 April 2015 (As restated*)**
Profit (loss) attributable to owners of the Company (US$'000)	24,366	56,978	(40,278)
Cumulative preference share dividends (US$'000)	(847)	–	–
	23,519	56,978	(40,278)
Weighted average number of ordinary shares ('000):			
Issued ordinary shares at 1 May	1,943,214	1,944,035	1,297,500
Effect of own shares held	–	(426)	(900)
Effects of shares issued	–	–	94,211
Weighted average number of ordinary shares during the year	1,943,214	1,943,609	1,390,811
Basic earnings (loss) per share (in US cents)	1.21	2.93	(2.90)

* *see Note 3.6*

29. Earnings (loss) per share (cont'd)

Diluted earnings (loss) per share

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

	Group		
	Year ended 30 April 2017	**Year ended 30 April 2016 (As restated*)**	**Year ended 30 April 2015 (As restated*)**
Profit (loss) attributable to owners of the Company (US$'000)	24,366	56,978	(40,278)
Cumulative preference share dividends (US$'000)	(847)	–	–
	23,519	56,978	(40,278)
Diluted weighted average number of shares ('000):			
Weighted average number of ordinary shares at end of year (basic)	1,943,214	1,943,609	1,390,811
Potential ordinary shares issuable under share options	746	736	–
Weighted average number of ordinary shares issued (diluted)	1,943,960	1,944,345	1,390,811
Diluted earnings (loss) per share (in US cents)	1.21	2.93	(2.90)

** see Note 3.6*

The potential ordinary shares issuable under the Del Monte RSP were excluded from the diluted weighted average number of ordinary shares calculation for the year ended 30 April 2017, 2016 and 2015 because their effect would decrease the loss per share and have an anti-dilutive effect.

30. Operating segments

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

Geographical segments

Americas

Reported under the Americas segment are sales and profit on sales in North and South America, and Canada. Majority of this segment's sales are principally sold under the Del Monte brand but also under the Contadina, S&W, College Inn and other brands. This segment also includes sales of private label food products. Sales across various channels include retail markets, as well as to the United States military, certain export markets, the food service industry and other food processors.

30. Operating segments (cont'd)

Asia Pacific

Reported under Asia Pacific are sales and profit on sales in the Philippines, comprising primarily of Del Monte branded packaged products, including Del Monte traded goods; Today's; S&W products in Asia 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 Europe segment are sales of 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 and S&W 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 flavours 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.

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

Segment assets

Segment assets consist primarily of property, plant and equipment, intangible assets, trade and other receivables, biological assets, inventories and investments in joint ventures.

30. Operating segments (cont'd)

Information about reportable segments

	Americas			Asia Pacific			Europe			Total		
	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000 (As restated*)	Year ended 30 April 2015 US$'000 (As restated*)	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000 (As restated*)	Year ended 30 April 2015 US$'000 (As restated*)	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000 (As restated*)	Year ended 30 April 2015 US$'000 (As restated*)
Revenue												
Packaged/processed fruit and vegetable	1,363,015	1,446,602	1,326,855	127,092	116,100	109,374	28,254	19,039	23,489	1,518,361	1,581,741	1,459,718
Beverage	28,859	28,691	27,512	131,258	132,268	124,215	14,745	14,755	10,173	174,862	175,714	161,900
Culinary	298,454	294,486	310,852	120,857	122,063	117,984	–	–	–	419,311	416,549	428,836
Fresh fruit and others	1,108	90	52,266	139,141	99,992	87,263	–	–	–	140,249	100,082	139,529
Total	**1,691,436**	**1,769,869**	**1,717,485**	**518,348**	**470,423**	**438,836**	**42,999**	**33,794**	**33,662**	**2,252,783**	**2,274,086**	**2,189,983**
Gross profit												
Packaged/processed fruit and vegetable	239,208	266,422	206,744	38,694	31,444	28,225	11,706	5,510	3,570	289,608	303,376	238,539
Beverage	10,018	4,022	1,159	41,212	39,188	35,021	6,403	6,022	870	57,633	49,232	37,050
Culinary	54,949	56,020	51,990	46,268	46,212	45,643	–	–	–	101,217	102,232	97,633
Fresh fruit and others	250	12	12,987	46,184	30,965	25,243	–	–	–	46,434	30,977	38,230
Total	**304,425**	**326,476**	**272,880**	**172,358**	**147,809**	**134,132**	**18,109**	**11,532**	**4,440**	**494,892**	**485,817**	**411,452**
Share of loss in investments in joint ventures, net of tax												
Packaged/processed fruit and vegetable	–	–	–	(491)	(523)	(746)	–	–	–	(491)	(523)	(746)
Beverage	–	–	–	(97)	(123)	(156)	–	–	–	(97)	(123)	(156)
Culinary	–	–	–	(1,003)	(1,001)	(1,367)	–	–	–	(1,003)	(1,001)	(1,367)
Fresh fruit and others	–	–	–	(318)	(70)	(184)	–	–	–	(318)	(70)	(184)
Total	**–**	**–**	**–**	**(1,909)**	**(1,717)**	**(2,453)**	**–**	**–**	**–**	**(1,909)**	**(1,717)**	**(2,453)**

** see Note 3.6*

30. Operating segments (cont'd)

Information about reportable segments

	<------------------Americas------------------>			<------------------Asia Pacific--------------->			<--------------------Europe ------------------>			<------------------Total------------------>		
	Year ended 30 April 2017 US$'000	**Year ended 30 April 2016 US$'000 (As restated*)**	**Year ended 30 April 2015 US$'000 (As restated*)**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000 (As restated*)**	**Year ended 30 April 2015 US$'000 (As restated*)**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000 (As restated*)**	**Year ended 30 April 2015 US$'000 (As restated*)**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000 (As restated*)**	**Year ended 30 April 2015 US$'000 (As restated*)**
Profit (loss) before taxation												
Packaged/processed fruit and vegetable	(55,362)	9,501	(69,383)	17,617	10,828	8,737	8,265	3,020	9	(29,480)	23,349	(60,637)
Beverage	1,021	(1,795)	(4,757)	13,752	11,577	10,103	–	4,347	(635)	14,773	14,129	4,711
Culinary	(13,095)	2,233	(26,256)	17,915	19,171	20,345	4,781	–	–	9,601	21,404	(5,911)
Fresh fruit and others	2,790	(5,440)	(8,803)	22,758	15,477	10,030	–	–	–	25,548	10,037	1,227
Total	**(64,646)**	**4,499**	**(109,199)**	**72,042**	**57,053**	**49,215**	**13,046**	**7,367**	**(626)**	**20,442**	**68,919**	**(60,610)**
Other Material Non-Cash Items												
Depreciation and amortisation	47,278	56,971	49,500	101,064	92,347	99,454	–	–	–	148,342	149,318	148,954
Capital expenditure	**44,591**	**42,823**	**57,334**	**99,532**	**94,407**	**86,799**	**–**	**–**	**–**	**144,123**	**137,230**	**144,133**
Segment assets	**2,228,986**	**2,243,508**	**2,137,740**	**503,177**	**444,195**	**458,807**	**24,983**	**18,687**	**31,902**	**2,757,146**	**2,706,390**	**2,628,449**
Segment liabilities	**1,508,147**	**1,556,300**	**1,520,878**	**610,411**	**750,370**	**765,527**	**60,033**	**22,743**	**11,549**	**2,178,591**	**2,329,413**	**2,297,954**

** see Note 3.6*

30. Operating segments (cont'd)

Reconciliation of reportable segment profit or loss, assets and capital expenditures

	Group		
	Year ended 30 April 2017 US$'000	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2015 US$'000**
		(As restated*)	**(As restated*)**
Profit (loss) before taxation per operating segment	20,442	68,919	(60,610)
Unallocated amounts - acquisition related costs	–	–	(3,008)
Profit (loss) before taxation as reported	20,442	68,919	(63,618)

** see Note 3.6*

Major customer

Revenues from a major customer of the Americas segment for the year ended 30 April 2017 amounted to approximately US$630.3 million or 28% (year ended 30 April 2016: US$585.0 million or 26%, year ended 30 April 2015: US$496.7 million or 23%) of the Group's total revenue. The customer accounted for approximately 15% of trade and other receivables at 30 April 2017 (30 April 2016: 16%, 30 April 2015: 15%).

31. 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 three months from August to October.

The Group operates 15 production facilities (30 April 2016: 16 production facilities) in the U.S., Mexico, Philippines and Venezuela. 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 plants are located in California and Indiana.

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.

32. Share option and incentive plans

The Del Monte Pacific Executive Stock Option Plan 1999 (“ESOP 1999”) of the Company was approved and amended by its shareholders at general meetings held on 30 July 1999 and 21 February 2002 respectively. No further options could be granted pursuant to the ESOP 1999 as it had expired on 24 July 2009. The options granted by the Company prior to 24 July 2009 are valid for a period of ten years from the date of the grant of options.

The Company adopted a new plan, the Del Monte Pacific Executive Share Option Plan 2016 (“ESOP 2016”), which was approved by the shareholders at the general meeting held on 30 August 2016. The purpose of the ESOP 2016 is to provide an opportunity for Group executives to participate in the equity of the Company in order to motivate them to excel in their performance. The ESOP 2016 shall be valid for a period of ten years; however, it has yet to be implemented.

The Company also had two share plans, the Del Monte Pacific Restricted Share Plan (“Del Monte Pacific RSP”) and the Del Monte Pacific PSP Performance Share Plan (“Del Monte Pacific PSP”) (collectively the “Share Plans”), which were approved by the Company’s shareholders at the general meeting held on 26 April 2005. The Share Plans sought to increase the Company’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees targeted at executives holding key positions. The Share Plans expired after ten years or on 25 April 2015. Any share awards granted prior to the expiration of the Share Plans would continue to be valid.

Other information regarding the Del Monte Pacific RSP are as follows:

(a) No minimum vesting periods are prescribed.

(b) The length of the vesting period(s) in respect of each award granted will be determined on a case-to-case basis by the RSOC.

(c) Delivery of shares upon vesting of the share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of 0.540 Singapore dollar (S$) per share.

On 29 April 2011, 2,643,000 shares were awarded at the market price of S$0.485 per share to Mr. Joselito D. Campos, Jr, an associate of a controlling shareholder, approved by shareholders at the Annual General Meeting of the Company held on 29 April 2011.

On 30 April 2013, 211,440 shares were awarded to Joselito D. Campos, Jr, and 275,440 shares to five employees of related companies, representing 20% adjustment to the number of unvested share awards previously granted, at the market price of S$0.810 per share.

On 22 August 2013, 688,000 shares were awarded at the market price of S$0.840 per share to each Group Non-Executive Director/Group Executive Director.

On 1 July 2015, 57,918 shares were awarded at the market price of S$0.385 per share to six Directors of the Company, arising from the rights issue of shares carried out by the Company on 10 March 2015. The grant of the additional 57,918 share awards was for the adjustment to account for the dilutive effect arising from the rights issue on the unvested share awards previously granted by the Company.

32. Share option and incentive plans (cont'd)

Other information regarding the Del Monte Pacific PSP is set out below:

(a) Vesting periods are not applicable.

(b) Shares awarded are released at the end of the performance period (typically, at the conclusion of a financial year end) once the RSOC is satisfied that the prescribed performance target(s) have been achieved by awardees.

(c) Delivery of share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

As at the date of this report, no share awards have been granted pursuant to the Del Monte Pacific PSP.

The RSOC is responsible for administering the ESOPs and the Share Plans.

Details of the outstanding options granted to the Company's directors and employees under the ESOP 1999 and Del Monte Pacific RSP on unissued ordinary shares of the Company at the reporting date, are as follows:

ESOP

Date of grant of options	Exercise period	Exercise price	Options outstanding		
		S$	30 April 2017	30 April 2016	30 April 2015
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2011 40%: 7 March 2011 – 6 March 2018	0.627	750,000	750,000	750,000
30 April 2013*	Up to 100%: 30 April 2013 – 6 March 2018	0.627	150,000	150,000	150,000
1 July 2015	Up to 100%: 6 March 2018	0.578	75,765	75,765	–
			975,765	975,765	900,000

* On 30 April 2013, the Company approved the grant of 150,000 stock options, representing a 20% adjustment to the number of unexercised stock options previously granted. The exercise period therefore follows that of the options granted on 7 March 2008.

32. Share option and incentive plans (cont'd)

As at the reporting date, a total of 975,765 options remain outstanding.

Del Monte Pacific RSP

Date of grant of share awards	Vesting period	Market price on date of grant S$	Share awards granted	Share awards outstanding
22 August 2013	Up to 60%: 22 August 2013 – 21 August 2016 40%: 22 August 2016 – 21 August 2017	0.840	688,000	688,000
1 July 2015	Up to 60%: 22 August 2016 – 21 August 2017 40%: 22 August 2017 – 21 August 2018	0.385	57,918	57,918
			745,918	745,918

Since the commencement of the employee share option plans until the end of the financial year, no option have been granted at a discount.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Fair value of share options/awards and assumptions

Date of grant of options/awards	7 March 2008	30 April 2013	1 July 2015	12 May 2009	29 April 2011	30 April 2013	22 August 2013	1 July 2015
	<----------------ESOP-------------		------------->	<--------------- *Del Monte Pacific RSP*				------------->
Fair value at measurement date	US$0.12	US$0.18	US$0.29	US$0.37	US$0.40	US$0.18	US$0.65	US$0.29
Share price (Singapore Dollars) at grant date	0.615	0.810	0.385	0.540	0.485	0.810	0.840	0.385
Exercise price (Singapore Dollars)	0.627	0.627	0.578	–	–	–	–	–
Expected volatility	5.00%	2.00%	2.00%	–	–	–	3.00%	2.00%
Time to maturity	2 years	2 years	2 years	–	–	–	1 year	2 years
Risk-free interest rate	3.31%	1.51%	2.51%	–	–	–	2.69%	2.51%

32. Share option and incentive plans (cont'd)

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

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

Del Monte Foods Holding Equity Compensation Plan ("ECP")

The 2014 Equity Compensation Plan (the "2014 Equity Plan") was adopted by the Board of DMFHI effective 24 September 2014. The 2014 Equity Plan provided for the grant of stock options to key executives. 9,000,000 shares of common stock of DMFHI were reserved for grant under the 2014 Equity Plan.

In 2015, DMFHI granted 7,065,000 stock options. As of 30 April 2016, 2,265,000 shares of common stock were available for future grant.

The options granted under the 2014 Equity Plan are subject to service-based and performance-based vesting, and vest annually over seven (7) years and have a term of ten (10) years. The grant date fair value of these options is US$1.22.

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

	11 November 2015	**24 September 2014**
Expected life (in years)	5.5	3.0
Expected volatility	38.49%	34.32%
Risk-free interest rate	1.64%	0.97%
Dividend yield	0%	0%

32. Share option and incentive plans (cont'd)

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

	2017		2016	
	Number of options	**Weighted-average exercise price**	**Number of options**	**Weighted-average exercise price**
Outstanding at beginning of year	6,620,000	5.39	6,735,000	5.00
Cancelled	(3,059,800)	5.39	(6,735,000)	5.00
Granted	–	–	7,405,000	5.39
Forfeited	(800,608)	5.39	(785,000)	5.39
Exercised	–	–	–	–
Outstanding at end of year	2,759,592	5.39	6,620,000	5.39
Exercisable at end of year	–	–	–	–

The expense recognised in profit or loss for equity-settled share based payments amounted to US$0.8 million in 2017 and US$0.6 million in 2016 and were included in personnel cost.

33. Financial risk management

The Group has exposure to the following risks from financial instruments:

- credit risk
- interest rate risk
- liquidity risk
- foreign exchange risk
- commodity price risk

Risk management framework

The Board of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee (ARC) is responsible for monitoring the Group's risk management policies developed by management.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The ARC oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

33. Financial risk management (cont'd)

Financial risk management objectives and policies

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The BOD of the Group continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and Company do not hold any collateral in respect of their financial assets.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and countries in which customers are located, as these factors may have an influence on credit risk.

The ARC has approved a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes credit ratings, where available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount. Customers failing to meet the Group's benchmark credit worthiness may transact with the Group only on a prepayment or Letters of Credit basis.

Exposure to credit risk

At the reporting date, the maximum exposure to credit risk for financial assets, excluding cash on hand, by geographic region was:

			Group	
	Note	**30 April 2017 US$'000**	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Americas		93,550	135,202	125,557
Europe		16,979	8,558	10,210
Asia Pacific		95,345	81,170	85,827
	14,16	205,874	224,930	221,594

At 30 April 2017, the Group's most significant customer accounted for 15% of the trade and other receivables carrying amount (30 April 2016: 16%, 30 April 2015: 15%).

33. Financial risk management (cont'd)

Credit risk (cont'd)

Impairment losses

The ageing of financial assets excluding cash on hand that were not impaired at the reporting date was:

Group	Note	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Not past due		170,924	166,721	169,250
Past due 0 - 60 days		23,868	36,681	31,854
Past due 61 - 90 days		2,003	4,624	4,197
Past due 91 - 120 days		1,398	3,810	7,342
More than 120 days		7,681	13,094	8,951
	14,16	205,874	224,930	221,594

As at 30 April 2017 and 2016 and 1 May 2015, the Company's financial assets were all not past due.

The table below shows the credit quality of the Group's financial assets based on their historical experience with the corresponding third parties:

		30 April 2017		
	Note	Grade A	Grade B	Total
		US$'000	US$'000	US$'000
Cash in banks and cash equivalents	16	37,523	–	37,523
Trade and other receivables	14	–	164,447	164,447
Refundable deposits*		–	1,219	1,219
Derivative asset		–	2,685	2,685
		37,523	168,351	205,874

**included in other noncurrent assets*

		30 April 2016		
	Note	Grade A	Grade B	Total
		US$'000	US$'000	US$'000
Cash in banks	16	47,153	–	47,153
Trade and other receivables	14	–	175,532	175,532
Refundable deposits*		–	772	772
Derivative asset		–	1,473	1,473
		47,153	177,777	224,930

**included in other noncurrent assets*

		1 May 2015		
	Note	Grade A	Grade B	Total
		US$'000	US$'000	US$'000
Cash in banks and cash equivalents	16	35,571	–	35,571
Trade and other receivables	14	–	184,402	184,402
Refundable deposits*		–	803	803
Derivative asset		–	818	818
		35,571	186,023	221,594

**included in other noncurrent assets*

As at 30 April 2017, 2016 and 2015, the Company's financial assets were all classified under Grade A and Grade B, respectively.

33. Financial risk management (cont'd)

Credit risk (cont'd)

Grade A financial assets pertain to those cash that are deposited in reputable banks. Grade B includes receivables that are collected on their due dates even without an effort from the Group to follow them up.

The Group believes that the unimpaired amount past due by more than 60 days are still collectible in full, based on historical payment behaviour and extensive analysis of customers' risk rating. An analysis of the credit quality of loans and receivables that are neither past due nor impaired indicates that they are of acceptable risk.

The Group sells its products through major distributors and buyers in various geographical regions. Management has a credit risk policy which includes, among others, the requirement of certain securities to ensure prompt observance and performance of the obligations of its distributors and other buyers from time to time. The Group monitors its outstanding trade receivables on an on-going basis. In addition, the Group also engages in sale of its trade receivables without recourse to certain financial institutions.

Cash in banks and cash equivalents

Cash in banks and cash equivalents are held with banks and financial institutions which are regulated.

The percentages of cash in banks and cash equivalents held in the following regions are:

	30 April 2017 %	30 April 2016 %	1 May 2015 %
Group			
United States of America	8	63	2
Philippines	44	11	70
Hong Kong	47	25	26
Singapore	1	1	2
Company			
Philippines	–	78	20
Hong Kong	100	22	80

Apart from the information stated above, the Group and Company have no significant concentration of credit risk with any single counterparty or group counterparties.

Derivatives

The derivatives are entered into with banks and financial institutions which are regulated.

Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's exposure ot the risk of changes in market interest rates relates primarily to the Group's long-term and short-term debt obligations with floating interest rates.

33. Financial risk management (cont'd)

Interest rate risk (cont'd)

The Group's cash balances are placed with reputable global banks and financial institutions. The Group manages its interest rate risks by placing the cash balances with varying maturities and interest rate terms. This includes investing the Group's temporary excess liquidity in short-term low-risk securities from time to time. The Group obtains financing through bank borrowings and leasing arrangements. Funding is obtained from bank loan facilities for both short-term and long-term requirement. The Group's policy is to obtain the most favourable interest rate available without increasing its foreign currency exposure.

Interest rate profile of interest-bearing financial instruments

The interest rate profile of the interest-bearing financial instruments as reported to management of the Group is as follows:

	<------------- Group ------------->			<------------ Company ------------>		
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**	**30 April 2017 US$'000**	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Fixed rate instruments						
Loans and borrowings	368,048	316,075	789,960	129,414	129,234	102,630
Variable rate instruments						
Loans and borrowings	1,345,918	1,527,707	928,527	195,510	348,630	348,250
Interest rate swaps	17,891	35,115	20,090	–	–	–
	1,363,809	1,562,822	948,617	195,510	348,630	348,250

Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had moved as illustrated in the table below, with all other variables held constant, profit/loss before tax in the next 12 months would have been affected as follows:

	Profit/loss before tax in the next 12 months	
	100 bp increase US$'000	**100 bp decrease US$'000**
Group		
30 April 2017		
Variable rate instruments	(11,282)	11,282
Interest rate swaps	5,270	(5,270)
Cash flow sensitivity (net)	(6,012)	6,012
30 April 2016		
Variable rate instruments	(11,941)	11,941
Interest rate swaps	6,260	(6,260)
Cash flow sensitivity (net)	(5,681)	5,681
30 April 2015		
Variable rate instruments	(15,871)	15,871
Interest rate swaps	6,260	(6,260)
Cash flow sensitivity (net)	(9,611)	9,611

33. Financial risk management (cont'd)

Interest rate risk (cont'd)

As at 30 April 2017, if the interest rate had moved by 100bp increase and decrease, with all other variables held constant, the Company's profit before tax in the next 12 months and equity would have been affected by US$0.1million decrease and US$0.1million increase, respectively.

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing significantly higher volatility than in prior years.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks. Currently, the Group excluding DMFI is entitled to a total of US$1,120 million (30 April 2016: US$991.0 million, 30 April 2015: US$928.0 million) in credit lines, of which 43% (30 April 2016: 29%, 30 April 2015: 22%) remain available. The lines are mostly for short term financing requirements, with US$196 million (30 April 2016: US$194 million, 30 April 2015: US$11.0 million) available for long term requirements. The Group constantly maintains good relations with its banks, such that additional facilities, whether for short or long term requirements, may be made available.

The Group is able to increase the commitments under the ABL Facility, subject only to the consent of the new or existing lenders providing such increases, such that the aggregate principal amount of commitments does not exceed US$450.0 million. The lenders under this facility are under no obligation to provide any such additional commitments, and any increase in commitments will be subject to customary conditions precedent. Notwithstanding any such increase in the facility size, the Group's ability to borrow under the facility will remain limited at all times by the borrowing base (to the extent the borrowing base is less than the commitments).

The Group has the right to request an additional US$100.0 million plus an additional amount of secured indebtedness under the First Lien Term Loan and the Second Lien Term Loan. Lenders under this facility are under no obligation to provide any such additional loans, and any such borrowings will be subject to customary conditions precedent, including satisfaction of a prescribed leverage ratio, subject to the identification of willing lenders and other customary conditions precedent.

33. Financial risk management (cont'd)

Liquidity risk (cont'd)

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2017						
Derivative financial liabilities						
Interest rate swaps used for hedging, net-settled	21	17,891	19,041	7,767	11,274	–
Non-derivative financial liabilities						
Unsecured bank loans						
- Short-term		280,584	281,271	281,271	–	–
- Long-term		341,974	386,674	14,313	369,361	–
Secured bank loans						
- Short-term		169,114	175,100	175,100	–	–
- Long-term		922,294	1,185,298	60,325	1,124,973	–
Trade and other payables*		286,877	296,408	296,408	–	–
		2,000,843	2,324,751	827,417	1,494,334	

**excludes derivative liabilities and advances from customers*

Group	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2016						
Derivative financial liabilities						
Interest rate swaps used for hedging, net-settled	21	35,115	36,130	15,218	20,912	–
Commodity contracts	21	1,630	1,630	1,630	–	–
		36,745	37,760	16,848	20,912	–
Non-derivative financial liabilities						
Unsecured bank loans						
- Short-term		501,481	517,695	517,695	–	–
- Long-term		193,224	219,402	7,313	212,089	–
Secured bank loans						
- Short-term		225,879	232,542	232,542	–	–
- Long-term		923,198	1,226,975	57,895	1,169,080	–
Other noncurrent liabilities						
- Other payables		477	477	–	477	–
Trade and other payables*		263,360	263,360	263,360	–	–
		2,107,619	2,460,451	1,078,805	1,381,646	–

**excludes derivative liabilities and advances from customers*

33. Financial risk management (cont'd)

Liquidity risk (cont'd)

Group	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2015						
Derivative financial liabilities						
Interest rate swaps used for hedging, net-settled	21	20,090	10,523	–	9,654	869
Foreign currency forward contracts used for hedging, net settled	21	1,003	1,003	1,003	–	–
		21,093	11,526	1,003	9,654	869
Non-derivative financial liabilities						
Unsecured bank loans						
- Short-term		347,180	349,204	349,204	–	–
- Long-term		348,250	376,271	13,153	363,118	–
Secured bank loans						
- Short-term		98,362	108,862	108,862	–	–
- Long-term		924,695	1,349,704	56,479	1,024,120	269,105
Other noncurrent liabilities						
- Other payables		797	797	–	797	–
Trade and other payables*		334,862	334,862	334,862	–	–
		2,054,146	2,519,700	862,560	1,388,035	269,105

**excludes derivative liabilities and advances from customers*

Company	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2017					
Non-derivative financial liabilities					
Unsecured bank loans					
- Long-term	281,854	307,343	20,555	286,788	–
- Short-term	43,070	43,480	43,480	–	–
Trade and other payables	108,283	108,283	108,283	–	–
	433,207	459,106	172,318	286,788	–
30 April 2016					
Non-derivative financial liabilities					
Unsecured bank loans					
- Long-term	129,234	155,204	7,313	147,891	–
- Short-term	348,630	364,542	364,542	–	–
Trade and other payables	116,298	116,298	116,298	–	–
	594,162	636,044	488,153	147,891	–
30 April 2015					
Non-derivative financial liabilities					
Unsecured bank loans					
- Long-term	348,250	376,271	13,153	363,118	–
- Short-term	102,630	104,355	104,355	–	–
Trade and other payables	163,785	163,785	163,785	–	–
	614,665	644,411	281,293	363,118	–

33. Financial risk management (cont'd)

Liquidity risk (cont'd)

The Group's bank loans contain loan covenants, for which breaches will require the Group to repay the loans earlier than indicated in the above table. The covenants are constantly monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance.

For derivative financial liabilities, the disclosure shows net cash from amounts for derivatives that are net cash settled.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Foreign exchange risk

The Group is exposed to foreign exchange risk from its subsidiaries operating in foreign countries, which generate revenue and incur costs in foreign currencies, and from those operations of its local subsidiaries, which are in foreign currencies. The currency giving rise to this risk is primarily the US Dollar, Mexican Peso and Venezuelan Bolivar.

Group entities maintain their respective books and accounts in their functional currencies. As a result, the Group is subject to transaction and translation exposures resulting from currency exchange rate fluctuations.

From time to time, the Group manages its exposure to fluctuations in foreign currency exchange rates by entering into forward contracts to cover a portion of its projected expenditures paid in foreign currency. The Group accounts for these contracts as cash flow hedges.

33. Financial risk management (cont'd)

Foreign exchange risk (cont'd)

At the reporting date, the Group's exposure to foreign currencies is as follows:

	US Dollar US$'000	Mexican Peso US$'000
30 April 2017		
Trade and other receivables	24,779	4,799
Cash and cash equivalents	15,932	183
Other non-current assets	21,507	–
Loans and borrowings	(117,835)	–
Trade and other payables	(97,834)	(4,581)
	(153,451)	401
30 April 2016		
Trade and other receivables	25,675	3,813
Cash and cash equivalents	4,630	294
Other non-current assets	1,454	–
Loans and borrowings	(33,704)	–
Trade and other payables	(59,062)	(5,334)
	(61,007)	(1,227)
30 April 2015		
Trade and other receivables	134,664	2,502
Cash and cash equivalents	1,184	208
Other non-current assets	1,554	–
Loans and borrowings	(9,644)	–
Trade and other payables	(83,565)	(6,033)
	44,193	(3,323)

The Company has no significant exposure to foreign currencies as at 30 April 2017 and 2016, and 2015.

33. Financial risk management (cont'd)

Foreign exchange risk (cont'd)

Sensitivity analysis

A 10% strengthening of the group entities' foreign currencies against their respective functional currency at the reporting date would have increased (decreased) loss/profit before taxation and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% weakening of the group entities' foreign currencies against their respective functional currency would have the equal but opposite effect on the amounts shown below, on the basis that all other variables remain constant.

	US Dollar		**Mexican Peso**	
	Profit (loss) before taxation US$'000	**Equity US$'000**	**Profit (loss) before taxation US$'000**	**Equity US$'000**
30 April 2017				
10% strengthening	(15,345)	–	40	1,866
10% weakening	15,345	–	(40)	(1,866)
30 April 2016				
10% strengthening	6,101	–	(123)	2,222
10% weakening	(6,101)	–	123	(3,696)
30 April 2015				
10% strengthening	(4,419)	–	(332)	1,933
10% weakening	4,419	–	332	(931)

Commodity price risk

The Group is regularly engaged in the purchase of tinplates and fuel and is significantly exposed to commodity price risk related to tinplates and fuel. The Group ensures future supply of tinplates while minimising the impact of price movements by purchasing tinplates and fuel in advance of the production requirements. These purchase contracts are entered into for the purpose of receipt or delivery of tinplates and fuel in accordance with the expected usage requirements of the Group.

Certain commodities such as diesel fuel and natural gas (collectively, "commodity contracts") are used in the production and transportation of the Group's products. Generally these commodities are purchased based upon market prices that are established with the vendors as part of the procurement process. The Group uses futures, swaps, and swaption or option contracts, as deemed appropriate; to reduce the effect of price fluctuations on anticipated purchases. These contracts may have a term of up to 24 months.

33. Financial risk management (cont'd)

Commodity price risk (cont'd)

Sensitivity analysis

A 10% change in commodity prices at the reporting date would have decreased (increased) profit before taxation and increased (decreased) equity by the amounts shown below.

	Loss/profit before taxation US$'000	Equity US$'000
30 April 2017		
10% increase in commodity price	(400)	–
10% decrease in commodity price	400	–
30 April 2016		
10% increase in commodity price	(281)	(494)
10% decrease in commodity price	281	494

34. 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	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Group						
30 April 2017						
Cash and cash equivalents		37,571	–	–	37,571	37,571
Trade and other receivables		164,447	–	–	164,447	164,447
Derivative asset		–	2,685	–	2,685	2,685
		202,018	2,685	–	204,703	204,703
Loans and borrowings		–	–	1,713,966	1,713,966	1,552,043
Trade and other payables*		–	–	296,408	296,408	296,408
Derivative liabilities		–	8,442	–	8,442	8,442
		–	8,442	2,010,374	2,018,816	1,856,893

**excludes advances from customers*

34. Accounting classification and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

Group	Note	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
30 April 2016						
Cash and cash equivalents	16	47,203	–	–	47,203	47,203
Trade and other receivables	14	175,532	–	–	175,532	175,532
Derivative asset	15	–	1,473	–	1,473	1,473
		222,735	1,473	–	224,208	224,208
Loans and borrowings	20	–	–	1,843,782	1,843,782	1,822,868
Trade and other payables*	24	–	15,218	263,360	278,578	278,578
Derivative liabilities	21	–	21,527	–	21,527	21,527
		–	36,745	2,107,142	2,143,887	2,122,973

**excludes advances from customers*

Group	Note	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
1 May 2015						
Cash and cash equivalents	16	35,618	–	–	35,618	35,618
Trade and other receivables	14	184,402	–	–	184,402	184,402
Derivative asset	15	–	818	–	818	818
		220,020	818	–	220,838	220,838
Loans and borrowings	20	–	–	1,718,487	1,718,487	1,712,728
Trade and other payables*	24	–	1,003	334,862	335,865	335,865
Derivative liabilities	21	–	20,090	–	20,090	20,090
		–	21,093	2,053,349	2,074,442	2,068,683

**excludes advances from customers*

34. Accounting classification and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

	Note	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Company						
30 April 2017						
Cash and cash equivalents	16	6,767	–	–	6,767	6,767
Trade and other receivables	14	120,031	–	–	120,031	120,031
		126,798	–	–	126,798	126,798
Loans and borrowings	20	–	–	324,924	324,924	326,034
Trade and other payables	24	–	–	118,471	118,471	118,471
		–	–	443,395	443,395	444,505
30 April 2016						
Cash and cash equivalents	16	361	–	–	361	361
Trade and other receivables	14	145,240	–	–	145,240	145,240
		145,601	–	–	145,601	145,601
Loans and borrowings	20	–	–	477,864	477,864	503,958
Trade and other payables	24	–	–	116,298	116,298	116,298
		–	–	594,162	594,162	620,256
1 May 2015						
Cash and cash equivalents	16	6,126	–	–	6,126	6,126
Trade and other receivables	14	105,723	–	–	105,723	105,723
		111,849	–	–	111,849	111,849
Loans and borrowings	20	–	–	450,880	450,880	454,798
Trade and other payables	24	–	–	163,785	163,785	163,785
		–	–	614,665	614,665	618,583

35. Determination of fair values

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

For assets and liabilities that are recognised 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 categorisation at the end of each reporting period.

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

		30 April 2017			
	Note	**Level 1**	**Level 2**	**Level 3**	**Totals**
Financial assets					
Derivative assets	15	–	2,685	–	2,685
Non-financial assets					
Fair value of agricultural produce harvested under inventories	12	–	–	4,535	4,535
Fair value of growing produce	12	–	–	44,347	44,347
Freehold land	6	–	–	68,000	68,000
Financial liabilities					
Derivative liabilities	21	–	17,973	–	17,973

		30 April 2016			
	Note	**Level 1**	**Level 2**	**Level 3**	**Totals**
Financial assets					
Derivative assets	15	–	1,473	–	1,473
Non-financial assets					
Fair value of agricultural produce harvested under inventories	12	–	–	1,557	1,557
Fair value of growing produce	12	–	–	39,775	39,775
Noncurrent assets held for sale	17	–	–	1,950	1,950
Freehold land	6	–	–	65,372	65,372
Financial liabilities					
Derivative liabilities	21	–	36,745	–	36,745

35. Determination of fair values (cont'd)

Fair value hierarchy (cont'd)

	Note	Level 1	Level 2	Level 3	Totals
		1 May 2015			
Financial assets					
Derivative assets	15	–	818	–	818
Non-financial assets					
Fair value of agricultural produce harvested under inventories	12	–	–	1,155	1,155
Fair value of growing produce	12	–	–	33,374	33,374
Noncurrent assets held for sale	17	–	–	8,113	8,113
Freehold land	6	–	–	72,068	72,068
Financial liabilities					
Derivative liabilities	21	–	21,093	–	21,093

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
Forward exchange contracts	Market comparison technique: The fair values are based on brokers' quotes. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.
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.

35. Determination of fair values (cont'd)

Financial instruments not measured at fair value

Type	Valuation technique
Financial liabilities	The fair value is 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). The fair value of the loan is based on the discounted value of expected future cash flows using risk free rates and credit spread ranging from 2.6% to 4.7% (Level 3).
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. All other financial assets and liabilities are discounted to determine 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 recognised 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, neighbourhood, utility, terrain, and the time element involved. The market value per square meter ranges from US$62.9 to US$69.6. The market value per acre ranges from US$2,300 to US$80,582.
Livestock	Sales Comparison Approach: the valuation model is based on market price of livestock of similar age, weight, breed and genetic make-up (Level 3).	The unobservable inputs are age, average weight and breed.

35. Determination of fair values (cont'd)

Other non-financial assets (cont'd)

Harvested crops – sold as fresh fruit	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the fresh fruit adjusted for margin and 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 (concentrates, pineapple beverages, sliced pineapples, etc.) adjusted for margin and associated costs related to production (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 now measured at fair value from the time of maturity of the bearer plant until harvest. Management used future selling prices of finished goods 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.

Significant increase (decrease) in the significant unobservable inputs of freehold land, livestock, harvested crops sold as fresh fruit and harvested crop sold used in processed products would result in higher (lower) fair values. Significant increase (decrease) in the estimated future pineapple selling price, gross margin per ton and estimated volume of harvest would result in higher (lower) fair value of growing produce, while significant increase (decrease) in the future growing costs would result in lower (higher) fair value.

36. Commitments

Operating lease commitments

The Group leases certain property, equipment and office and warehouse facilities. At the reporting date, the Group have commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group		
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Within one year	42,809	51,299	47,790
Between one to five years	130,481	134,973	115,888
More than five years	72,219	55,077	51,341
	245,509	241,349	215,019

The leases typically run for an initial period of 2 to 25 years, with an option to renew the lease after that date. Some of the leases contain escalation clauses but do not provide for contingent rents. Lease terms do not contain any restrictions on Group activities concerning dividends, additional debts or further leasing.

Operating Lease Commitments – Group as Lessee

The Group has entered into various lease agreements as a lessee. The Group had determined that the significant risks and rewards on properties leased from third parties are retained by the lessors.

Purchase commitments

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

	Group		
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Within one year	311,616	387,548	542,227
After one year but within five years	329,368	284,728	296,530
After five years	443,525	340,724	339,052
	1,084,509	1,013,000	1,177,809

36. Commitments (cont'd)

Future capital expenditure

	Group		
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Capital expenditure not provided for in the financial statements			
- approved by Directors and contracted for	30,087	15,266	53,478
- approved by Directors but not contracted for	1,451	65,950	29,249
	31,538	81,216	82,727

The Group is also committed to incur capital expenditure of US$0.1 million (30 April 2016: US$1.8 million, 30 April 2015: US$2.0 million) in relation to its interest in a joint venture, which is expected to be settled within one year.

37. Contingencies

As at 30 April 2017, a subsidiary, DMPL India Limited has a contingent liability amounting to US$4.3 million (30 April 2016: US$6.8 million, 30 April 2015: US$8.9 million) in the form of a letter of undertaking securing 50% of the obligations of FFPL under its Loan Agreement with Infrastructure Development Finance Company Limited, in proportion to its equity interest.

Matters Assumed in Connection with the Consumer Food Business

As described in Note 1 and Note 4, the Group acquired the Consumer Food Business in February 2014. Throughout this section, reference is made to DMFI as the Defendant in the actions described since DMFI has assumed the liability of the Seller, if any, in these actions.

Kosta Misbranding Class Action

On 5 April 2012, Plaintiff (Kosta) filed a complaint against DMFI in the U.S. District Court for the Northern District of California alleging false and misleading advertising under California's consumer protection laws. Plaintiff alleges that DMFI made a variety of false and misleading advertising claims including, but not limited to, its lycopene and antioxidant claims for tomato products and claims that DMFI misled consumers with respect to its refrigerated fruit products. The complaint sought certification as a class action.

On 15 July 2015, Plaintiff's motion for class certification was denied. Plaintiff has appealed this ruling to the Federal Court of Appeals. The appeal has been fully briefed. Oral arguments are expected to be scheduled for 2017. The Group cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

Other legal cases

Bruce, et al v. DMFI

A complaint was filed on 12 October 2016 in US District Court for the Northern District of California seeking class certification and alleging age and disability discrimination as well as violations of PAGA due to in-season attendance policy. DMFI denies the claims. DMFI's Motion to dismiss was filed on 11 January 2017 and hearing was held on 16 February 2017. The Court granted DMFI's motion with leave to amend. Amended complaint was filed on 9 March 2017 and DMFI's answer was filed on 19 April 2017. Mediation has been set for 20 July 2017. The Group cannot at this time reasonably estimate a range of exposure, if any, of potential liability.

37. Contingencies (cont'd)

Other

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

Source of estimation uncertainty

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

No provision for probable losses arising from legal contingencies were recognised in the Group's financial statements as of 30 April 2017 and 1 May 2016.

As of 30 April 2017, provision for probable losses arising from environmental remediation amounted to US$6.7 million, US$6.2 million of which is noncurrent (1 May 2016: US$6.3 million, all of which is noncurrent) (see Note 23).

As of 30 April 2017, provision for retained liabilities arising from workers' compensation claims amounted to US$27.2 million, US$23.4 million of which is noncurrent (1 May 2016: US$35.3 million, US$31.0 million of which is noncurrent) (see Note 21).

38. 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 those disclosed elsewhere in the financial statements, there are no other significant transactions with related parties.

38. Related parties (cont'd)

Related party transactions (cont'd)

Group Category/ Transaction	Year	Amount of the transaction US$'000	Outstanding balance - receivables/ (payables) US$'000	Terms	Conditions
Under Common Control					
▪ Shared IT services	**2017**	**351**	**57**	Due and demandable;	Unsecured;
	2016	215	79	non-interest bearing	no impairment
	2015	419	-		
▪ Sale of tomato paste	**2017**	**34**	**-**	Due and demandable;	Unsecured;
	2016	1,111	-	non-interest bearing	no impairment
	2015	1,627	748		
▪ Inventory count shortage	**2017**	-	-	Due and demandable;	Unsecured;
	2016	25	-	non-interest bearing	no impairment
	2015	363	57		
▪ Purchases	**2017**	**247**	**(24)**	Due and demandable;	Unsecured;
	2016	826	-	non-interest bearing	
	2015	392	-		
▪ Share in JYCC Fit Out Project	**2017**	**16**	**-**	Due and demandable;	Unsecured;
	2016	-	-	non-interest bearing	no impairment
	2015	-	-		
▪ Tollpack fees	**2017**	**666**	**(60)**	Due and demandable;	Unsecured
	2016	551	(63)	non-interest bearing	
	2015	472	-		
Other Related Party					
▪ Management fees from DMPI retirement fund	**2017**	**4**	**241**	Due and demandable;	Unsecured;
	2016	4	261	non-interest bearing	no impairment
	2015	5	272		
▪ Rental to DMPI Retirement	**2017**	**1,619**	**(277)**	Due and demandable;	Unsecured;
	2016	1,393	(3)	non-interest bearing	
	2015	1,519	5		
▪ Rental to NAI Retirement	**2017**	**572**	**(48)**	Due and demandable;	Unsecured
	2016	529	(166)	non-interest bearing	
	2015	582	-		
▪ Rental to DMPI provident fund	**2017**	**5**	**-**	Due and demandable;	Unsecured;
	2016	7	-	non-interest bearing	no impairment
	2015	-	-		
	2017	**3,514**	**(111)**		
	2016	4,661	108		
	2015	5,379	1,082		

38. Related parties (cont'd)

<u>**Company**</u> Category/ Transaction	Year	Amount of the Transaction US$'000	Outstanding Balance Due from Related Parties US$'000	Outstanding Balance Due to Related Parties US$'000	Terms	Conditions
Subsidiaries						
▪ Dividend income	**2017**	-	-			Unsecured;
	2016	90,000	183,619	-		no
	2015	-	99,240	-		impairment
▪ Reimbursement of expenses	**2017**	**(88,650)**	**107,353**		Due and	Unsecured;
	2016	5,617	475	-	demandable;	no
	2015	4,891	470	-	non-interest bearing	impairment
▪ Cash advance	**2017**	**45,313**	**-**	**107,201**	Due and	Unsecured
	2016	3,350	-	152,514	demandable;	
	2015	40,903	-	155,864	non-interest bearing	
▪ Management fees payable to subsidiaries	**2017**	**805**	**-**	**1,082**	Due and	Unsecured
	2016	697	-	487	demandable;	
	2015	813	-	3,307	non-interest bearing	
Joint Venture						
▪ Cash advance	**2017**	**314**	**6,330**		Due and	Unsecured;
	2016	3	6,016	-	demandable;	no
	2015	3,462	6,013	-	non-interest bearing	impairment
▪ Investment	**2017**	**-**	**-**	**-**	Due and	Unsecured;
	2016	-	-	-	demandable;	no
	2015	2,551	-	-	non-interest bearing	impairment
	2017		**113,683**	**108,283**		
	2016		190,110	153,001		
	2015		105,723	159,171		

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

Key management personnel compensation

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Directors of the Company and key executive officers (excluding executive directors) are considered as key management personnel of the Group.

38. Related parties (cont'd)

The key management personnel compensation is as follows:

	<---------------- Group ---------------->			<------------- Company ------------->		
	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000
Directors:						
Fees and remuneration	2,969	2,778	1,870	2,507	2,345	1,805
Key executive officers (excluding Directors):						
Short-term employee benefits	3,331	2,580	2,530	1,459	1,359	1,378
Post-employment benefits	128	129	78	–	–	–

39. Non-controlling interest in subsidiaries

The following table summarises the information relating to the Group's subsidiaries with material non-controlling interests, based on their respective financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in Group's accounting policies.

	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000 (As restated*)
DMPLFL			
Ownership interests held by non-controlling interests	10.57%	10.57%	10.57%
Revenue	1,696,457	1,778,002	1,708,937
Profit (loss)	(41,512)	29,374	(53,106)
Other comprehensive income	23,872	1,325	(26,519)
Total comprehensive income			
Attributable to non-controlling interests:			
- Profit (loss)	(4,387)	3,104	(5,612)
- Other comprehensive income	2,523	140	(2,803)
Total comprehensive income	(1,864)	3,244	(8,415)
Non-current assets	1,289,889	1,307,257	1,314,243
Current assets	930,153	901,776	807,622
Non-current liabilities	(1,058,455)	(1,155,181)	(1,108,700)
Current liabilities	(568,530)	(443,950)	(434,514)
Net assets	593,058	609,902	578,651
Net assets attributable to non-controlling interests	62,671	64,451	61,148
Cash flows provided by (used in) operating Activities	183,936	(18,005)	192,394
Cash flows used in investing activities	(42,482)	(39,104)	(132,160)
Cash flows provided by (used in) financing activities, before dividends to non-controlling interests	(139,504)	57,646	(77,775)
Currency realignment	(22)	84	(521)
Net increase (decrease) in cash and cash equivalents	1,928	621	(18,062)

40. Subsequent events

On 28 June 2017, the Company announced a series of new joint ventures with FDP (NYSE: FDP) that will result in expanded refrigerated offerings sold across all distribution and sales channels, and a new retail food and beverage concept modelled after an already successful FDP business in the Middle East. These joint ventures will initially focus on the US market with the potential for expansion into other territories where the companies' businesses complement each other. The joint ventures are also facilitated by the full and final settlement of all active litigation between DMPL and DMFI on the one hand, and FDP on the other hand, effective immediately. Such long-standing litigation had centered on licensing rights and product distribution in various territories around the world. In addition to retail and new product ventures, the companies also agreed to a long-term mutual supply agreement that would expand Del Monte product sales in various markets around the world.

On 29 June 2017, the Company declared a cash dividend of US$0.0061 per ordinary share, representing a 50% payout of fiscal year 2017 net profit.

SGV
Building a better working world

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

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Del Monte Pacific Limited and Subsidiaries (the Group) as at and for the years ended 30 April 2017 and 2016 and have issued our report thereon dated 13 July 2017. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Catherine E. Lopez
Catherine E. Lopez
Partner
CPA Certificate No. 86447
SEC Accreditation No. 0468-AR-3 (Group A),
1 May 2016, valid until 1 May 2019
Tax Identification No. 102-085-895
BIR Accreditation No. 08-001998-65-2015,
27 February 2015, valid until 26 February 2018
PTR No. 5908710, January 3, 2017, Makati City

13 July 2017

Del Monte Pacific Limited and Subsidiaries
Index to the Consolidated Financial Statements and Supplementary Schedules
30 April 2017

Schedule A – Financial assets

Name of issuing entity/Description of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the Statements of Financial Position US$'000	Value based on market quotations at 30 April 2017 US$'000	Income received and accrued US$'000
Cash and cash equivalents	–	37,571	37,571	129
Trade and other receivables	–	164,447	164,447	–
Refundable deposits	–	1,219	1,219	–
Derivative assets	–	2,685	2,685	–
	–	205,922	205,922	129

Schedule B – Amounts receivable from directors, officers, employees and related parties and principal stockholders (other than related parties)

Name and designation of debtor	Balance at beginning of period US$'000	Additions US$'000	Amounts collected US$'000	Amounts written off US$'000	Current US$'000	Non-current US$'000	Balance at end of period US$'000
Advances to officers and employees	365	8,701	(7,703)	–	231	1,132	1,363
	365	8,701	(7,703)	–	231	1,132	1,363

Schedule C – Amounts receivable from related parties which are eliminated during the consolidation of the Financial Statements

Name and designation of debtor	Balance at beginning of period US$'000	Additions US$'000	Amounts collected US$'000	Amounts written off US$'000	Current US$'000	Non-current US$'000	Balance at end of period US$'000
Philippines Packing Management Services Corporation	–	1,208	(1,120)	–	84	4	88
Del Monte Philippines, Inc.	189,833	279,073	(218,439)	–	57,247	193,220	250,467
Central American Resources, Inc.	91,559	(3,358)	(19,334)	–	66,434	2,433	68,867
Dewey Sdn. Bhd.	50,437	213	(9,112)	–	41,361	177	41,538
Dewey Limited	–	45,000	(25,124)	–	19,876	–	19,876
Del Monte Pacific Resources Limited	138,638	(5,790)	(19,334)	–	113,514	–	113,514
GTL Limited	169,914	268,409	(116,394)	–	275,253	46,676	321,929
S&W Fine Foods International Limited	16,103	26,570	(762)	–	41,911	–	41,911
DMPL Management Services Pte Ltd.	3,042	4,677	(4,878)	–	2,395	446	2,841
Del Monte Pacific Limited	184,345	74,116	(19,809)	–	127,766	110,886	238,652
Del Monte Foods Incorporated	296	(54)	–	–	242	–	242
South Bukidnon Fresh Trading, Inc.	336	936	–	–	1,272	–	1,272
	844,503	691,000	(434,306)	–	747,355	353,842	1,101,197

Schedule D – Intangible assets – Other assets

Description	Balance at beginning of period US$'000	Additions through acquisition US$'000	Additions US$'000	Adjustment US$'000	Charged to cost and expenses US$'000	Charged to other accounts US$'000	Currency translation adjustments US$'000	Balance at end of period US$'000
Goodwill	203,432	–	–	–	–	–	–	203,432
Indefinite life trademarks	408,043	–	–	–	–	–	–	408,043
Amortisable trademarks	31,984	–	–	–	(2,309)	–	–	29,675
Customer relationships	106,914	–	–	–	(7,038)	–	–	99,876
Total	750,373	–	–	–	(9,347)	–	–	741,026

Schedule E – Long-term debt

Title of issue and type of obligation	Amount authorised by indenture US$'000	Outstanding balance US$'000	Current portion of long-term debt US$'000	Non-current portion of long-term debt US$'000	Interest rates	Final maturity
Unsecured bank loans						
BDO Bridging facility	350,000	154,000	–	154,000	90 days libor + 3.25 Margin	2019
BDO long-term loan	100,000	100,000	–	100,000	4.5%	2020
BDO long-term loan	30,000	30,000	–	30,000	4.5%	2020
BDO long-term loan	60,120	60,120	–	60,120	3.5% for the first 60 days; 4.5% for the remaining term + 5% GRT	2020
Secured bank loans						
Secured First lien term loan	710,000	686,925	7,100	679,825	Higher of Libor +3.25% or 4.25%	2021
Secured Second lien term Loan	260,000	260,000	–	260,000	Higher of Libor + 7.25% or 8.25%	2021
Long-term Debt	1,510,120	1,291,045	7,100	1,283,945		
Less: Unamortized debt issue cost	–	–	(5,986)	(19,677)		
	1,510,120	1,291,045	1,114	1,264,268		

Schedule F – Indebtedness to related parties

Description	Name of related party	Balance at beginning of period	Balance at end of period

Not Applicable

Schedule G – Guarantees of securities of other issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee

Not Applicable

Schedule H – Capital stock

						Number of shares held		
Description	**Number of shares authorised ’000**	**Number of shares issued ’000**	**Treasury shares ’000**	**Number of shares issued and outstanding ’000**	**Number of shares reserved for options ’000**	**Related party ’000**	**Directors and officers ’000**	**Others ’000**
Ordinary shares	3,000,000	1,944,936	1,722	1,943,214	1,722	1,303,257	18,852	621,105
Preference shares	600,000	20,000	–	20,000	–	–	38	19,962
	3,600,000	1,964,936	1,722	1,963,214	1,722	1,303,257	18,890	641,067

Del Monte Pacific Limited and Subsidiaries
SCHEDULE OF EFFECTIVE STANDARDS AND INTERPRETATIONS
APRIL 30, 2017

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
IFRSs Practice Statement Management Commentary		✓		
INTERNATIONAL Financial Reporting Standards				
IFRS 1 (Revised)	First-time Adoption of International Financial Reporting Standards			✓
	Amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		
	Amendments to IFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to IFRS 1: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters			✓
	Amendments to IFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to IFRS 1: Government Loans			✓
	Amendment to IFRS 1: First-time Adoption of International Financial Reporting Standards - Meaning of 'Effective IFRSs'			✓
IFRS 2	Share-based Payment	✓		
	Amendments to IFRS 2: Vesting Conditions and Cancellations	✓		
	Amendments to IFRS 2: Group Cash-settled Share-based Payment Transactions	✓		
	Amendments to IFRS 2: Share-based Payment – Definition of Vesting Condition	✓		
	Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	Not early adopted		
IFRS 3 (Revised)	Business Combinations			✓
	Business Combinations – Accounting for Contingent Consideration in a Business Combination			✓
	Business Combinations – Scope Exceptions for Joint Arrangements			✓
IFRS 4	Insurance Contracts			✓
	Amendments to IAS 39 and IFRS 4: Financial Guarantee Contracts			✓
	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	Not early adopted		

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		
	Amendment to IFRS 5: Changes in Methods of Disposal	✓		
IFRS 6	Exploration for and Evaluation of Mineral Resources			✓
IFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to IAS 39 and IFRS 7: Reclassification of Financial Assets	✓		
	Amendments to IFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to IFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to IFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to IFRS 7: Mandatory Effective Date of IFRS 9 and Transition Disclosures			✓
	Amendments to IFRS 7: Disclosures - Servicing Contracts			✓
	Amendments to IFRS 7: Applicability of the Amendments to IFRS 7 to Condensed Interim Financial Statements			✓
IFRS 8	Operating Segments	✓		
	Amendments to IFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	✓		
IFRS 9	Financial Instruments	Not early adopted		
	Amendments to IFRS 9: Mandatory Effective Date of IFRS 9 and Transition Disclosures	Not early adopted		
	Amendments to IFRS 9: Hedge Accounting	Not early adopted		
IFRS 10	Consolidated Financial Statements	✓		
	Amendments to IFRS 10: Investment Entities			✓
	Amendments to IFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not early adopted		
	Amendments to IFRS 10: Applying the Consolidated Exception			✓
IFRS 11	Joint Arrangements	✓		
	Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	✓		
IFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to IFRS 12: Investment Entities	✓		
	Amendment to IFRS 12: Clarification of the Scope of the Standard (Part of Annual Improvements to IFRSs 2014 - 2016 Cycle)	Not early adopted		

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
IFRS 13	Fair Value Measurement	✓		
	Amendment to IFRS 13: Short-term Receivables and Payables	✓		
	Amendment to IFRS 13: Fair Value Measurement - Portfolio Exception			✓
IFRS 14	Regulatory Deferral Accounts			✓
IFRS 15	Revenue from Contracts with Customers	Not early adopted		
IFRS 16	Leases	Not early adopted		
International Accounting Standards				
IAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to IAS 1: Capital Disclosures	✓		
	Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to IAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to IAS 1: Presentation of Financial Statements – Disclosure Initiative	✓		
IAS 2	Inventories	✓		
IAS 7	Statement of Cash Flows	✓		
	Amendments to IAS 7: Statements of Cash Flows – Disclosure Initiative	Not early adopted		
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
IAS 10	Events after the Reporting Period	✓		
IAS 11	Construction Contracts			✓
IAS 12	Income Taxes	✓		
	Amendment to IAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
	Amendments to IAS 12: Income Taxes, Recognition of Deferred Tax Assets for Unrealized Losses	✓		
IAS 16	Property, Plant and Equipment	✓		
	Amendment to IAS 16: Property, Plant and Equipment - Revaluation Method - Proportionate Restatement of Accumulated Depreciation	✓		
	Amendment to IAS 16: Clarification of Acceptable Methods of Depreciation and Amortization			✓
	Amendment to IAS 16: Agriculture - Bearer Plants	✓		
IAS 17	Leases	✓		
IAS 18	Revenue	✓		

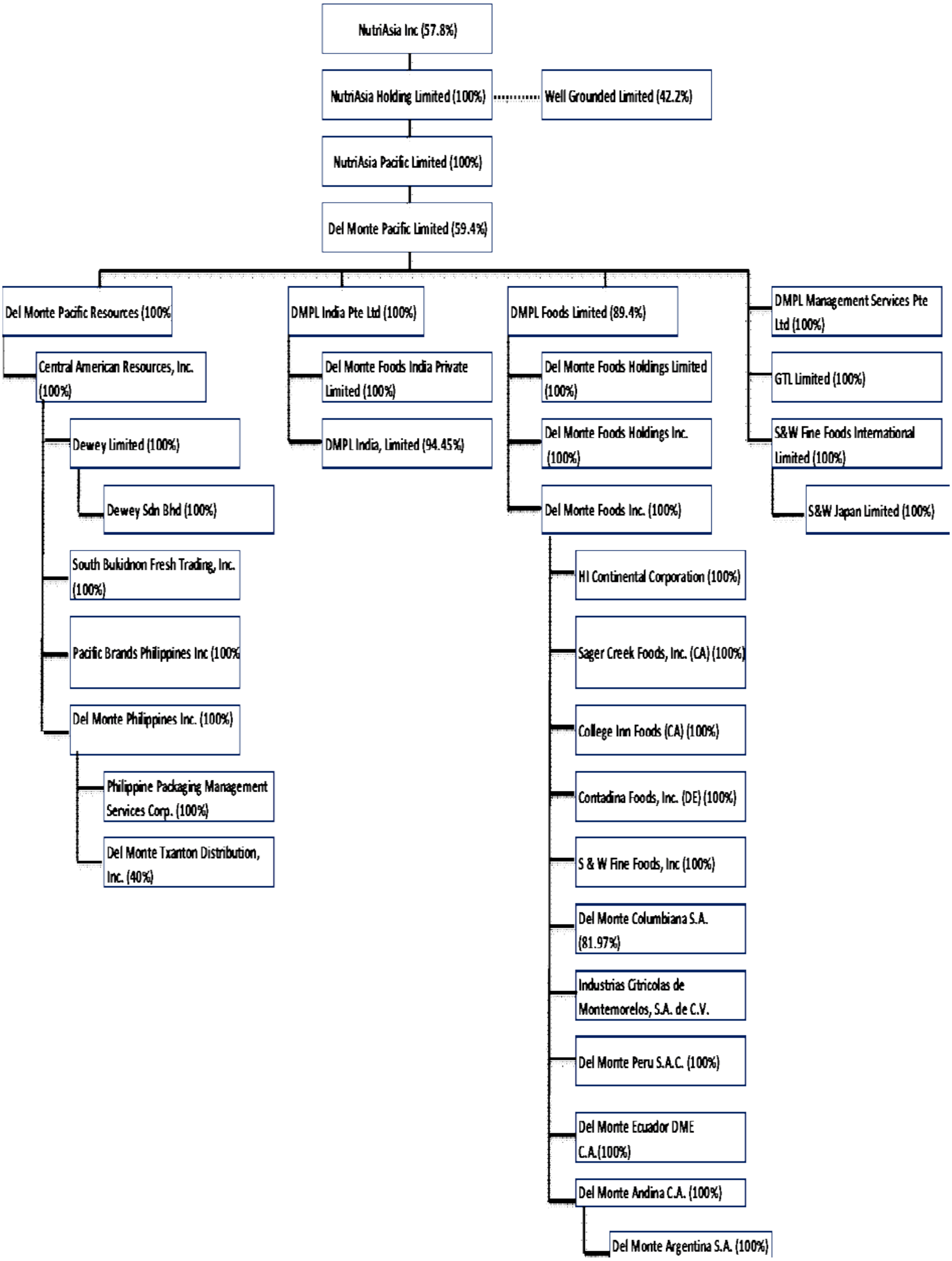
INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
IAS 19 (Revised)	Employee Benefits	✓		
	Amendments to IAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		
	Amendments to IAS 19: Defined Benefit Plans: Employee Contributions	✓		
	Amendments to IAS 19: Regional Market Issue Regarding Discount Rate			✓
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
IAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation	✓		
IAS 23 (Revised)	Borrowing Costs	✓		
IAS 24 (Revised)	Related Party Disclosures	✓		
	Amendments to IAS 24: Key Management Personnel	✓		
IAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
IAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to IAS 27: Investment Entities			✓
	Amendments to IAS 27: Equity Method in Separate Financial Statements	✓		
IAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not early adopted		
	Amendments to IAS 28: Investment Entities: Applying Consolidation Exception	Not early adopted		
IAS 29	Financial Reporting in Hyperinflationary Economies			✓
IAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to IAS 32: Classification of Rights Issues	✓		
	Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
IAS 33	Earnings per Share	✓		
IAS 34	Interim Financial Reporting	✓		
	Amendments to IAS 34: Disclosure of Information ‘Elsewhere in the Interim Financial Report	✓		
IAS 36	Impairment of Assets	✓		
	Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
IAS 38	Intangible Assets	✓		

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
	Amendments to IAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization	✓		
	Amendments to IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
IAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to IAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to IAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions	✓		
	Amendments to IAS 39: The Fair Value Option	✓		
	Amendments to IAS 39 and IFRS 4: Financial Guarantee Contracts	✓		
	Amendments to IAS 39 and IFRS 7: Reclassification of Financial Assets	✓		
	Amendments to IAS 39 and IFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to IFRIC - 9 and IAS 39: Embedded Derivatives	✓		
	Amendment to IAS 39: Eligible Hedged Items	✓		
	Amendment to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
IAS 40	Investment Property			✓
	Amendments to IAS 40			✓
	Amendments to IAS 40, Investment Property, Transfers of Investment Property	Not early adopted		
IAS 41	Agriculture	✓		
	Amendments to IAS 41: Bearer Plants	✓		
International Financial Reporting and Interpretations Committee				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✓		
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives	✓		
	Amendments to IFRIC - 9 and IAS 39: Embedded Derivatives	✓		
IFRIC 10	Interim Financial Reporting and Impairment	✓		
IFRIC 12	Service Concession Arrangements			✓

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to IFRIC- 14, Prepayments of a Minimum Funding Requirement	✓		
IFRIC 15	Agreements for the Construction of Real Estate			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓
IFRIC 22	Foreign Currency Transactions and Advance Consideration	Not early adopted		
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives	✓		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

Note: Standards and interpretations tagged as "Not Applicable" are those standards and interpretations which were adopted but the entity has no significant covered transaction as at 30 April 2017.

III. Map of Relationships of the Companies within the Group



IV. Financial Ratios

Ratio	Formula	30 April 2017	30 April 2016	30 April 2015
(i) Liquidity Analysis Ratios:				
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.6	1.1	1.3
Quick Ratio	(Current Assets - Inventories - Prepaid expenses and other current assets - Biological Assets -Noncurrent assets held for sale) / Current Liabilities	0.3	0.2	0.3
(ii) Solvency Ratio	Total Assets / Total Liabilities	1.3	1.2	1.1
Financial Leverage Ratios:				
Debt Ratio	Total Debt/Total Assets	0.8	0.9	0.9
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	3.8	6.2	7.0
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	4.8	7.2	8.0
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	1.2	1.7	0.3
(v) Debt/EBITDA Ratios	Total Debt/ Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	11.2	9.7	25.6
(vi) Profitability Ratios				
Gross Profit Margin	Revenue - Cost of Sales / Revenue	21.97%	21.36%	18.79%
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Revenue	1.08%	2.51%	-1.84%
Net Profit Margin	Net Profit / Revenue	0.88%	2.64%	-2.10%
Return on Assets	Net Profit / Total Assets	0.72%	2.22%	-1.75%
Return on Equity	Net Profit / Total Stockholders' Equity	3.44%	15.91%	-13.95%