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DEL MONTE PACIFIC LIMITED

Listing by Way of Introduction of 1,297,500,491 Ordinary Shares
of the Capital Stock of Del Monte Pacific Limited
on the first board of the Philippine Stock Exchange

28 May 2013

ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN IS TRUE AND CURRENT.

This document is published in connection with the listing by way of introduction on the first board of the Philippine Stock Exchange of the entire issued share capital of Del Monte Pacific Limited ("Company") presently listed on the Singapore Exchange Securities Trading Limited. This document contains particulars given in compliance with the PSE's Amended Rules on Listing by Way of Introduction for the purpose of giving information with regard to the Company and its subsidiaries.

This document does not constitute an offer of, nor is it calculated to invite offers for, the shares or other securities of the Company, nor have any such shares or other securities been allotted with a view to any of them being offered for sale to or subscription by members of the public. No shares or other securities of the Company will be allotted and issued in connection with, or pursuant to, the publication of this document.

This disclosure does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The securities of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state of the United States or other jurisdiction. Any securities of the Company will be offered and sold outside the United States in reliance on Regulation S under the Securities Act and may not be offered or sold within the United States absent registration or an exemption from registration under the Securities Act. The Company does not intend to register any of its securities in the United States. No public

offering of securities of the Company will be made in the United States or in any other jurisdiction where such an offering is restricted or prohibited.

Del Monte Pacific Limited
Craigmuir Chambers
PO Box 71 Road Town, Tortola
British Virgin Islands
http://www.delmontepacific.com/

This relates to the ordinary shares ("**Shares**") of the capital stock of Del Monte Pacific Limited (the "**Company**"), a corporation organized and existing under the laws of the British Virgin Islands, and listed on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), in connection with the listing by way of introduction of 1,297,500,491 Shares on the first board of the Philippine Stock Exchange ("**PSE**"), inclusive of treasury shares, representing 100% of the issued Shares ("**Listing**") as of 28 May 2013 and after the bonus issue of two bonus shares for every 10 existing shares held.

As of the date of this Introductory Document, the Company has an authorized capital stock of US$20.0 million consisting of 2,000,000,000 Shares, each with a par value of US$0.01. Out of the authorized capital stock, 1,297,500,491 Shares have been issued. Out of the issued Shares, 1,296,600,071 Shares are outstanding. The number of shares outstanding excludes 900,420 Shares held by the Company as treasury shares.

The Company believes that the price of the Shares is of such amount, and the Shares are currently widely held and listed on the SGX-ST, such that their adequate marketability when listed on the PSE can be assumed. Consequently, there will be no change in the total number of issued and outstanding Shares as a result of the Listing. There will be no underwriter and no proceeds from the Listing. Nonetheless, the indicative reference opening price (**"Initial Listing Price")** of the Shares upon listing shall be the Philippine Peso equivalent of the closing Share price on the SGX-ST on the trading day immediately preceding the Listing date, applying the Singapore Dollar:Philippine Peso exchange rate on such immediately preceding trading day. Please refer to the discussion under "Initial Listing Price" on page 20.

All of the Shares of the Company are unclassified and have identical rights and privileges. The Shares may be owned by any person or entity regardless of citizenship or nationality. The Company has a stated dividend policy of paying a minimum of 33% of prior year's net profit, although this has been exceeded in past years' payouts at 75%. There is, however, no guarantee that the Company will pay any dividends in the future.

Unless otherwise stated, the information contained in this Introductory Document relating to the Company and its subsidiaries has been supplied by the Company. To the best of its knowledge and belief, the Company (which has taken all reasonable care to ensure that such is the case) confirms that the information contained in this Introductory Document relating to the Company and its subsidiaries is correct, and that there is no material statement or omission of fact which would make any statement in this Introductory Document misleading in any material respect and that the Company hereby accepts full and sole responsibility for the accuracy of the information contained in this Introductory Document with respect to the same.

Market data and certain industry forecasts used throughout this Introductory Document were obtained from internal surveys, market research, publicly available information and industry publications. Industry publications generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified, and the Company does not make any representation as to the accuracy of such information.

References to DMPL and the Company are references to Del Monte Pacific Limited and its consolidated subsidiaries as the context requires. However, for the avoidance of doubt, please see the Company's audited consolidated financial statements annexed to this Introductory Document which sets out the actual interest of the Company.

This Introductory Document includes forward-looking statements. The Company has based these forward-looking statements largely on its current expectations and projections about future events and financial trends affecting its business. The words "believes," "may," "will," "estimates," "continues," "anticipates," "intends," "expects" and similar words are intended to identify forward-looking statements. In light of these risks and uncertainties associated with forward-looking statements, one should be aware that the forward-looking events and circumstances discussed in this Introductory Document might not occur. The Company's actual results could differ substantially from those anticipated in the Company's forward-looking statements.

An application for listing of the Shares was approved on 20 May 2013 by the board of directors of the PSE. The PSE assumes no responsibility for the correctness of any statements made or opinions expressed in this Introductory Document. The PSE makes no representation as to its completeness and expressly disclaims any liability whatsoever for any loss arising from reliance on the entire or any part of this Introductory Document. Such approval for listing is permissive only and does not constitute a recommendation or endorsement of the Shares by the PSE.

This Introductory Document is published in connection with the Listing. It may not be used for any other purpose and, in particular, no person is authorized to use or reproduce this Introductory Document or any part thereof in connection with any offering, or invitation to the offer, of the Shares or other securities of the Company. Accordingly, there is no, and neither will there be any, offer of or solicitation, or an invitation by or on behalf of the Company to subscribe for or purchase any of the Shares. Neither this Introductory Document nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Listing may be used for the purpose of making, and the delivery, distribution and availability of this Introductory Document or such other document or information (or any part thereof) does not constitute, any offer of or solicitation or an invitation by or on behalf of the Company to subscribe for or purchase any of the Shares.

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ALL REGISTRATION REQUIREMENTS HAVE BEEN MET AND ALL INFORMATION CONTAINED HEREIN IS TRUE AND CURRENT.

On 28 May 2013, the SEC issued an Order rendering effective the registration of the Shares and a Certificate of Permit to Offer Securities for Sale in respect of the Shares. The issuance of the Certificate is permissive only and does not constitute a recommendation or endorsement by the SEC of the Shares.

Del Monte Pacific Limited

By:

Ignacio C. O. Sison
Chief Financial Officer

SUBSCRIBED AND SWORN to before me in the City of Makati on 28 May 2013. The affiant, Mr. Ignacio Sison, exhibiting to me his competent evidence of identity in the form of Philippine Passport No. EB5161687, issued by DFA Manila, on 17 April 2012, valid until 16 April 2017.

KManaloto

ATTY. KATHRYN PAZ CONSUELO M. MANALOTO
Commission No. M-250
Notary Public for Makati City
Until December 31, 2014
21st Flr. Philamlife Tower,
8767 Paseo De Roxas, Makati City
Roll No. 61123
PTR No. 3672950 / 01-03-2013 / Makati
IBP No. 908379 / 01-03-2013 / Negros Occidental

Doc. No. 132;
Book No. 028;
Page No. III;
Series of 2013.

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GLOSSARY OF TERMS

2012 Code	means the Code of Corporate Governance which was issued on 2 May 2012 by the Monetary Authority of Singapore
AC	means the Audit Committee of the Board of Directors
AGM	means Annual General Meeting
AOP	means the Annual Operating Plan of the Company
ARMM	means the Autonomous Region of Muslim Mindanao
Board of Directors or Board or Directors	means the board of directors of the Company from time to time
BIR	means Bureau of Internal Revenue of the Philippines
Business	means the business carried out by the Group from time to time
BVI	British Virgin Islands
BVI Companies Act	means the International Business Companies Act (Cap. 291) of the British Virgin Islands
BVI Share Register	means the register of Shares registered in the BVI
BVI Share Registrar	means Nerine Trust Company (BVI) Limited
CAS	means current account surplus
CCCS	means the Central Clearing and Central Settlement system implemented by SCCP
CDP	means Central Depository (Pte.) Limited, a wholly-owned subsidiary of the Singapore Exchange Limited, which is incorporated under the laws of Singapore and acts as a depository and clearing organization
Code	means the Code of Corporate Governance issued on 14 July 2005 by the Council on Corporate Disclosure and Governance
CBA	means Collective Bargaining Agreement
Company or DMPL	means Del Monte Pacific Limited
Del Monte Pacific PSP	means the Del Monte Pacific Performance Share Plan approved by the Company’s shareholders at a general meeting held on 26 April 2005
Del Monte Pacific RSP	means the Del Monte Pacific Restricted Share Plan approved by the Company’s shareholders at a general meeting held on 26 April 2005
DENR	means the Philippine Departmment of Environment and Natural Resources
DMI	means Del Monte International
DMPI	means Del Monte Philippines, Inc.
ECC	means Environmental Compliance Certificate
ESOP	means the Del Monte Pacific Executive Stock Option Plan 1999 of the Company, which was approved and amended by Company’s shareholders at general meetings held on 30 July 1999 and 21 February 2002, respectively
FDA	means Food and Drug Administration of the Philippines
FMCG	means fast moving consumer goods
FRS 39	means Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement
GM	means General Meeting
GLOBALG.A.P.	Global Good Agricultural Practices
Government	means the Government of the Republic of the Philippines
Group	means the Company and its consolidated subsidiaries
GTIS	Global Trade Information Services, Inc.
HK$	means Hong Kong Dollars
IDR	means Issuer Default Rating
Initial Listing Price	means the Initial Listing Price of the Shares with the PSE as set out under the section “Initial Listing Price” on page 20
IPO Listing Date	means 2 August 1999
IPO Options	means the Initial Public Offering Options granted under the ESOP
Key Management Personnel	means those persons having the authority and responsibility for planning, directing and controlling the activities of the entity.
Listing	means the listing by way of introduction of 1,297,500,491 Shares on the first board of the PSE
Market Price Options	means the Market Price Options granted under the ESOP
Management	means those persons having the authority and responsibility for planning, directing and controlling the activities of the entity

Minister	means the Minister for the time being charged with the responsibility for the department or subject to which the context refers
MD2	is a premium hybrid variety of pineapple for the fresh fruit market
n/m	means not meaningful
NFC	means not from concentrate
NC	means the Nominating Committee of the Board of Directors
Offer	has the meaning given to in under the heading "Obligations under the Singapore Take-Over Code" beginning on page 115
₱ or PHP or Peso	means Philippine Pesos, the lawful currency of the Republic of the Philippines
PDTC	means Philippine Depository and Trust Corporation
PDTC Participant	means a person who has applied for and has been approved as a participant by the PDTC
PDTC System	means the system for the central handling of securities by which transactions involving such securities may be settled by book-entries in the records of PDTC
PET	means polyethylene terephthalate
PEZA	means Philippine Economic Zone Authority
PhilG.A.P.	Philippine Good Agricultural Practices
Philippine Branch Share Register	means the register of Shares registered in the Philippines
Philippine Branch Share Registrar	means Banco de Oro Universal Bank
PJC	means pineapple juice concentrate
Introductory Document	means this Introductory Document together with all its annexes, appendices and amendments, if any
PSE	means the Philippine Stock Exchange
RSOC	means the Remuneration & Share Option Committee of the Board of Directors
S&P	means Standard & Poor's Ratings Services
S$ or SGD	means Singapore Dollars, the lawful currency of the Republic of Singapore
SCCP	means Securities Clearing Corporation of the Philippines
SEC	means the Securities and Exchange Commission of the Philippines
Securities Industry Council	means The Securities Industry Council of Singapore
Securities Regulation Code	means Republic Act No. 8799
Senior Management	means the Managing Director and CEO, the Chief Operating Officer, the Chief Financial Officer, the Senior Vice President(s), the General Manager, S&W Fine Foods International Ltd., the Chief Legal Counsel and Chief Compliance Officer, the Chief Scientific Officer, and the Chief Manufacturing Officer
SFA	means the Securities and Futures Act, Chapter 289 of Singapore (as amended, modified or supplemented from time to time)
SGX Listing Manual	means the listing manual of the SGX-ST (as amended, modified or supplemented from time to time)
SGXNET	means Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system network prescribed by the SGX-ST
SGX-ST	means Singapore Exchange Securities Trading Limited
Share Plans	means, collectively, the Del Monte Pacific PSP and the Del Monte Pacific RSP
Shares	means the ordinary shares of the capital stock of Del Monte Pacific Limited
Singapore Share Register	means the register of Shares registered in Singapore
Singapore Share Transfer Agent	means Boardroom Corporate & Advisory Services Pte. Ltd.
Singapore Companies Act	means the Companies Act, Chapter 50 of Singapore (as amended, modified and supplemented from time to time)
Singapore Take-Over Code	means the Singapore Code on Take-Overs and Mergers
SRO	means Self-Regulatory Organization
Tax Code	means the National Internal Revenue Code of the Philippines or Republic Act No. 8424, as amended
TOR	means the Terms of Reference applicable to each Board Committee
Trading Participants	means an entity authorized by the PSE to own and operate a trading right, pursuant to the PSE's by-laws and applicable rules
US$	means United States Dollars, the lawful currency of the United States of America

SUMMARY

The following summary does not purport to be complete and is taken from and qualified in its entirety by the more detailed information including the Company's audited consolidated financial statements and notes relating thereto, annexed to this Introductory Document.

OVERVIEW OF THE COMPANY

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, tomato-based products, beverage products and certain other food products mainly under the brand names of *Del Monte*, *S&W* and *Today's*. The details of the Company's subsidiaries and their principal activities are set out beginning on page 35 of this Introductory Document.

The Company was incorporated in the British Virgin Islands on 27 May 1999 under the International Business Companies Ordinance, Chapter 291 of the laws of the British Virgin Islands, as an international business company. On 2 August 1999, the Company was admitted to the Official List of the SGX-ST. The registered office of the Company is located at Craigmuir Chambers, PO Box 71 Road Town, Tortola, British Virgin Islands.

RISKS OF INVESTING

Risk factors associated with an investment in the Shares include:

1. risk factors relating to the Business, including the export markets;
2. risk factors relating to the Philippines;
3. risk factors relating to the Shares;
4. risk factors relating to the Listing.

Please refer to the section entitled "Risk Factors" located beginning page 7 of this Introductory Document, which, while not intended to be an exhaustive enumeration of all risks, must be considered in connection with an investment in the Shares.

SUMMARY OF FINANCIAL INFORMATION

The summary of financial information set forth in the following tables has been derived from the Company's audited consolidated financial statements for the years ended 31 December 2012, 2011, and 2010, and the Company's unaudited interim financial statements for the periods ended 31 March 2013 and 2012.. This should be read in conjunction with the audited consolidated financial statements and notes thereto annexed to this Introductory Document and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included herein. The Company's consolidated financial statements were prepared in accordance with the International Financial Reporting Standards and were audited by KPMG LLP, in accordance with International Standards on Auditing and International Financial Reporting Standards.

The summary financial information set out below does not purport to project the results of operations or financial condition of the Company for any future period or date.

STATEMENT OF COMPREHENSIVE INCOME

As at 31 December

	Group			Company		
	2012	**2011**	**2010**	**2012**	**2011**	**2010**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Profit for the year	31,625	26,591	15,185	29,656	18,862	20,032
Other comprehensive income						
Currency translation differences	15,398	-1,670	10,834	–	–	–
Net loss on revaluation of property, plant and equipment, net of tax	–	226	–	–	–	–
Other comprehensive income/(loss) for the year, net of tax	15,398	-1,444	10,834	–	–	–
Total comprehensive income for the year	47,023	25,147	26,019	29,656	18,862	20,032
Total comprehensive income attributable to:						
Non-controlling interests	-465	-850	-624	–	–	–
Owners of the Company	47,488	25,997	26,643	29,656	18,862	20,032

For the three months ended 31 March (unaudited)

	Group		
	2013	**2012**	**%**
	US$'000	**US$'000**	
Profit for the period	**4,422**	**4,266**	3.7
Other comprehensive income (after reclassification adjustment)			
Exchange differences on translating of foreign operations	**1,065**	**5,662**	(81.2)
Changes in fair value of forward contracts	-	-	n/m
Value of employee services required for issue of share options	-	-	n/m
Adjustment relating to prior period recorded directly to equity	-	-	n/m
Income tax relating to components of other comprehensive income			
- Changes in fair value of forward contracts	-	-	n/m
Other comprehensive income for the period, net of tax	**1,065**	**5,662**	(81.2)

Total comprehensive income for the period	**5,487**	**9,928**	(44.7)
Attributable to:			
Owners of the company	**5,572**	**10,079**	(44.7)
Non-controlling interest	**(85)**	**(151)**	(43.7)

STATEMENT OF FINANCIAL POSITION

As at 31 December

	Group			Company		
	2012 US$'000	**2011 US$'000**	**2010 US$'000**	**2012 US$'000**	**2011 US$'000**	**2010 US$'000**
Non-current assets						
Property, plant and equipment	93,350	85,412	79,342	–	–	-
Subsidiaries	–	–	-	85,442	85,442	85,442
Joint venture	21,507	24,022	33,495	–	–	-
Intangible assets	15,433	16,004	16,575	–	–	-
Deferred tax assets	698	1,259	326	–	–	-
Other assets	14,466	12,219	12,069	–	–	-
	145,454	138,916	141,807	85,442	85,442	85,442
Current assets						
Inventories	113,458	89,381	77,498	–	–	-
Biological assets	109,665	91,791	81,860	–	–	-
Trade and other receivables	102,388	82,926	79,953	80,159	45,048	19,846
Cash and cash equivalents	24,555	20,877	17,506	232	211	211
	350,066	284,975	256,817	80,391	45,259	20,057
Total assets	495,520	423,891	398,624	165,833	130,701	105,499
Equity						
Share capital	10,818	10,818	10,818	10,818	10,818	10,818
Reserves	244,422	219,698	211,100	100,432	93,540	92,077
Equity attributable to owners of the Company	255,240	230,516	221,918	111,250	104,358	102,895
Non-controlling interests	-1,939	-1,474	-624	–	–	-
Total equity	253,301	229,042	221,294	111,250	104,358	102,895
Non-current liabilities						
Financial liabilities	15,679	5,916	18,016	–	–	-
	15,679	5,916	18,016	–	–	-
Current liabilities						
Trade and other payables	95,459	81,332	70,091	54,583	26,343	2,604
Financial liabilities	125,907	105,006	85,787	–	–	-
Current tax liabilities	5,174	2,595	3,436	–	–	-
	226,540	188,933	159,314	54,583	26,343	2,604
Total liabilities	242,219	194,849	177,330	54,583	26,343	2,604
Total equity and liabilities	495,520	423,891	398,624	165,833	130,701	105,499

For the three months ended 31 March (unaudited)

	Group		Company	
	31 Mar 2013 US$'000	**31 Mar 2012 US$'000**	**31 Mar 2013 US$'000**	**31 Mar 2012 US$'000**
Non-Current Assets				
Property, plant and equipment	**92,317**	85,636	**-**	-
Subsidiaries	**-**	-	**92,414**	85,442
Joint venture	**21,027**	22,141	**-**	-
Intangible assets	**15,290**	15,862	**-**	-
Deferred tax assets	**266**	650	**-**	-
Other assets	**17,696**	15,987	**-**	-

	146,596	140,276	**92,414**	85,442
Current assets				
Inventories	**130,027**	109,220	**-**	-
Biological assets	**113,772**	97,780	**-**	-
Trade and other receivables	**89,672**	59,553	**192**	45,067
Cash and cash equivalents	**15,454**	17,957	**332**	216
	348,925	284,510	**524**	45,283
Total Assets	**495,521**	424,786	**92,938**	130,725
Equity attributable to equity holders of the Company				
Share capital	**10,818**	10,818	**10,818**	10,818
Reserves	**232,233**	214,421	**81,669**	77,000
Equity attributable to owners of the Company	**243,051**	225,239	**92,487**	87,818
Non-controlling interest	**(2,024)**	(1,625)	**-**	-
Total Equity	**241,027**	223,614	**92,487**	87,818
Non-Current Liabilities				
Deferred tax liabilities	**-**	-	**-**	-
Financial liabilities	**15,783**	5,636	**-**	-
	15,783	5,636	**-**	-
Current Liabilities				
Trade and other payables	**83,307**	60,417	**451**	42,907
Financial liabilities	**149,269**	132,543	**-**	-
Current tax liabilities	**6,135**	2,576	**-**	-
	238,711	195,536	**451**	42,907
Total Liabilities	**254,494**	201,172	**451**	42,907
Total Equity and Liabilities	**495,521**	424,786	**92,938**	30,725

The average US$:S$ P&L rates for the years 2012, 2011, and 2010 were 1.22, 1.30, and 1.29, respectively; and the average US$:₱ P&L rates for the years 2012, 2011, and 2010 were 42.37, 43.27, and 45.31, respectively.

Please refer to the section entitled "Selected Financial Information" located beginning on page 55 of this Introductory Document for further details.

RISK FACTORS

Investors should carefully consider the risks described below, in addition to other information contained in this Introductory Document (including the Company's audited consolidated financial statements and notes relating thereto annexed to this Introductory Document), whenever making any investment decision relating to the Shares. This section does not purport to disclose all the risks and other significant aspects of an investment in the Shares. The Company's past performance is not an indication of its future performance. Investors deal in a range of investments, each of which may carry a different level of risk. The occurrence of any of the events described below and any additional risks and uncertainties not presently known to the Company or that are currently considered immaterial could have a material adverse effect on the Company's business, results of operations, financial condition and prospects, and cause the market price for the Shares to fall significantly and investors may lose all or part of their investment.

An investor should seek professional advice if he or she is uncertain of, or has not understood any aspect of the securities to be invested in or the nature of the risks involved in holding and trading of such securities, especially in the trading of high-risk securities. Investors should undertake independent research regarding the Company and the trading of securities before commencing any trading activity, and may obtain all publicly available information regarding the Company and the Shares from SGXNET. Each investor should consult its own counsel, accountant and other advisors as to legal, tax, business, financial and other related aspects of an investment in the Shares.

RISK FACTORS RELATING TO THE BUSINESS

Trademark and Corporate Name Risk

The *Del Monte* trademark is licensed by the trademark owner, Del Monte Foods (USA), to various companies around the world which are independent of the Company. Acts or omissions by any of such companies or any of the licensees of the *Del Monte* trademark may adversely affect the value of the *Del Monte* trademark, the trading prices for Shares and demand for the Group's products.

Conflicts may arise as they sometimes do as to the extent and delineation of Del Monte Foods' and the *Del Monte* licensees and owners' respective exclusive rights to the *Del Monte* trademarks for certain products in various countries. Parallel importation of *Del Monte* products by third parties into countries for which they are not intended by the licensees constitutes an issue between licensees which they endeavor to address through continuing cooperative efforts.

A number of companies within the Group use the words "Del Monte" as part of their corporate name. Third party announcements or rumors about the licensees and product liability issues concerning them or challenges to the use of the corporate name could also have negative effects on the *Del Monte* trademark or the Group, which the Group addresses by issuing clarificatory statements.

The Group takes measures to protect its brand, including by registering its trademarks and monitoring the use of the *Del Monte* mark and the *S&W* mark by licensees outside the Group. The Group also relies on public relations campaigns to optimize its brand. The Group has in place a compliance program to ensure compliance with trademark agreements.

Competition

Several well established companies compete in the Philippine canned pineapple, mixed fruit, fruit juices and beverages and tomato-based product categories. Important competitive considerations include the following:

- Several of the Group's product lines compete with imports.
- The Group's continuing development of its consumer branded product line under the *Del Monte* brand name will increasingly bring it into potential competition with major global consumer product companies which are already present in the Philippine market.
- Within the product range produced by the Group for the Philippine market, most competition currently comes from Philippine domestic producers. Increased competition from existing domestic producers, global consumer product companies with operations in the Philippines, and additional competition from new importers, if established in the future, may have a material adverse effect on the Group's margins and market shares.

The Group believes that competition is not unique to the industry. Nevertheless, the Group's strategic planning takes competition into consideration and the Group continuously monitors trends in the market and invests in research and development to differentiate itself from its competitors.

Major Customers

The Group's international sales include sales to Del Monte Corp. and Del Monte Asia which together contribute approximately 60% of the Group's total export sales and 16% of total DMPL sales. In November 2011, the Company served a termination notice of its supply agreement with Del Monte Corp. effective 30 November 2014.

The Group's Philippine sales are made to a large number of customers, none of whom individually accounted for more than 12% of the Group's consolidated net sales in 2012. Termination of either of the long-term supply contracts with the Group's top international customers could have a material adverse effect on the Group's sales revenues though the objective of the termination is to end unfavorable contractual pricing arrangements which are not market-based.

The Group takes steps to market its products to potential customers and increase its customer base.

Access to Land

The Group's pineapple growing operations cover a total of approximately 23,000 hectares of land in Mindanao, the Philippines. Growership agreements over approximately 14,000 hectares typically provide for an initial 10-year period renewable at the Group's option on a cycle-to-cycle basis, up to five cycles, with each cycle averaging 40 months. Other agreements have been negotiated to provide for an extended period of 20 years. However, there is no assurance that these agreements will be continually renewed and on terms favorable to the Group.

In January 1997, the Group concluded negotiations with the Del Monte Employees' Cooperative for the renewal of their agreement covering approximately 8,000 hectares for a term of 25 years effective from 11 January 1999. This may be further renewed by agreement of the parties. Any future changes in legislation relating to the coverage or implementation of the Government's agrarian reform program may affect this contract with the Del Monte Employees' Cooperative.

In addition, the Group has under lease approximately 1,000 hectares from the National Development Corporation, a Philippine government-owned and controlled corporation. This lease was renewed for a term of 25 years on 1 March 2007. This lease may be affected by any future change in the disposition of public lands owned by government-owned or controlled corporations.

The Group manages potential risks by conducting standard due diligence on land used in its operations. The Group has in place a dedicated team tasked with sourcing land and renewing existing land leases. There is no assurance that the public policy currently allowing the Group to access land will not change in the future.

Foreign Currency

In the normal course of business, the Group enters into transactions denominated in various foreign currencies. In addition, the Company and its subsidiaries 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, especially between the Philippine peso and US dollar. To a certain extent, the Group has a natural hedge between the two currencies due to its revenue and cost mix. It is the Group's policy to optimize its natural hedge.

Inflation

The Group's costs are affected by inflation. However, the Group has lessened the impact of cost increases by actively controlling its overall cost structure and introducing productivity-enhancing and cost management measures. The Group also considers inflation in pricing adjustments with its market customers.

Cash and Interest Rate Management

The Group's cash balances are placed with reputable global and major Philippine banks and financial institutions. The Group manages its interest income by placing the cash balances with varying maturities and interest rate terms. This includes investing the Company's temporary excess liquidity in short-term low-risk securities from time to time. The Group obtains financing through bank borrowings and leasing arrangements. Financing is obtained from bank credit facilities, for both short-term and long-term requirements and/or through the sale of assets, particularly receivables from its customers. The Group's policy is to obtain the most favorable interest rate available without increasing its foreign currency exposure.

The Group places its cash balances with various banks and financial institutions and does not concentrate its cash balances in only one or a few banks or financial institutions.

Credit 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 ongoing basis. There is no significant concentration of credit risk with any distributor or buyer. Current processes ensure that sales are automatically put on hold once credit limits are exceeded.

International Business

The Group's overall earnings from its trading activities with international customers are primarily affected by movements in the worldwide supply, demand and prices of its products. Prices for pineapple juice concentrate are largely affected by the supply situation in Thailand (which is the largest exporter of pineapple juice concentrate in the world) and the demand situation in the international markets. Given that this is an industrial commodity product, prices are quite volatile. The Group is shifting production towards more branded ready-to-drink beverages to decommoditize its concentrate product. The Group also continuously improves its market intelligence.

Branded Business

The Group's branded business in the Philippines and the Indian subcontinent through *Del Monte*, and in Asia-Pacific and the Middle East through *S&W*, is affected by a number of factors, including, but not limited to competition, acceptance of new products, industry trends, distribution expansion, penetration and business partners' risks. The Group's exposure to these risks is managed through the following processes, among others:

- Focus on consumption-driven marketing strategies
- Shift to branded value-added, packaged products with emphasis on innovation, health and wellness, quality, competitiveness, and consumer appeal
- Market and customer diversification
- Increased penetration of high-growth distribution channels and markets
- Building on closer working relationships with business partners

Agricultural Output

The output of the plantation, which for the years 2012, 2011, and 2010 was 727,505, 735,732, and 646,000 metric tons harvested, respectively, is subject to certain risk factors relating to weather conditions, crop yields, outgrowers and service providers' performance, and leasehold arrangements. To manage any impact from heavy rainfall and floods, plantings are done in various locations to minimize tonnage loss, and towing units have been augmented to ensure continuity of harvest during wet conditions. The Group is PhilG.A.P. and GLOBALG.A.P. certified and complies with proven agricultural practices in its pineapple growing operations. Long-term land leases with staggered terms are also secured.

Compliance

The Group is subject to a wide range of government regulations, which may vary from one locality to another, and typically including regulations related to land use and occupational health and safety. While the Group commits to exert efforts to comply with existing rules, regulations and laws governing its operations, it cannot foresee what environmental or health and safety legislation or regulations will be amended or enacted in the future; how existing or future laws or regulations will be enforced, administered or interpreted; or the amount of future expenditures that may be required to comply with these environmental or health and safety laws or regulations or to respond to environmental claims. To manage these risks, the Group closely monitors changes in legislation and government regulations affecting the Group's business. It has a compliance program that aims to monitor and ensure the Group's compliance with laws and regulations. Compliance is a regular Board agenda item.

Environmental Issues

As a result of its agricultural, food processing, and canning and supply chain activities, the Group is subject to various environmental laws and regulations. Compliance with many of these laws and regulations brings with it ongoing costs. Although the Group believes that it is in compliance in all material respects with these environmental laws, some risk of environmental costs and liabilities is inherent in its operations and there can be no assurance that material costs and liabilities will not be incurred in the future in this regard. However, the Group believes that its continuing investments in facilities for environmental compliance position it to deal satisfactorily with relevant issues in this area.

Operations

As an integrated producer of processed 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, production efficiencies, input costs and availability, litigious counterparties, communist rebel 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 contingency plan and risk management measures. It also pursues productivity-enhancing and efficiency-generating work practices and capital projects.

Current Corporate and Tax Structure

The Group was structured to take into account international tax regimes. However, there can be no assurance that the incidence of tax incurred historically and the effective tax rate of the Group will not change as further tax reforms may be introduced and changes may be made to the existing corporate structure of the Group that may have a material effect on the Group. The Group periodically evaluates its corporate and tax structure consults professional advisers to optimize the structure where necessary.

RISK FACTORS RELATING TO THE PHILIPPINES

The Philippine economy and business environment may be disrupted by political or social instability.

The Philippines has from time to time experienced severe political and social instability, including acts of political violence.

Any future political or social instability in the country could adversely affect the business operations and financial condition of the Company.

Political instability or acts of terrorism in the Philippines could destabilize the country and may have a negative effect on the Company.

Mindanao Security Situation

The Group's pineapple plantation is situated in northern Mindanao, the Philippines. Since the 1960s, several Muslim and communist groups in Mindanao have sought the complete autonomy of Mindanao from the rest of the Philippines and the establishment of a separate constitution.

Until recently, the Philippine government and the various separatist groups have been engaged in varying levels of prolonged armed conflict after failing to reach any form of resolution. In 1990, the government successfully negotiated a peace settlement with the largest of the separatist groups, through the establishment of the Autonomous Region in Muslim Mindanao ("**ARMM**") in southwestern Mindanao, which aims to hasten the economic development of Muslim areas.

On 15 October 2012, the Philippine Government and the Moro Islamic Liberation Front signed the Framework Agreement on the Bangsamoro, which is a preliminary peace agreement for the creation of an autonomous political entity named Bangsamoro, replacing the ARMM.

Although separatist groups still exist, most of their armed activities are confined to areas in central Mindanao where they have camps. All of the operations of the Group based in Mindanao are located in the northern part of the island where the population is predominantly Catholic. However, any extension of separatist group activities into the northern part of Mindanao could cause a disruption to the Group's operations which could, in turn, have a significant effect on the Group's supply of pineapple raw materials to its cannery.

On 19 February 2013, an armed group believed to be members of the New People's Army, a leftist militant group entered Camp Phillips, a residential community for DMPI employees and an office site in Bukidnon, Mindanao, Southern Philippines. They burned three heavy equipment units and a vehicle. One security guard was fatally shot and three others were injured while resisting their entry. All residents of the camp were unharmed. To secure its employees, DMPI sought for and obtained military security right after the incident. The incident did not affect DMPI's Plantation and Cannery operations.

To manage insurgency risks in its operating units in the Philippines, the Group has conducted a comprehensive review of and has strengthened its security systems and measures.

Economic instability could have a negative effect on the financial results of the Company

The growth and profitability of the Company, as with any business for that matter, is greatly influenced by the economic situation of the Philippines. Any economic instability in the future may have a negative effect on the financial results of the Company and the level of dividends paid and distributions made by the Company.

Over the years, the Philippines has experienced periods of slow or negative growth, high inflation, unforeseen devaluation of the Philippine currency, imposition of exchange controls, debt restructuring and significant rise in oil prices.

The Asian financial crisis in 1997 resulted in higher interest rates, slower economic growth, and a significant reduction in the country's credit ratings which ultimately resulted in the depreciation of the Peso. In order to combat the negative impact of the financial crisis, the government introduced reform measures in the fiscal and banking sectors resulting in improved investor confidence and increased economic activities.

On 27 March 2013, Fitch Ratings upgraded the Philippines' Long-Term Foreign-Currency Issuer Default Rating ("**IDR**") to 'BBB-' from 'BB+', and the Long-Term Local-Currency IDR to 'BBB' from 'BBB-', both with Stable Outlooks. Fitch's also upgraded the Country Ceiling to 'BBB' from 'BBB-' and the Short-Term Foreign-Currency IDR to 'F3' from 'B'. The upgrade of Philippines' sovereign ratings reflects the strength of the Philippines' sovereign external balance sheet relative not only to 'A' range peers, but also to 'BB' and 'BBB' category medians.

On 3 May 2013, Standard & Poor's Ratings Services ("**S&P**") upgraded the Philippines' sovereign long-term credit rating to 'BBB-' from 'BB+' and the Philippines' sovereign short-term credit rating to 'A-3' from 'B'. S&P assigned a stable outlook on the new ratings, with the new ratings to hold for six months to one year. According to S&P, "[t]he upgrade on the Philippines reflects a strengthening external profile, moderating inflation, and the government's declining reliance on foreign currency debt."

A persistent current account surplus ("**CAS**"), underpinned by remittance inflows, has led to the emergence of a net external creditor position worth 12% of GDP by end-2012, up from 6% at end-2010. Remittance inflows were worth 8% of GDP in 2012 and proved resilient even through the shock of the global financial crisis. Fitch expects a rising import bill stemming from strong domestic demand to lead to a narrower CAS and to stabilize the net external creditor position at a strong level through to 2014.

The Philippine economy has been resilient, expanding 6.6% in 2012 amid a weak global economic backdrop. Strong domestic demand drove this outturn. Fitch expects GDP growth of 5.5% in 2013. The Philippines has experienced stronger and less volatile growth than its 'BBB' peers over the past five years. Improvements in fiscal management begun under President Arroyo have made general government debt dynamics more resilient to shocks.

No assurance can be given that Fitch's or any other international credit rating agency will not in the future, downgrade the credit ratings of the Philippines which will affect Philippine companies including the Company. Any such downgrade could have an adverse impact on the liquidity in the Philippine financial markets, the ability of the Government and Philippine companies, including the Company to raise additional financing and the interest rates and other commercial terms at which such additional financing will be made available.

While the Company shall continue to adopt conservative policies to protect its operations and finances, any deterioration in the economic conditions of the country could affect the Company's financial condition and operations.

Natural disasters adversely affecting the business of the Company

The Philippines has experienced a number of major natural catastrophes over the years, including typhoons, floods, volcanic eruptions and earthquakes, some of which have materially disrupted and adversely affected DMPI's business operations. There can be no assurance that natural catastrophes will not materially disrupt DMPI's business operations in the future, or that DMPI is fully capable to deal with these situations with respect to all the damages and economic losses resulting from these catastrophes. 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. It also pursues productivity-enhancing and efficiency-generating work practices and capital projects.

RISK FACTORS RELATING TO THE SHARES

The Shares have not been publicly traded in the Philippines and the relative volatility and illiquidity of the Philippine securities market may substantially limit the holder's ability to sell the Shares at a suitable price or at a time they desire

Prior to the listing, there has been no public market for the Shares in the Philippines. The Philippine securities markets are substantially smaller, less liquid, and more volatile than major securities markets in the U.S., Singapore and other jurisdictions, and are not as highly regulated or supervised as some of these other markets. There can be no assurance that even after the Shares have been approved for Listing on the PSE, any active trading market for the Shares will develop or be sustained after the Listing. There is no assurance that holders of the Shares may sell the Shares at prices or at times deemed appropriate.

Movements in and performance of the PSE composite index ("**PSEi**") from 1999 to March 2013, as well as the number of listed companies, market capitalization, and value of shares traded for the said periods are set out in the table on page 86 under "Selected Stock Exchange" Data.

Any future equity offerings may lead to dilution of a holder's shareholding in the Company and actual or anticipated sales of a substantial number of Shares could decrease the market prices of the Shares

Holders of Shares may experience dilution of their shareholding to the extent the Company makes future equity offerings. Further, sales of a substantial number of Shares after the consummation of the Listing or the anticipation of such sales could decrease the trading price of the Shares. In addition, in the event additional funds are raised through the issuance of new equity or equity-linked securities by the Company other than on a *pro rata* basis to existing shareholders (pursuant to the Company's share issue mandate approved by shareholders at the Company's AGM held on 30 April 2013, the percentage ownership of existing shareholders may be diluted. Such securities may also have rights, preferences and privileges senior to those of the Shares.

Developments in other emerging market countries may adversely affect the Philippine economy and, therefore, the market price of the Shares

In the past, the Philippine economy and the securities of Philippine companies have been, to varying degrees, influenced by economic and market conditions in other emerging market countries, especially other countries in Southeast Asia, as well as investors' responses to those conditions.

Although economic conditions are different in each country, investors' reactions to adverse developments in one country may affect the market price of securities of companies in other countries, including the Philippines. For example, the 1997 Asian economic crisis triggered market volatility in other emerging market countries' securities markets, including the Philippines. Accordingly, adverse developments in other emerging market countries could lead to a reduction in the demand for, and market price of the Shares.

The ongoing military actions in the Middle East, the recession experienced by Europe and the U.S. may have negative and unpredictable effects on the international, U.S. or Philippine economies or financial markets. The Company cannot predict what future effects these events may have on investors' perceptions of risk regarding investments in equity securities of companies in emerging markets or equity securities generally.

Sales or possible sales of a substantial number of Shares by the Company or one of its shareholders following the Listing could adversely affect the market price of the Shares

Immediately following the Listing, the Company will have 1,297,500,491 issued Shares, majority of which are owned by NutriAsia Pacific Limited. If the Company or any of its shareholders issues and/or sells or is perceived as intending to issue and/or sell, as the case may be, a substantial amount of Shares, the market price of the Shares could materially decrease.

The Singapore Take-Over Code contains provisions which may vary from those in other jurisdictions

The Company is subject to the Singapore Take-Over Code. The Singapore Take-Over Code contains provisions that may possibly delay, deter or prevent a future take-over or change in control of the Company. For example, under the Singapore Take-Over Code, any person acquiring an interest, whether by a series of transactions or not, either individually or together with parties acting in concert, in 30% or more of the voting rights in the Company's Shares may be required to extend a take-over offer for the remaining Shares in accordance with the Singapore Take-Over Code. A take-over offer is also required to be made if a person holding between 30% and 50% inclusive of the voting rights in the Shares, either individually or together with parties acting in concert, acquires more than 1% of the voting rights the Shares in any six-month period. While the Singapore Take-Over Code seeks to ensure an equality of treatment among shareholders, its provisions could substantially impede the ability of the shareholders to benefit from a change of control and, as a result, may adversely affect the market price of the Shares and the ability to realize any benefits from a potential change of control.

Additionally, NutriAsia Pacific Limited will own at least a majority of the outstanding Shares immediately following the Listing. This concentration of ownership could delay, deter or prevent a future change in control or takeover of the Company.

RISK FACTORS RELATING TO THE LISTING

The rights and obligations of the Company's shareholders and the responsibilities of Management and the Board of Directors under Singapore law may be different from those of a company incorporated in another jurisdiction, including the Philippines

The Company's corporate affairs are governed by its Memorandum and Articles of Association, by the laws governing companies incorporated in the British Virgin Islands, and by the laws and rules applicable to companies listed on the SGX-ST. As a result, the rights and obligations of the Company's shareholders and the responsibilities of the Company's Management and Board of Directors under Singapore law may be different from those of a company incorporated in another jurisdiction, including the Philippines.

There may also be obligations imposed on shareholders such as notification requirements for the Company's substantial shareholders under Singapore laws, which will apply to the Company's shareholders whether in the Philippines or elsewhere. For example, a substantial shareholder of a company is required to notify the company in writing of his interests in the voting shares in the company within two business days after becoming a substantial shareholder or any change in the percentage level of his shareholding after he is aware of such change. The notice shall be also required if the person has ceased to be a substantial shareholder before the expiration of the two business days. Please refer to "Description of Relevant Singapore Laws" beginning on page 115.

With respect to the consequences of any non-compliance with the aforementioned notification requirements under Singapore laws, a substantial shareholder who fails to comply with the relevant provisions under Singapore laws may be subject to certain penalties. For example, a substantial shareholder who fails to notify a company in the form prescribed within two business days of the substantial shareholder becoming aware (i) that he has become a substantial shareholder, (ii) of a change in the percentage level of his interest, or (iii) that he has ceased to be a substantial shareholder, relating to his shareholding interests in the company shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S$250,000 or to imprisonment for a term not exceeding two years or both, and in the case of a continuing offence to a further fine not exceeding S$25,000 for every day or part thereof during which the offence continues after conviction.

Furthermore, there may also be taxation implications resulting from the acquisition, holding or disposal of, dealing in, or the exercise of any rights in relation to, the Shares which will apply to the Company's shareholders whether in the Philippines or elsewhere.

Any prospective investors and/or the Company's shareholders should note that the laws applicable to the Company's shareholders may change, whether as a result of proposed legislative reforms to the Singapore laws or otherwise, and they should consult their own advisers for specific advice concerning their possible obligations (including but not limited to legal obligation and tax obligations) as the Company's shareholders under the relevant laws.

There has been no prior public market for the Shares in the Philippines

Prior to the Listing, there has been no public market for the Shares in the Philippines, and an active public market for the Shares in the Philippines may not develop or be sustained after the Listing. In addition, there is no guarantee of the continued listing of the Shares on the PSE. The initial listing price of the Shares may not be indicative of prices that will prevail in the trading market. There may be a limited number of Shares available for trading at any given time, resulting in reduced trading liquidity of the Shares. An investor may not be able to resell the Shares at an attractive price. The trading prices of the Shares could be subject to fluctuations in response to variations in the Company's results of operations, changes in general economic conditions, changes in accounting principles or other developments affecting the Company, its customers or its competitors, changes in financial estimates by securities analysts, the operating and stock price performance of other companies and other events or factors, many of which are beyond the Company's control. Volatility in the price of the Shares may be caused by factors outside of the Company's control or may be unrelated or disproportionate to the Company's results of operations.

Exchange rate fluctuations may adversely affect the foreign currency value of the Shares and any dividend distribution

The Shares to be listed on the PSE will be quoted in Philippine Pesos on the PSE. Dividends, if any, in respect of the Shares to be listed on the PSE will most likely be paid in Philippine Pesos. Fluctuations in the exchange rate between the Philippine Peso and other currencies will affect, among other things, the foreign currency value of the proceeds which a shareholder would receive upon sale in the Philippines of the Shares and the foreign currency value of dividend distributions.

The stock markets of Singapore and the Philippines have different characteristics and the historical prices of the Singapore Shares may not be indicative of the performance of the Philippine Shares after the listing of the Company's Shares on the PSE

The Company's Shares have been listed and have traded on the SGX-ST since 2 August 1999. It is the Company's current intention that, following completion of the Listing, the Shares registered in Singapore (the "**Singapore Shares**") will continue to be traded on the SGX-ST, and that all Shares may be registered in the Philippines (the "**Philippine Shares**") and traded on the PSE. As there is no direct trading or settlement between the stock markets of Singapore and the Philippines, the time required to transfer shares between the CDP and the register of Philippine Shares (the "**Philippine Share Register**") may vary and there is no certainty as to when transferred shares will be available for trading or settlement.

In addition, the SGX-ST and PSE have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading price of the Singapore Shares and the Philippine Shares may not be the same. Furthermore, fluctuations in the Singapore Share price could materially and adversely affect the Philippine Share price, and vice versa. Moreover, fluctuations in the exchange rate between the S$ and the PHP could materially and adversely affect the prices of Singapore Shares and Philippine Shares. Due to the different trading hours of the SGX-ST and the PSE, or in the event that the trading of either the Philippine Shares or the Singapore Shares is halted or suspended on the PSE or the SGX-ST, investors in Philippine and Singapore may not have equal opportunities to react in a timely manner to any developments which impact the price of the Philippine Shares and/or the Singapore Shares, as the case may be. Generally it takes 10 business days to complete the procedure to transfer Shares from the SGX-ST to the PSE, and 10 to 14 business days to complete the procedure to transfer Shares from the PSE to the SGX-ST, and investors may incur fees including removal fees, re-registration fees and share certificate issuance fees.

Due to the different characteristics of the stock markets of Singapore and the Philippines, the historical prices of the Singapore Shares may not be indicative of the performance of the Philippine Shares after the listing of the Company's Shares on the PSE. Investors should therefore not place undue reliance on the prior trading history of the Singapore Shares when evaluating an investment in the Listing.

Additional costs may be incurred and additional resources may be required to comply with both the SGX Listing Manual and the PSE Revised Listing Rules

Being a listed company on the SGX-ST, the Company is required to comply with the listing rules set out in the listing manual of the SGX-ST (as amended, supplemented or otherwise modified from time to time, the "**SGX Listing Manual**"). Upon the listing of the Company's Shares on the PSE, the Company will also be required to comply with the PSE Disclosure Rules unless an exemption is available or a waiver has been obtained. Accordingly, the Company may incur additional costs and require additional resources to comply with both sets of rules.

RISKS RELATING TO STATEMENTS MADE IN THIS INTRODUCTORY DOCUMENT

Certain statistics in this Introductory Document relating to the Philippines are derived from various Government and private publications, in particular, those produced by industry associations and research groups. This information has not been independently verified and may not be accurate, complete, up-to-date or consistent with other information compiled within or outside the Philippines.

RISK MANAGEMENT

Enterprise-Risk Management Program

The Group has an established enterprise-wide risk management program that aims to provide a structured basis for proactively managing financial, operational and compliance risks in all levels of the organization. Risk management is a regular Board agenda item.

Group Assets

It is the Group's practice to assess annually with its insurance brokers and insurance companies the risk exposure relating to the assets of, and the possible liabilities from, its operations. Assets are insured at current replacement values. Additions during the current year are automatically included with provision for inflation protection. During the 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.

The Group's risk management strategies for other aspects of the business are discussed together with the discussion on the associated risks under the section on "Risk Factors Relating to the Business" beginning on page 7 above.

USE OF PROCEEDS

The Company will not be offering shares for subscription or sale in connection with the Listing. Consequently, there will be no proceeds from the Listing.

INITIAL LISTING PRICE

Upon Listing, the Initial Listing Price for the Shares will be the Philippine Peso equivalent of the closing Share price on the SGX-ST on the trading day immediately preceding the Listing date, applying the Singapore Dollar:Philippine Peso exchange rate on such immediately preceding trading day.

The last available closing Share price on the SGX-ST prior to the date of this Introduction Document is the closing Share price on 28 May 2013 of S$0.90, which is equivalent to ₱29.74, applying the Singapore Dollar:Philippine Peso exchange rate on 28 May 2013 of S$1:₱33.042.

For purposes of determining the Initial Listing Price, the applicable Singapore Dollar:Philippine Peso exchange rate shall be the reference exchange rate of the Bangko Sentral ng Pilipinas published in its daily Reference Exchange Rate Bulletin.

Historical closing prices of the Shares on the SGX

Provided below are historical closing prices of the Shares in Singapore $ on the SGX-ST from 2 January 2013. Historical closing prices have not been adjusted to take into account the Bonus Share Issue of two for every 10 Shares. The ex-date of the Bonus Share Issue was 9 April 2013 and the record date was 11 April 2013.

2 January 2013	0.650	6 February 2013	0.860	15 March 2013	0.910	22 April 2013	0.760
3 January 2013	0.655	7 February 2013	0.880	18 March 2013	0.900	23 April 2013	0.760
4 January 2013	0.640	8 February 2013	0.850	19 March 2013	0.910	24 April 2013	0.790
7 January 2013	0.640	13 February 2013	0.855	20 March 2013	0.910	25 April 2013	0.840
8 January 2013	0.685	14 February 2013	0.895	21 March 2013	0.910	26 April 2013	0.820
9 January 2013	0.700	15 February 2013	0.960	22 March 2013	0.890	29 April 2013	0.805
10 January 2013	0.685	18 February 2013	0.950	25 March 2013	0.905	30 April 2013	0.810
11 January 2013	0.690	19 February 2013	0.930	26 March 2013	0.875	2 May 2013	0.820
14 January 2013	0.690	20 February 2013	0.930	27 March 2013	0.890	3 May 2013	0.795
15 January 2013	0.770	21 February 2013	0.890	28 March 2013	0.895	6 May 2013	0.805
16 January 2013	0.795	22 February 2013	0.890	1 April 2013	0.910	7 May 2013	0.835
17 January 2013	0.800	25 February 2013	0.880	2 April 2013	0.910	8 May 2013	0.890
18 January 2013	0.770	26 February 2013	0.875	3 April 2013	0.920	9 May 2013	0.935
21 January 2013	0.765	27 February 2013	0.880	4 April 2013	0.905	10 May 2013	0.945
22 January 2013	0.765	28 February 2013	0.905	5 April 2013	0.905	13 May 2013	0.910
23 January 2013	0.710	1 March 2013	0.900	8 April 2013	0.905	14 May 2013	0.910
24 January 2013	0.720	4 March 2013	0.905	9 April 2013	0.755*	15 May 2013	0.910
25 January 2013	0.745	5 March 2013	0.900	10 April 2013	0.755	16 May 2013	0.920
28 January 2013	0.730	6 March 2013	0.900	11April 2013	0.760	17 May 2013	0.925
29 January 2013	0.735	7 March 2013	0.910	12 April 2013	0.790	20 May 2013	0.920
30 January 2013	0.735	8 March 2013	0.905	15 April 2013	0.770	21 May 2013	0.910
31 January 2013	0.770	11 March 2013	0.905	16 April 2013	0.760	22 May 2013	0.915
1 February 2013	0.770	12 March 2013	0.900	17 April 2013	0.760	23 May 2013	0.880
4 February 2013	0.775	13 March 2013	0.905	18 April 2013	0.755	27 May 2013	0.890
5 February 2013	0.790	14 March 2013	0.900	19 April 2013	0.780	28 May 2013	0.900

**Ex-date of the 2:10 Bonus Share Issue*

DILUTION

There will be no additional issuance of Shares and, consequently, no dilution as a result of the Listing.

PLAN OF DISTRIBUTION

The Shares will not be distributed, and no offer of the Shares will be conducted by the Company, in connection with the Listing.

DESCRIPTION OF SECURITIES

The following is general information relating to the Company's capital stock but does not purport to be complete or to give full effect to the provisions of law and is in all respects qualified by reference to the applicable provisions of the Company's Memorandum and Articles of Association, as amended to date.

SHARE CAPITAL

The BVI Companies Act provides that upon the issue of a share with par value, the consideration in respect of the share constitutes capital to the extent of the par value and the excess constitutes surplus.

The BVI Companies Act permits a company, subject to any limitations or provisions to the contrary in its Memorandum and Articles of Association, to issue common shares, preferred shares, limited shares or redeemable shares but provides that the designations, powers, preferences and rights, and the qualifications, limitations or restrictions of each class and series of shares that a company is authorized to issue, must be included in a company's Memorandum, unless the directors are to be authorized to fix any such designations, powers, preferences, rights, qualifications, limitations and restrictions and in that case an express grant of such authority as may be desired to grant to the directors to fix by a resolution any such designations, powers, preferences, rights, qualifications, limitations and restrictions that have not been fixed by the Memorandum.

As of the date of this Introductory Document, the Company has an authorized capital stock of US$20.0 million consisting of 2,000,000,000 Shares, each with a par value of US$0.01. Out of the authorized capital stock, 1,296,600,071 Shares are outstanding, including bonus shares of 215,719,297. The number of shares outstanding excludes 900,420 Shares held by the Company as treasury shares. Total issued shares are 1,297,500,491 shares, including treasury shares.

VOTING RIGHTS OF COMMON SHARES

Each ordinary share is entitled to one vote.

At any meeting of the members, the chairman shall be responsible for deciding in such manner as he shall consider appropriate whether any resolution has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes thereof. If the chairman shall have any doubt as to the outcome of any resolution put to the vote, he shall cause a poll to be taken of all votes cast upon such resolution, but if the chairman shall fail to take a poll then any member present in person or by proxy who disputes the announcement by the chairman of the result of any vote may immediately following such announcement demand that a poll be taken and the chairman shall thereupon cause a poll to be taken. If a poll is taken at any meeting, the result thereof shall be duly recorded in the minutes of that meeting by the chairman.

At each meeting of the stockholders, every stockholder entitled to vote on a particular question or matter involved shall be entitled to vote for each share of stock standing in his name in the books of the Company at the time of the closing of the stock and transfer books for such meeting.

DIVIDENDS AND DISTRIBUTIONS

Please refer to the section entitled "Dividends and Dividend Policy" located on page 54 of this Introductory Document.

BONUS SHARE ISSUE

Please refer to section entitled "Bonus Share Issue" on page 52 of this Introductory Document.

RIGHTS OF COMMON SHARES TO ASSETS OF THE COMPANY

Each holder of a Share is entitled to a *pro rata* share in the assets of the Company available for distribution to the shareholders in the event of liquidation and winding up.

OTHER FEATURES OF COMMON SHARES

The Shares are neither convertible nor subject to redemption. All of the Company's issued Shares are fully paid and non-assessable and are free and clear of all liens, claims and encumbrances.

RESTRICTIONS ON TRANSFER OF SHARES

Save as provided in the Articles, there shall be no restriction on the transfer of fully paid-up Shares (except where required by law, or the listing rules of the SGX-ST and, after the Listing, the PSE).

Without limiting the generality of the last preceding regulation, the Board may decline to recognize any instrument of transfer unless:

1. a fee not exceeding two Singapore dollars as the Board may from time to time require is paid to the Company in respect thereof;

2. the instrument of transfer is in respect of only one class of share;

3. the instrument of transfer is lodged at the Office or such other place in the BVI at which the Register is kept in accordance with the Act or the Registration Office (as the case may be) accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do); and

4. if applicable, the instrument of transfer is duly and properly stamped.

If the Board refuses to register a transfer of any share, it shall, within one month after the date on which the transfer was lodged with the Company, send to each of the transferor and transferee notice of the refusal.

The registration of transfers of shares or of any class of shares may, after notice has been given on the SGXNET and by advertisement in an appointed newspaper and, where applicable, any other newspapers in accordance with the requirements of the SGX-ST, and, after the Listing, the PSE, to that effect, be suspended at such times as the Board may determine.

The Company shall not be required to treat a transferee of a registered share in the Company as a member until the transferee's name has been entered in the share register.

Subject to any limitations in the Memorandum, the Company must on the application of the transferor or transferee of a registered share in the Company enter in the share register the name of the transferee of the share save that the registration of transfers may be suspended and the share register closed at such times and for such periods as the Company may from time to time by resolution of Directors determine, provided always that such registration shall not be suspended and the share register closed for more than 30 days in any period of 12 months.

RESTRICTIONS ON FOREIGN OWNERSHIP

The ownership of the Shares is not subject to any foreign ownership restrictions.

FUNDAMENTAL MATTERS REQUIRING STOCKHOLDERS APPROVAL

Major transactions and very substantial acquisitions or reverse takeovers are subject to shareholders' approval. A circular containing the information in Rule 1010 of the SGX Listing Manual must be sent to all shareholders.

Circular requirements

Rule 1206 of the SGX Listing Manual states that any circular sent to shareholders must:

1. contain all information necessary to allow shareholders to make a properly informed decision or, if no decision is required, to be properly informed;

2. advise shareholders that if they are in any doubt as to any action they should take, they should consult independent advisers;

3. state that the SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in the circular;

4. comply with specific circular requirements in the SGX Listing Manual; and

5. include an appropriate statement if a person is required to abstain from voting on a proposal at a general meeting by a listing rule.

Rule 1010 of the SGX Listing Manual states the information which should be included in a circular to shareholders in relation to major transactions and very substantial acquisitions or reverse takeovers:

1. Particulars of the assets acquired or disposed of, including the name of any company or business, where applicable;

2. A description of the trade carried on, if any;

3. The aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied, including the terms of payment;

4. Whether there are any material conditions attaching to the transaction including a put, call or other option and details thereof;

5. The value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation;

6. In the case of a disposal, the excess or deficit of the proceeds over the book value, and the intended use of the sale proceeds. In the case of an acquisition, the source(s) of funds for the acquisition;

7. The net profits attributable to the assets being acquired or disposed of. In the case of a disposal, the amount of any gain or loss on disposal;

8. The effect of the transaction on the net tangible assets per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year;

9. The effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year;

10. The rationale for the transaction including the benefits which are expected to accrue to the issuer as a result of the transaction;

11. Whether any director or controlling shareholder (as defined in the SGX Listing Manual) has any interest, direct or indirect, in the transaction and the nature of such interests;

12. Details of any service contracts of the directors proposed to be appointed to the issuer in connection with the transaction; and

13. The relative figures that were computed on the bases set out in Rule 1006.

Connected transactions

Definition

Under Chapter 9 of the SGX Listing Manual, an interested person transaction is broadly defined as any transaction between (i) the issuer, its non-listed subsidiary or its associated company (as defined in the SGX Listing Manual) over which the issuer has control, and (ii) an interested person. Interested persons are broadly defined as the director, chief executive officer or controlling shareholders (as defined in the SGX Listing Manual) (holding at least 15% of the total number of issued shares excluding treasury shares in the issuer or who in fact exercises control over the issuer) of the issuer and their associates.

Shareholders' approval

Rule 906 of the SGX Listing Manual states that an issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:

1. 5% of the Group's latest audited net tangible assets, or

2. 5% of the Group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year (save for transactions which have already been approved by shareholders).

Rule 906 of the SGX Listing Manual does not apply to any transaction below S$100,000.

Rule 918 of the SGX Listing Manual states that shareholders' approval must be obtained prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction. Rule 919 of the SGX Listing Manual states that in a meeting to obtain shareholder approval, the interested person and any associate of the interested person must not vote on the resolution.

Circular requirements

Rule 921 of the SGX Listing Manual states the information which should be included in a circular to shareholders in relation to interested person transactions:

1. details of the interested person transacting with the entity at risk, and the nature of that person's interest in the transaction;

2. details of the transaction (and all other transactions which are the subject of aggregation pursuant to Rule 906) including relevant terms of the transaction, and the bases on which the terms were arrived at;

3. the rationale for, and benefit to, the entity at risk;

4. (a) an opinion in a separate letter from an independent financial adviser who is acceptable to the SGX-ST stating whether the transaction (and all other transactions which are the subject of aggregation pursuant to Rule 906): (i) is on normal commercial terms, and (ii) is prejudicial to the interests of the issuer and its minority shareholders;

   (b) however, the opinion from an independent financial adviser is not required for the following transactions. Instead, an opinion from the audit committee in the form required in Rule 917(4)(a) must be disclosed: (i) the issue of shares pursuant to Part IV of Chapter 8, or the issue of other securities of a class that is already listed, for cash; (ii) purchase or sale of any real property where:

   - the consideration for the purchase or sale is in cash;
   - an independent professional valuation has been obtained for the purpose of the purchase or sale of such property; and
   - the valuation of such property is disclosed in the circular;

5. an opinion from the audit committee, if it takes a different view to the independent financial adviser;

6. all other information known to the issuer or any of its directors, that is material to shareholders in deciding whether it is in the interests of the issuer to approve the transaction. Such information includes, from an economic and commercial point of view, the true potential costs and detriments of, or resulting from, the transaction, including opportunity costs, taxation consequences, and benefits forgone by the entity at risk;

7. a statement that the interested person will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolution approving the transaction; and

8. where the issuer accepts a profit guarantee or a profit forecast (or any covenant which quantifies the anticipated level of future profits) from the vendor of businesses/assets, the information required in Rules 1013(1) and 1013(2), and a statement confirming that it will comply with Rule 1013(3).

PROTECTION OF MINORITIES

As regards the rights of majority shareholders under the BVI Companies Act, the members holding more than 90% of the outstanding shares entitled to vote are entitled to request the redemption of the shares held by the remaining members. There are no other specific sections in the BVI Companies Act affording majority shareholders any special rights. Majority shareholders are of course, by virtue of the definition given to "resolution of members," unless amended in the Articles of Association, able to control the company with the number of shares they possess.

The BVI Companies Act defines "resolution of members'" in the following manner:

1. a resolution approved at a duly convened and constituted meeting of the members of the company by the affirmative vote of:

    a. a simple majority, or such majority as may be specified in the Articles of Association, of the votes of the shares entitled to vote thereon which were present at the meeting and were voted and not abstained; or

    b. a simple majority, or such larger majority as may be specified in the Articles of Association, of the votes of each class or series of shares which were present at the meeting and entitled to vote thereon as a class or series and were voted and not abstained and of a simple majority, or such larger majority as may be specified in the Articles of Association, of the votes of the remaining shares entitled to vote thereon which were present at the meeting and were voted and not abstained; or

2. a resolution consented to in writing by:

    a. an absolute majority, or such larger majority as may be specified in the Articles of Association, of the votes of shares entitled to vote thereon; or

    b. an absolute majority, or such larger majority as may be specified in the Articles of Association, of the votes of each class or series of shares entitled to vote thereon as a class or series and of an absolute majority of the votes of the remaining shares entitled to vote thereon;

In regard to minority shareholders, they can find protection in the BVI Companies Act as well as under the common law.

The BVI Companies Act only has one section which specifically addresses the protection of minority shareholders. It states that, subject to any limitations or provisions to the contrary in its Memorandum or Articles of Association, any sale, transfer, lease, exchange or other disposition, other than a mortgage, charge or other encumbrance or the enforcement thereof, of more than 50% of the assets of any company, other than a transfer pursuant to the power of the directors to transfer assets for the protection of such assets, if not made in the usual or regular course of the business carried on by the company, shall be approved not only by a resolution of directors but also by a resolution of members.

In addition, the BVI Companies Act provides that any member of a company is entitled to payment of the fair value of his shares upon dissenting from any of the following:

1. merger;

2. consolidation;

3. any sale, transfer, lease, exchange or other disposition of more than 50% of the assets or business of the company if not made in the usual or regular course of the business carried on by the company but not including (i) a disposition pursuant to an order of the court having jurisdiction in the matter, (ii) a disposition for money on terms requiring all or substantially

all net proceeds to be distributed to the members in accordance with their respective interests within one year after the date of disposition or (iii) a transfer pursuant to the power of the directors to transfer assets for the protection thereof;

4. a redemption of l0% or fewer of the issued shares of the company required by the holders of 90% or more of the shares of the company; and

5. an arrangement if permitted by the court.

Indirectly, the BVI Companies Act offers some real protection to minorities as the expression "resolution of members'" as defined above applies to a company only in the absence of an alternative definition in the Articles of Association of the company. Thus, it would be possible for the Articles of Association of a company to specify that certain or all actions requiring a resolution of members must be approved by a super-majority of the issued shares, therefore giving a minority an effective veto power over the actions of a company. Furthermore, the BVI Companies Act provides that with respect to the amendment of the Memorandum and Articles of Association, subject to any limitations or provisions to the contrary in its Memorandum or Articles of Association, a company may amend its Memorandum or Articles of Association by a resolution of members or, where permitted by its Memorandum or Articles of Association, by a resolution of directors. It would, therefore, be possible to entrench some or all of the provisions in the Memorandum and Articles of Association of a company by providing that certain or all provisions cannot be amended or that certain or all provisions can only be amended by a specified super-majority.

In addition to the above, there are certain established common law exceptions to the principle of majority rule. These exceptions have been established over a period of years by the courts of England, and such decisions may be of persuasive force before a BVI court which should happen to hear any action brought by an aggrieved minority in a company.

The basic principle of majority rule is also known as the rule in Foss v. Harbottle which resulted from the refusal of the courts in England in the last century to interfere in the management of a company at the instance of a minority of its members who were dissatisfied with the conduct of the company's affairs by the majority of the shareholders or by the board of directors. The justification for the rule is the need to preserve the right of the majority to decide how the company's affairs should be conducted and the reluctance of the court to become involved in the decision-making process of a company where the decision of the members ought to prevail and the court's decision could be set aside by a resolution of members. However, the rule only applies where the majority of members can cure any irregularity or illegality complained of or threatened by passing a resolution of members. The court will interfere at the instance of a minority when the matter cannot be cured by a resolution of members.

In certain circumstances, an individual member may bring an action to remedy a wrong done to a company in which he holds shares or to compel such company to conduct its affairs in accordance with its Memorandum and Articles of Association and the rules of law governing it, even though no wrong has been done to him personally and even though a majority of his fellow members do not wish such action to be brought. When an individual member's action is not only on behalf of himself but also on behalf of other members, other than those, if any, against whom relief is sought, this is described as a representative action. When a member seeks relief against third parties for the benefit of the company in which he holds shares, the action is commonly described as a derivative action, as the individual member sues to enforce a claim which belongs to the company and his right to sue is derived from the company.

Some of the exceptions to the principle of majority rule are as follows:

1. Where a minority shareholder seeks to restrain the commission of an ultra vires act, to compel the directors to compensate the company for loss suffered by it in consequence of such an act or to recover property of a company in which he holds shares, which property has been disposed of to a third person by an ultra vires transaction which is not effective against the company. Whilst the BVI Companies Act has effectively abolished the ultra vires rule, the BVI Companies Act does state that whilst no act of a company and no transfer of property by or to such a company is invalid by reason only of the fact that the company was without capacity or power to perform the act or to make the transfer or receive the property, the lack of capacity or power may be pleaded in proceedings by a member against the company to prohibit the performance of any act or the transfer of property by or to the company or in proceedings by the company, whether acting directly or through a receiver, trustee or other legal representative or through members ``in a derivative action" against the incumbent or former directors of the company for loss or damage due to their unauthorized act. Thus, the BVI Companies Act gives effective recognition to the concept of a derivative action.

2. Where a minority shareholder seeks to restrain a threatened breach of any provision in the Memorandum or Articles of Association of a company.

3. Where a minority shareholder seeks (a) a declaration that a resolution amending the Memorandum or Articles of Association of a company, although passed in proper form, is invalid because the amendment was not made in good faith and for the benefit of the members of the company as a whole and (b) an injunction to restrain the company from giving effect to the amended Memorandum or Articles of Association of the company. The basic principle is that the power to amend the Memorandum and Articles of Association must be exercised not only in the manner required by law but also bona fide for the benefit of the company as a whole. With respect to amendments to the Memorandum and Articles of Association of a company, the situation may be summarized as follows:

    a. It is not necessary to prove that any member will derive any particular advantage from a particular amendment of the Memorandum or Articles of Association in order to uphold the amendments.

    b. The fact that some members suffer a detriment in consequence of the amendments does not inevitably make it void, but if an amendment clearly discriminates between members of the same class by giving a privilege to some or imposing a detriment on others, it is void.

    c. The amendments must be made in good faith and the members who vote for them must not be guilty of fraud or oppression toward a minority.

    d. The amendments must be for the benefit of any individual hypothetical member which means that any member must be equally likely to benefit from it or to be burdened by it as any other member.

4. Where, in the case of Articles of Association specifying that certain actions must be resolved by a resolution with a super-majority, whether called a special resolution, extraordinary resolution or any other name, a minority shareholder seeks to have a resolution passed with a simple majority declared void and to restrain the company from acting on it because it should have been passed with the super-majority but has not been so passed.

5. Where a minority shareholder seeks by a representative action to restrain the company from doing an act which is contrary to the BVI Companies Act or the general law.

6. Where a company has by resolution of shareholders resolved validly that a certain thing should or should not be done and a minority shareholder brings a representative action to restrain the company from taking the action which conflicts with the resolution and which, if not restrained, would produce irreversible results without there being time for a further resolution of members to reverse the previous decision.

With respect to the oppression of a minority referred to above, this need not amount to a tort or civil wrong at common law, but it must involve an unconscionable use of the majority shareholders' power resulting, or likely to result, either in financial loss or in unfair or discriminatory treatment of the minority shareholders, and it must be more serious than the failure of the majority to act in the interests of the company as a whole.

With respect to the necessary standing for a member to bring a minority action, members who are temporarily or permanently deprived of voting rights by the Memorandum or Articles of Association may nevertheless bring a representative or derivative action to challenge a resolution or action of the voting members if it would defeat or frustrate the purpose for which the company was formed by disposing of the assets of the company in a way which is not ultra vires but nevertheless incompatible with achieving the company's main objects.

PRE-EMPTIVE RIGHTS

The Memorandum and Articles of Association provide that subject to any direction to the contrary that may be given by the Company in a GM, all new shares shall before issue be offered to such persons as at the date of the offer are entitled to receive notices from the Company of GMs in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled.

The shareholders of the Company approved a general share issue mandate at the Company's AGM held on 30 April 2013, which allows the Company's Directors to issue shares in the capital of the Company. The aggregate number of Shares (including Shares to be issued from instruments that might or would require Shares to be issued) shall not exceed 50% of the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of the authorizing resolution, of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed 20% of the total number of issued Shares (excluding treasury shares) in the Company's capital.

DISCLOSURE REQUIREMENTS/RIGHT OF INSPECTION

Members of the general public, on a payment of a nominal fee, can inspect the public records of a company available at the office of the Registrar of Companies in the BVI which will include the company's Certificate of Incorporation, its Memorandum and Articles of Association (with any amendments) and the records of license fees paid to date and will also disclose any Articles of Dissolution, Articles of Merger, correspondences, etc., and a Register of Mortgages, Charges and Other Encumbrances. Although the creation of the said Register is optional, in practice it is normally available for inspection on file at the Companies Registry where a company has created an encumbrance of any kind over its assets.

A member of a company may in person or by attorney and in furtherance of a proper purpose request in writing, specifying the purpose, to inspect during normal business hours the share register of the company or the books, records, minutes and consents kept by the company and to make copies or extracts therefrom. The BVI Companies Act states that a proper purpose is a purpose reasonably related to the members' interest as a member. If the request is submitted by an attorney for a member, the request must be accompanied by a power of attorney authorizing the attorney to act for the member. If a company, by a resolution of directors, determines that it is not in the best interests of a company or of any other member of the company to comply with the request, the company may refuse the request. Upon refusal by the company of a request, the member may, before the expiration of a period of 90 days of his receiving notice of the refusal, apply to the courts for an order to allow the inspection.

A company shall keep minutes of all meetings of directors, members, committees of directors, committees of officers and committees of members and copies of all resolutions consented to by directors, members, committees of directors, committees of officers and committees of members. The books, records and minutes required by the BVI Companies Act shall be kept at the registered office or at such other place as the directors determine.

A company shall cause to be kept one or more registers to be known as share registers containing, inter alia, the names and addresses of the persons who hold registered shares in the company, in the case of shares issued to bearer, the total number of each class and series of shares issued to the bearer, etc. The share register may be in any form as the directors may approve but, if it is in magnetic, electronic or other data storage form, the company must be able to produce legible evidence of its contents and a copy of the share register commencing from the date of registration of the company shall be kept at the registered office of the company.

CHANGE IN CONTROL

The Company's Memorandum and Articles of Association provide that no Shares shall be issued as to transfer the controlling interest in the Company without the prior approval of the members in GM.

STOCK AND TRANSFER AGENT

The Company's share registrars / share transfer agents are as follows:

Philippine Branch Share Registrar	Banco de Oro Universal Bank 15th Floor BDO South Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City
BVI Share Registrar & Share Transfer Office	Nerine Trust Company (BVI) Limited Nerine Chambers, PO Box 905 Quastisky Building Road Town Tortola VG 1110 British Virgin Islands
Singapore Share Transfer Agent	Boardroom Corporate & Advisory Services Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623 Tel: (65) 6536 5355 Fax: (65) 6536 1360

OTHER SECURITIES

The Company has not issued any other securities other than its Shares and pursuant to its share option and incentive plans as discussed under "Interests held by Directors and Senior Management" beginning on page 74.

INTEREST OF NAMED EXPERTS AND INDEPENDENT COUNSEL

LEGAL MATTERS

Certain Philippine legal matters with respect to the Listing were passed upon for the Company by Romulo Mabanta Buenaventura Sayoc & de los Angeles, the independent legal counsel of the Company.

The independent legal counsel has no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate persons or to subscribe to the securities of the Company, in accordance with the standards on independence required in the Code of Professional Responsibility and as prescribed by the Supreme Court of the Philippines.

The named independent legal counsel has not acted and will not act as promoter, underwriter, voting trustee, officer or employee of the Company.

INDEPENDENT AUDITORS

The audited consolidated financial statements of the Company for three consecutive years ended December 31, 2012, including the notes thereto, which are annexed to this Introductory Document, were audited without qualification by KPMG LLP, auditors as stated in their reports appearing therein. Said external auditor has no shareholdings in the Company, or any right, whether legally enforceable or not, to nominate or to subscribe to the securities of the Company.

The named external auditor has not acted and will not act as promoter, underwriter, voting trustee, officer or employee of the Company.

Audit and Audit-Related Fees

The following table sets out the aggregate fees billed for each of the last two fiscal years for professional services rendered by KPMG LLP.

	Year ended December 31	
	2011	2012
	US$'000	US$'000
Audit and Audit-Related Fees (Group)	209,000	202,000

LISTING EXPENSES

The Company expects to incur the following estimated expenses:

Estimated Expenses	In thousands of Pesos
SEC Filing Fee	531.64
PSE Fees (inclusive of Value Added Tax)	30,490.83
Legal and Professional Fees	1,000.00
Documentation Expenses	300.00
Total Estimated Expenses	32,322.47

DESCRIPTION OF THE BUSINESS

COMPANY OVERVIEW

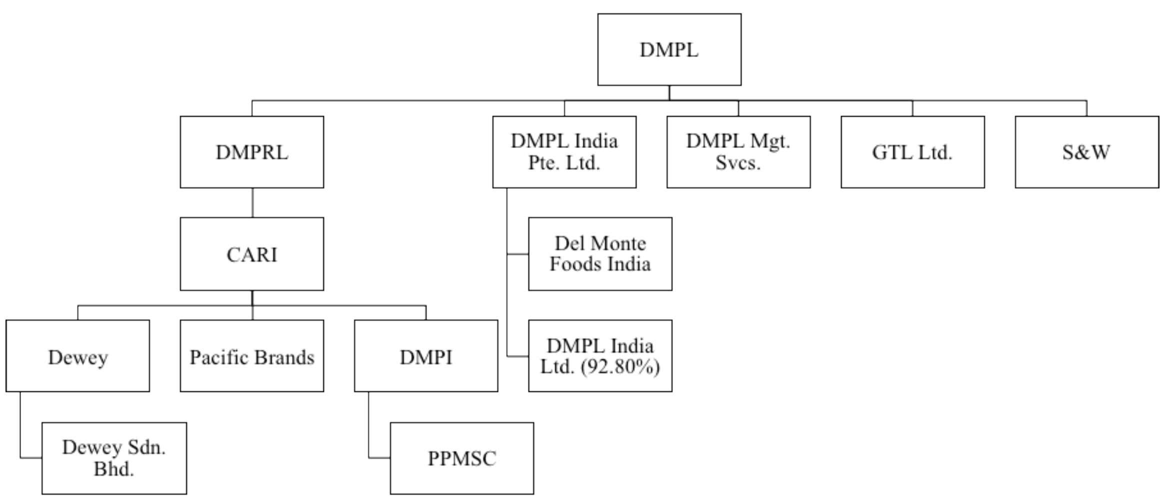
The Company was incorporated in the British Virgin Islands on 27 May 1999 under the International Business Companies Ordinance, Chapter 291 of the laws of the British Virgin Islands, as an international business company. On 2 August 1999, the Company was admitted to the Official List of the SGX-ST. The registered office of the Company is located at Craigmuir Chambers, PO Box 71 Road Town, Tortola, the 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, tomato-based products, and certain other food and beverage products mainly under the brand names of *Del Monte*, *S&W* and *Today's*. The details of the Company's subsidiaries and their principal activities are set out below.

			Effective equity held by the Group		
Name of subsidiary	**Principal activities**	**Place of incorporation and business**	**2012**	**2011**	**2010**
Held by the Company					
Del Monte Pacific Resources Limited ("**DMPRL**")	Investment holding	British Virgin Islands	100.00	100.00	100.00
DMPL India Pte. Ltd.	Investment holding	Singapore	100.00	100.00	100.00
DMPL Management Services Pte. Ltd. ("**DMPL Mgt. Svcs.**")	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00	100.00
GTL Limited ("**GTL Ltd**.")	Trading food products mainly under the brand names, *Del Monte* and buyer's own labels	Federal Territory of Labuan, Malaysia	100.00	100.00	100.00
S&W Fine Foods International Limited ("**S&W**")	Owner of the *S&W* trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa. Sale and distribution of food products under *S&W*.	British Virgin Islands	100.00	100.00	100.00
Held by Del Monte Pacific Resources Limited					
Central American Resources, Inc. ("**CARI**")	Investment holding	Panama	100.00	100.00	100.00
Held by Central American Resources, Inc.					
Del Monte Philippines, Inc. ("**DMPI**")	Growing, processing and distribution of food products mainly under the brand name *Del Monte*	Philippines	100.00	100.00	100.00
Dewey Limited ("**Dewey**")	Owner of trademarks in various countries; investment	Bermuda	100.00	100.00	100.00

	holding				
Pacific Brands Philippines, Inc. ("**Pacific Brands**")	Inactive	State of Delaware, USA	100.00	100.00	100.00
Held by DMPL India Pte. Ltd.					
Del Monte Foods India Private Limited ("**Del Monte Foods India**")	Manufacturing, processing and distributing food, beverages and other related products	Mumbai, India	100.00	100.00	100.00
DMPL India Limited ("**DMPL India Ltd.**"	Investment holding	Mauritius	92.80	92.00	92.00
Held by Del Monte Philippines, Inc.					
Philippines Packing Management Services Corporation ("**PPMSC**")	Management, logistics and support services	Philippines	100.00	100.00	100.00
Held by Dewey Limited					
Dewey Sdn. Bhd.	Owner of the *Del Monte* and *Today's* trademarks in the Philippines	Malaysia	100.00	100.00	100.00

The chart below sets out the Group corporate structure. Unless otherwise indicated, each subsidiary in the structure is wholly-owned by its parent.



The Group caters to today's consumer needs for premium quality, healthy food and beverage products. It innovates, produces, markets and distributes its products worldwide.

The Group owns the *Del Monte* brand in the Philippines for processed products where it enjoys leading market shares for canned pineapple juice and juice drinks, canned pineapple and tropical mixed fruits, tomato sauce, spaghetti sauce and tomato ketchup.

The Group also owns another premium brand, *S&W*, globally except the Americas, Australia and New Zealand. As with Del Monte, *S&W* originated in the USA in the 1890s as a producer and marketer of premium quality processed fruit and vegetable products.

In India, the Group owns approximately 93% of a holding company that owns 50% of FieldFresh Foods Private Limited (www.fieldfreshfoods.in). FieldFresh is a licensee of the *Del Monte* trademark for processed food products in India and markets *Del Monte*-branded processed products in the domestic market and *FieldFresh*-branded fresh produce. The Group's partner in FieldFresh is the well-respected Bharti Enterprises, which owns one of the largest conglomerates in India.

The Group holds the exclusive rights to produce and distribute processed food and beverage products under the *Del Monte* brand in the Indian subcontinent and Myanmar.

With a 23,000-hectare pineapple plantation in the Philippines, over 700,000-ton processing capacity and a port beside the cannery, the Company's subsidiary, DMPI operates the world's largest fully-integrated pineapple operation. It is proud of its long heritage of over 87 years of pineapple growing and processing. It has long-term supply agreements with some of the Del Monte trademark owners and licensees around the world.

The Group is not affiliated with other Del Monte companies in the world, including Del Monte Foods Co. (USA), Fresh Del Monte Produce Inc., Del Monte Canada, Del Monte Asia Pte. Ltd., and these companies' affiliates.

BUSINESS OF THE GROUP

Group Overview

In line with the Company's vision to be one of the fastest growing global branded food and beverage companies, the Group is being steered towards more branded sales to deliver higher margins and more sustainable profits.

The branded business, comprising of the *Del Monte* branded business in the Philippines and the Indian subcontinent (all processed) plus the *S&W* branded business in Asia and the Middle East (both fresh and processed), generated 70% of Group sales in 2012, up from 65% in 2011 and only 50% in 2005.

Additionally, there exist significant growth opportunities for both brands in the Group's existing markets plus the prospects for future growth from new geographies – such as Myanmar and Pakistan for the *Del Monte* brand and Western Europe, Eastern Europe and Africa for *S&W*.

With the expansion of the branded business, the Group's turnover of non-branded products accounted for only 30% of Group sales in 2012, down from 35% in 2011 and 50% in 2005. This segment includes sales of private label and non-branded processed fruits, beverages, other processed products and non-branded fresh fruit.

While a significant portion of these non-branded sales are in the US under a long term supply contract with Del Monte Foods, this contract has been terminated effective end of November 2014. Thereafter, margins and profits are expected to improve in the US.

Branded Business

For the full year ended 31 December 2012

In US$'000	**2012**	**2011**	**% Change**
Turnover	320,868	274,649	16.8
Gross Profit	96,859	75,232	28.7
Gross Margin (%)	*30.2*	*27.4*	*2.8 ppt*
Operating Profit	44,448	28,765	54.5
Operating Margin (%)	*13.9*	*10.5*	*3.4 ppt*

Philippines

The Group sells Del Monte branded processed products in the Philippines comprising of processed fruits (pineapple and tropical mixed fruit in cans and pouches), juices (packed in cans, doy packs and PET), and a wide range of culinary products (sauces, ketchup, condiments and pasta). Culinary and beverage account for approximately 40% each of total Philippines sales while the processed fruits segment the balance 20%.

For retail, DMPI sells through both general trade (70% of total) and modern trade (30%). DMPI utilizes 16 non-exclusive distributors nationwide to cover approximately 120,000 general trade accounts such as wholesalers, public markets and retail stores. DMPI also sells directly to modern trade accounts such as supermarkets, and to institutional accounts which include hotels, fast food chains, schools, catering businesses, restaurants and many others.

The Philippine market contributes approximately 60% of the Company's total revenues. Del Monte has a long heritage in the Philippines of 87 years and is a household name with strong following and extensive trade shelf presence. The Group is a market leader in the branded market segments it competes in in the Philippines.

Del Monte commands high market share of 90% in the canned ready-to-drink juice segment, approximately 80% in the canned pineapple and tomato sauce categories, and over 50% in the spaghetti sauce segment. In the ready to drink PET juice market, Del Monte has a share of approximately 30%.

DMPI is the market leader in processed pineapple in the Philippines where Dole is a distant second brand in the segment. From its traditional can format, DMPI introduced pineapple and tropical mixed fruit in small convenient pouches for on-the-go snacking, a new and growing market that rides on healthy living. Fruit in pouches offer an alternative to chips and other snacks.

Del Monte is almost uncontested in the 100% pineapple juice segment. The Company's canned juices experienced significant growth in recent years. In 2010, the Company started its functional platform for daily health maintenance - initially with the 100% Pineapple Juice Fiber-Enriched variant and then subsequently with the Pineapple Juice Heart Smart variant (for reducing cholesterol). This changed the way consumers looked at 100% Pineapple Juice from the "generic" immunity building juice with vitamins A.C.E. to one that they can take on a regular basis. Marketing support for Heart Smart haloed on other 100% Pineapple Juice variants.

In 2011, the Group launched its quarterly marketing support and expanded media target audience definition from moms/families to mature adults, specifically males. The Company also aired a TV commercial in June, highlighting the benefits of the full 100% Pineapple Juice range, which is sourced from pineapples freshly picked from DMPI's own plantation.

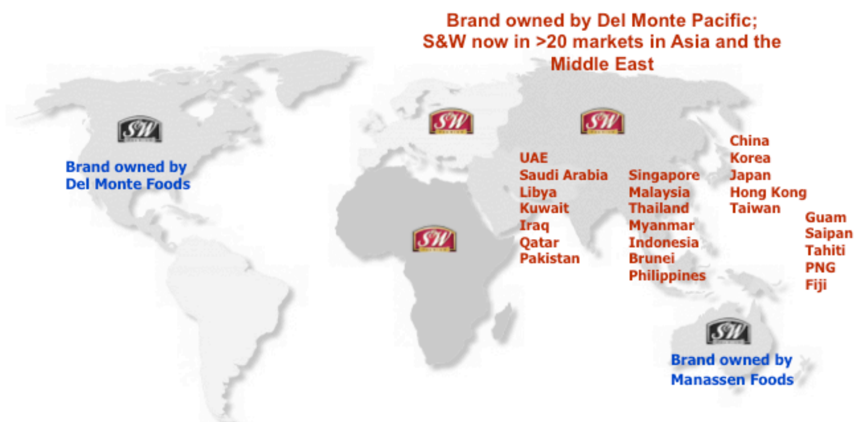
In 2012, the Group changed its 100% Pineapple Juice brand ambassador to a celebrity news personality with a stronger message of "1-in-3 Filipinos have borderline to high cholesterol" to broaden trial and penetration. Improved in-store communication and visibility (mass display units showcasing all variants) not only grew total 100% Pineapple Juice range but also had a halo effect on previously stagnant mixed juice drinks in can.

Similar to processed pineapple, Del Monte is a significant player in tomato-based product segment, such as ketchup and sauces. Competitors, like Hunts Conagra, Nestlé, and even global leader in tomato ketchup Heinz, are distant seconds. Other competitors in this segment include local players like Universal Robina Corporation, Mama Sita and Nutri-Asia. DMPI is a major supplier of tomato-based products, such as, ketchup and sauces to international and domestic food chains, including the Jollibee Group, Goldilocks and 7-Eleven.

DMPI also is a notable player in the fast growing beverage market. It competes with major players Coca Cola (Minute Maid), Universal Robina Corporation (C2), Dole (pineapple juice), and Pepsi (Tropicana) in the fruit-based beverage segment in PET bottles and other packaging formats. Its innovative products, such as, *Del Monte Fit 'n Right and Del Monte Heart Smart*, are making significant inroads in this category. DMPI also leads in serving the pineapple juice requirements of institutional accounts, primarily the Jollibee Group, McDonald's and 7-Eleven.

In all of the above, product quality, customer service level and innovation are key to Del Monte's leadership and continuing success.

International / S&W



S&W Processed

S&W processed products include a range of canned fruits, vegetable, tomatoes, beans and juices, including its newest product, prune juices in PET. These are sold in a number of countries in Asia, as far as the Middle East. China and South Korea are the two biggest markets accounting for almost 45% of *S&W* processed product sales. The Group sells through carefully selected distributors in each of these markets:

Market	Distributor for *S&W* Branded Processed Products
South Korea	Shinsegae, SPC and Misung
China	Crown Asia
Hong Kong	Li and Fung
Japan	Lead Off Japan
Singapore	HL Yong and NTUC Fairprice
Indonesia	PD Sinar Abadi

Canned pineapples and juices from the Group's Philippine cannery account for about 50% of total *S&W* processed products sales, in line with the Group's pineapple-centric strategy for *S&W* to capitalize on its core competence.

The Group's three clusters (for *S&W* processed products) are North Asia, South East Asia, and the Middle East:

1. North Asia – Sales in this cluster accounted for 65% of *S&W* processed sales in 2012. Key competitors in canned pineapple and juices are Dole and Del Monte plus low-priced products from Thailand, notably in China. The food service channel in China and Korea has shown good performance, and the Group plans to extend distribution in China's retail market with new products such as fruit in cups and pasta sauce. The Group intends to capitalize on the large demand for canned pineapple market in Japan once its Japanese distributor acquires an import quota. In general, the Group intends to grow in canned tropical fruits and enter the beverage market with canned ready to drink juices either imported from Philippines or outsourced locally.

2. South East Asia – Sales in this cluster accounted for 30% of *S&W* processed products sales in 2012. Key competitors are Del Monte Asia and Hosen for canned pineapple, Hunts for tomatoes and Pokka for beverages. The Group has a stable presence in Singapore, Malaysia and Thailand. The Group plans to grow in canned ready to drink juices and new culinary products in Singapore, Malaysia, and Indonesia, as well as increase distribution in the Philippines by piggybacking on DMPI's sales team.

3. Middle East – Sales in this new market began in 2012 and accounted for 5% of *S&W* processed products sales in 2012 although this percentage is expected to significantly increase. Key competitors are Dole for canned pineapple and Rani, Del Monte, and various local brands for juices. The Group's portfolio will be skewed towards canned pineapples and beverages. The Middle East is ongoing development as the Group penetrates into new accounts and new territories outside UAE with the appointment of a new distributor. There is opportunity to capture part of the huge juice market with locally outsourced products in order to be more competitive in the low priced market.

In summary, higher growth is expected out of Middle East and North Asia while South East Asia will be more stable.

<u>*S&W Fresh*</u>

The Group's *S&W* fresh pineapples are sold in Asia, mainly South Korea, China, Japan, Taiwan, Singapore, and the Middle East. South Korea and China are the two biggest markets accounting for almost 60% of *S&W* fresh pineapple sales. The Group sells through strong distributors in each of these markets:

Market	**Distributor for *S&W* Branded Fresh Pineapple**
South Korea	Shinsegae
China	Eachtake
Japan	IPM Nishimoto
Singapore	NTUC Fairprice
Middle East	Farzana

Based on trade import data from GTIS, the Group estimates its market share to be about 20% each in South Korea and China, and about 11% in Japan for both *S&W* branded and private label fresh pineapple. On the aggregate, the Group estimates its market share to be about 15% in Asia, a good achievement given that the Group had been supply-constrained and only started selling fresh pineapples commercially in 2009. In Japan, the Group only started selling in 2012 and has achieved commendable market share in such a short period, attesting to the product's good quality.

The fresh pineapple sector has few dominant players. The Group's major competitors are Dole, Fresh Del Monte (to whom the Group supplies on a long term contract basis; refer to the discussion under "Supply Contracts" beginning on page 44), and Lapanday. All these companies export fresh pineapples out of the Philippines. The outlook for fresh pineapple is positive given the strong demand in Asia, with growing consumption among middle-upper income consumers especially in China. Prices are attractive and stable due to limited supply. The fresh pineapple business commands higher margins than processed pineapples making the former one of the Group's key growth drivers.

There is opportunity for the Group to extend distribution to Fresh cut distributors in Korea and Japan. Fresh cut (whereby fruit is already peeled and cut into pieces for ready consumption) is a big segment in these markets as consumers are willing to pay more for convenience.

The Group expects to increase its market share over the years as it continues to improve its yields and production, thus offering the market with superior quality golden or MD2 pineapples at a steady supply.

Indian Subcontinent

The Group has exclusive license to the *Del Monte* trademark for processed food and beverage products for the Indian subcontinent territories which include Pakistan, Bangladesh, India (joint venture with Bharti Group, please see section below on India), Sri Lanka, Maldives, Nepal and Bhutan.

The Company's products in the Indian subcontinent include canned pineapple and tropical mixed fruit, juices, ketchup, pasta and olives. Most of these products are sourced from the Philippines, except for olives and some premium pasta, which come from Europe, and canned apple juice which comes from FieldFresh's factory in India.

The Company's biggest market in the Indian subcontinent outside of India is Pakistan, to which the Group has been selling its products through a distributor for 10 years. The Group entered Maldives four years ago and more recently, Bangladesh and Sri Lanka. The Group operates through distributorship arrangements, e.g.:

Market	**Distributor for *Del Monte* Branded Processed Products**
Pakistan	Anjum Asif Pvt. Ltd.
Maldives	Raajje Supply Pvt. Ltd.
Bangladesh	Meridian Marketing
Sri Lanka	Edinborough Products Pvt. Ltd.

Del Monte is the market leader for canned pineapple and mixed fruit in Pakistan. Other players include Dole and products from Thailand.

The four markets listed above are expected to contribute over US$2 million in sales to Group revenue. In Pakistan, there are opportunities in the food service channel, in particular the bakeries, for the Group's canned fruit products. Higher sales are expected for the Group's newly introduced olives and pasta products. In Maldives, the Group expects increased sales of juices in hotels and resorts. In newer markets of Bangladesh and Sri Lanka, inroads are being made in the ketchup category while new products like juices and canned fruits are introduced.

Myanmar

The Group also has exclusive license to the *Del Monte* trademark for processed food and beverage products for Myanmar. The Group launched *Del Monte* branded products there early this year (January 2013) which included ketchup, spaghetti sauces and pasta. The Group plans to add canned pineapple, tropical mixed fruit and juices in its product offering. The Group partnered with Global Sky Company Limited of the Dagon Group, a leading conglomerate in Myanmar which operates retail chains (supermarkets, shopping centers), hotels and real estate ventures.

India

In 2007, the Company entered into a joint venture with the Bharti Group in India under FieldFresh. The Company owns approximately 93% of the company that owns 50% of FieldFresh, thereby having equal voting rights with the Bhartis. For completeness, a discussion of the Indian joint venture is included here, even though FieldFresh is equity accounted for in the Company's profit and loss statement.

The joint venture started with a plan to develop both fresh products under the "FieldFresh" brand and processed products under the *Del Monte* brand. Over the years, and given the experience in the fresh domestic market, the joint venture decided to be more focused, and rationalized the fresh business. The only fresh business remaining is the export of sweet corn and baby corn to the United Kingdom, where the joint venture has a high market share. The joint venture has 20% share of Barfoots imported sweet corn business. Barfoots is the largest sweet corn company in the United Kingdom with an 80% share. FieldFresh is the only sweet corn exporter from India, and the largest exporter for baby corn. The Company's share in the United Kingdom for baby corn is 17%.

The main focus for this joint venture is to develop the *Del Monte* branded processed business in India. The joint venture launched the *Del Monte* processed food and beverage products in 2009, and since then its *Del Monte* branded business in India has grown to almost a US$30 million business. The joint venture's products include processed fruits, juices, ketchup, sauces, mustard, mayonnaise, pasta, olives and olive oil. The sauces and condiments segment account for almost half of total *Del Monte* sales in India. The next biggest category is the Italian range – pasta, olives and olive oil - with a 20% revenue share.

In General Trade, the joint venture covers 42,000 outlets directly and 30,000 indirectly in 75 cities. The focus in General Trade is on consolidation and increasing throughput. In Modern Trade, the joint venture covers 1,850 outlets in about 30 cities. The joint venture's product share in the existing accounts (e.g. Metro cash and carry, Bharti Walmart, Reliance, etc.) is expected to increase by product portfolio expansion as well as customization. In Food Service, the joint venture's products are in 4,000 hotels, bakeries, quick service restaurants, and caterers in 85 cities.

Non-Branded Business

Non Branded Business - For the full year ended 31 December 2012

In US$'000	Non Supply Contract						Supply Contract			Total Non Branded Business		
	Asia Pacific			Europe and North America								
	2012	2011	% Chg	2012	2011	% Chg	2012	2011	% Chg	2012	2011	% Chg
Turnover	21,747	21,775	(0.1)	56,073	66,549	(15.7)	61,023	62,262	(2.0)	138,843	150,586	(7.8)
Gross Profit	5,128	5,555	(7.7)	6,509	15,365	(57.6)	4,303	5,273	(18.4)	15,940	26,193	(39.1)
Gross Margin (%)	*23.6*	*25.5*	*(1.9 ppt)*	*11.6*	*23.1*	*(11.5 ppt)*	*7.1*	*8.5*	*(1.4 ppt)*	*11.5*	*17.4*	*(5.9 ppt)*
Operating Profit	3,223	3,830	(15.9)	2,287	11,365	(79.9)	(96)	325	(129.5)	5,414	15,520	(65.1)

Op Margin (%)	*14.8*	*17.6*	*(2.8 ppt)*	*4.1*	*17.1*	*(13.0 ppt)*	*(0.2)*	*0.5*	*(0.7 ppt)*	*3.9*	*10.3*	*(6.4 ppt)*

Non Supply Contract Europe and North America

In Europe, there is very high food retailer concentration. Consequently, the Group sells primarily on a private label basis to key food retailers including the top five retailers in the United Kingdom and the top three retailers in Spain. The Group also supplies to the *Del Monte* brand owner in Europe (which accounts for less than 10% of the Group's Europe sales) at market prices.

The Group sells private label processed fruits in Europe in various formats: pineapple and tropical mixed fruit in cans, jars and plastic cups, and ready to drink juices in cans. The Group also sells a wide range of industrial products to food and beverage producers: industrial PJC, water white fruit syrup and pineapple crushed, bits and cubes. Currently, as the most commodity-oriented product, industrial PJC suffers from price volatility in the global markets as a result of soft consumption in Europe and oversupply in the largest exporting country, Thailand. Given the Group's experience in 2012 where PJC prices collapsed from a high of close to US$2,000 per ton in 2011 to a low of below US$1,000 in 2012, the Group's strategy is to reduce the contribution of volatile non-branded PJC by producing more of the branded ready to drink juices for the consumer market, mainly in Asia. Industrial PJC accounted for 30% of the Group's Europe sales in 2012.

The Group's major competitors in Europe are the top producers in Thailand, PT Great Giant in Indonesia, and Del Monte Kenya.

The Group's Non Supply Contract business in North America consists of:

- Pineapple and tropical fruit in cans and plastic cups to various customers including non-affiliated Del Monte Foods at market prices; and

- Industrial PJC, water white fruit syrup, pineapple crushed and pineapple bits, cubes, and puree primarily through Del Monte Foods at market prices.

The Group has minimal sales to non-affiliated Del Monte Canada and to other private label customers in North America.

In the retail market, Dole is the biggest competitor of Del Monte Foods with the former commanding a very high market share. In the industrial market, the main competitors are products from Thailand and Indonesia.

The outlook for Europe is very weak given the economic situation, while in North America the market is much more stable and the outlook for value added products such as plastic cups and differentiated industrial products is positive.

Non-Supply Contract Asia Pacific

The Group's non-supply contract business in Asia Pacific consists primarily of the sale of processed pineapple and tropical mixed fruit, ready-to-drink canned juices, industrial PJC, water white fruit syrup, and fresh pineapple to a number of private label customers in Asia Pacific. The Group also sells processed fruit in cups and pouches, ready to drink canned juices, industrial PJC, sauces, ketchup, and pasta to non-affiliated Del Monte Foods Asia, and industrial PJC, not from concentrate ("**NFC**"), and pineapple crushed to Nippon Del Monte at market prices.

In the retail market in Asia, Dole and Del Monte are the key players depending on the territory. In the industrial market, the main competitors are products from Thailand and to a lesser extent those from Indonesia.

The outlook for the non-branded, non supply contract business in Asia Pacific is weak at present for undifferentiated products but there is growth for value added products in the major emerging markets in Asia.

Supply Contracts

The Group has three long term legacy supply agreements:

- supply of processed pineapple and tropical mixed fruit products and PJC to Del Monte Foods for the US market;
- supply of processed pineapple and tropical mixed fruit products and PJC to Del Monte Asia for the Asian markets outside the Philippines, Indian subcontinent and Myanmar; and
- supply of fresh pineapple to Fresh Del Monte Produce Inc. for its Asian markets.

PJC accounted for 23% of Del Monte Foods' supply contract sales and 6% of Del Monte Asia's supply contract sales.

The Group currently loses money on the consumer retail portion of the Del Monte Foods supply contract but makes money on fruit in plastic cups and on the industrial business. This outlook is expected to continue until the end of the termination notice period. Due to the Group's belief that it is to the best interest of both parties to renegotiate better terms, the Group served notice of termination for the Del Monte Foods contract, with the termination effective in November 2014.

While negotiations with Del Monte Foods are in process, given the small market share of Del Monte Foods in the US branded pineapple market, the Group believes that, should no mutually acceptable agreement be reached, it will be able to find a home for these products – most likely in North America but possibly also in Europe or Asia Pacific depending on demand and pricing.

The Group's supply agreement with Del Monte Asia is profitable and is based on market pricing.

The Group supplies fresh pineapple to Fresh Del Monte under a contract that will expire in 2017. The Group sells at unfavorable prices which may last until December 2014, but pricing, pursuant to a 2011 agreement, will shift to market pricing beginning in January 2015. The outlook for fresh pineapple is positive given the strong demand in Asia, with attractive stable prices due to limited supply. The fresh pineapple business commands higher margins than processed pineapple making the former one of the Group's key growth drivers.

Suppliers

The Group sources raw materials and packaging materials from the Philippines and other countries. The Group deals with at least two suppliers for all its major materials. Major materials such as tin plates are ordered on a quarter or semi-annual basis depending on commodity prices and supply trends. Certain major agricultural products, such as tomato paste are ordered annually. All other inputs are procured quarterly or semi-annually.

Research and Development

The Group has research and development facilities in the Philippines – in Metro Manila, in its facility in Cagayan de Oro, and in its plantation at Bukidnon, Northern Mindanao. The Company invests in research and development aimed at (a) providing quality products focused on superior taste and health and wellness, (b) developing new products, and (c) achieving cost leadership through breakthroughs in product formulation and processes. The research and development group supports the Company's objective of achieving competitive advantages in these areas and supports both the Philippine and the international markets.

Intellectual Property

Del Monte, Del Monte Quality, and Shield in Color are principal registered trademarks of the Group in the Philippines and Indian subcontinent territories. The Group owns the *S&W* trademarks worldwide except for the Americas, Australia and New Zealand. The Group's other trademarks include, among other trademarks in various jurisdictions, *Today's, Fiesta, 202, Fit 'n Right, Heart Smart*, and *Del Monte Quick 'N Easy* in the Philippines.

Regulatory and Environmental Matters

The Group is mindful of and adheres to the various statutes and regulations that affect its activities in the value chain.

DMPI employs thousands of regular and contractual workers and consequently adheres to various laws and regulations, principally Presidential Decree No. 442 as amended (the Labor Code of the Philippines) governing workers' compensation, workplace safety, labor standards, labor relations, social security, among other things.

DMPI operates pineapple plantation operations mainly in Bukidnon, Northern Mindanao and food manufacturing operations in its processing plant and cannery in Cagayan de Oro City. The pineapple plantations are under growership arrangements with various landowners and an agrarian reform beneficiary cooperative owned by DMPI's employees. These arrangements involving agricultural lands are governed by Commonwealth Act No. 141 (the Public Land Act), Republic Act No. 6657 (the Comprehensive Agrarian Reform Law), and other relevant statutes.

DMPI adheres to environmental laws and regulations which regulate its various activities in its plantations and manufacturing and packing facilities. These laws include Presidential Decree No. 1586 (the Environmental Impact Statement System), Republic Act No. 8749 (the Philippine Clean Air Act), Republic Act No. 9003 (the Ecological Solid Waste Management Act), Republic Act No. 9725 (the Philippine Clean Water Act), and Republic Act No. 6969 (the Toxic Substances and Hazardous and Nuclear Wastes Control Act). Since DMPI draws and utilizes water from deep wells, it complies with the requirements of Presidential Decree No. 1067 (1976) (the Water Code of the Philippines) and secures the necessary water permits from the National Water Resources Board.

DMPI's procurement, use, and handling of fertilizers and pesticides are subject to regulation by the Fertilizer and Pesticide Authority pursuant to applicable laws and regulations with which DMPI complies.

As a food manufacturing, importing and distributing entity, DMPI procures and maintains all necessary licenses, registrations and permits from the Food and Drug Administration ("**FDA**") and complies with Republic Act No. 9711 (the FDA Law), Republic Act No. 7394 (the Consumer

Act of the Philippines), and the various FDA regulations relating to food standards, product claims and liability, labeling and packaging.

DMPI imports various goods including raw materials and exports its products. These trade transactions are subject to, and DMPI adheres to, applicable importation quotas and other regulations as well as export regulations requiring licenses and permits.

DMPI leases and maintains various warehouses and secures the necessary licenses and permits.

Employees

DMPI employs 3,817 employees in the Philippines, DMPL Management Services Pte. Ltd. employs 23 employees in Singapore, and the Group's joint venture company in India, FieldFresh Foods Private Ltd., employs 280 employees. Aside from its direct employees, DMPI provides employment to 6,648 seasonal workers.

DMPI has collective bargaining agreements ("**CBA**") with three labor unions - one at its cannery facility in Bugo, Cagayan De Oro and two at the plantation, one for the hourly paid and another for the monthly paid employees, in Bukidnon, all in Mindanao, Philippines. The Company has not experienced any labor strike in the past three years.

The CBAs with these three labor unions are due to expire as follows:

Labor Union	CBA Expiry
Cannery	30 June 2014
Plantation – Hourly	31 October 2014
Plantation - Monthly	30 November 2015

DMPI expects to renegotiate mutually acceptable CBAs.

Material Agreements

The following contracts, not being contracts in the ordinary course of business, have been entered into by the Company or its subsidiaries and are (or may be) material:

Joint Venture in India

In September 2007, the Group entered into a joint venture with the Bharti Group, one of the largest business groups in India, in FieldFresh Foods Pvt. Ltd. for the purpose of developing the food and beverage business in India, primarily the processed segment using the *Del Monte* brand. Pursuant to a trademark license agreement with Del Monte Foods and the Group, the joint venture company's processed food and beverage business uses the *Del Monte* brand.

Various Del Monte Trademark License and Related Agreements

The Group entered into various trademark license agreements governing the use by the concerned entities of the *Del Monte* trademarks in the Philippines and the Indian subcontinent for processed food and beverage products. DMPI and Del Monte Pacific Resources Ltd. have the exclusive right to use the *Del Monte* trademarks for processed food and beverage products in the Philippines and the Indian subcontinent, and Myanmar, respectively.

In settlement agreements entered into by the Group with Fresh Del Monte Produce Inc., the parties acknowledged each other's *Del Monte* trademark rights and agreed to cooperate with each other in policing their respective *Del Monte* trademark rights particularly in respect of parallel imports.

Pineapple Supply Agreements with Del Monte entities

The Group has long-term supply agreements for certain processed pineapple products with Del Monte Asia Pte. Ltd. and Del Monte Foods Co. (USA) and for fresh MD2 pineapples with Fresh Del Monte Produce Inc. The supply agreement with Del Monte Foods Co. will terminate on 30 November 2014 while the fresh pineapple supply agreement with Fresh Del Monte Produce Inc. will terminate on 31 December 2017. Please refer to the discussion on the supply agreement with Del Monte Foods Co. under "Supply Contracts" beginning on page 44.

DESCRIPTION OF PROPERTY

The Group's pineapple growing operations cover a total of approximately 23,000 hectares of land in Mindanao, the Philippines. Growership agreements typically provide for an initial 10-year period renewable at the Group's option on a cycle-to-cycle basis, up to five cycles, with each cycle averaging 40 months. Other agreements have been negotiated to provide for an extended period of 20 years.

In January 1997, the Group concluded negotiations with the Del Monte Employees' Cooperative for the renewal of their agreement covering approximately 8,000 hectares for a term of 25 years effective from 11 January 1999. This may be further renewed by agreement of the parties.

In addition, the Group has under lease approximately 1,000 hectares from the National Development Corporation, a Philippine government-owned and controlled corporation. This lease was renewed for a term of 25 years on 1 March 2007.

Bugo Property

Situated in Bugo, Cagayan de Oro City are DMPI's manufacturing facilities, where the world's largest fully-integrated pineapple operations is housed. On this manufacturing complex are fruit receiving stations, fruit processing plants (single and multi-fruit products), juice plants (single-strength and blended products), can manufacturing plants, labeling and packaging lines (carton, plastic cup, glass jar, stand-up pouch), warehouses, container yards and deep-dredged international seaport. The facility became a PEZA-registered zone in December 2007 to engage in the production of processed foods and beverages primarily for the export market.

Singapore Property

The freehold land of the Group located in Singapore is situated in Bukit Pasoh Road, where a DMPL subsidiary holds office. The Singapore office provides administrative support and liaison services to the Group.

Material Permits

The Group is in possession of the material permits required for the conduct of its business. Details of these material permits pertaining to the Cannery and the Plantation are set out in the table below.

Cannery Permits

Name of Permit	Issuing Agency	License/ Permit No.	Date issued	Expiry Date
ECC	DENR	10(43)06 05-15 4226-31141	15 May 2006	n.a.
ECC	DENR	10(43)07 11-28 4565-38123	28 Nov 2007	n.a.
ECC	DENR	R10-2009-006-9200	20 January 2009	n.a.
Certificate of Registration	PEZA	No. 07-68		n.a.

Certificate of Registration	PEZA	No. EZ 07-45		n.a.

Plantation Permits

Name of Permit	Agency	License/Permit No.	Date issued	Expiry Date
ECC	DENR	94-ECC-SDL-1013-445	18 April 1994	n.a.
ECC	DENR	94-ECC-L/SP-1013-554	4 April 1995	n.a.
ECC	DENR	94-ECC-GS-1013-555	4 April 1995	n.a.
ECC	DENR	95-ECC-PP-1013-574	25 April 1995	n.a.
ECC	DENR	95-ECC-UTL/PMS-1013-758	29 September 1995	n.a.
ECC	DENR	97-ECC-AGP/PNP-1013-1194	20 April 1997	n.a.
ECC	DENR	10(13)0102-121731-11410	12 February 2001	n.a.
ECC	DENR	10(13)0109-041862-31111	4 September 2001	n.a.
ECC	DENR	10(13)0112-281962-11410	28 December, 2001	n.a.
ECC	DENR	10(13)0207-303012-35140	30 July 2002	n.a.
ECC	DENR	10(13)0308-083360-11420	13 August 2003	n.a.
ECC	DENR	10(13)0403-293605-41100	29 March 2004	n.a.
ECC	DENR	10(13)0403-293606-41100	29 March 2004	n.a.
ECC	DENR	10(13)0403-293607-41100	29 March 2004	n.a.
ECC	DENR	10(13)0403-293608-41100	29 March 2004	n.a.
ECC	DENR	10(13)0408-293686-11410	29 June 2004	n.a.
ECC	DENR	10(13)0708-4461-84100	7 August 2007	n.a.
ECC	DENR	10(13)0712-274579-11420	27 December 2007	n.a.
ECC	DENR	R10-ECC-2008-159-1141	13 September 2008	n.a.
ECC	DENR	R10-0909-0023	9 October 2009	n.a.

ECC	DENR	R10-0910-0040	9 November 2009	n.a.
ECC	DENR	ECC-R10-0911-0066	10 December 2009	n.a.
ECC	DENR	ECC-R10-0912-0094	18 January 2010	n.a.
ECC	DENR	ECC-R10-0912-0095	18 January 2010	n.a.
ECC	DENR	R10-0909-0023	15 September 2010	n.a.
ECC	DENR	ECC_R10-1101-0003	24 January 2011	n.a.
ECC	DENR	ECC-R10-1003-0065	26 March 2011	n.a.
ECC	DENR	ECC-R10-1105-0172	13 June 2011	n.a.
ECC	DENR	ECC-R10-1110-0312	28 October 2011	n.a.
ECC	DENR	ECC-R10-1206-0103	9 July 2012	n.a.
ECC	DENR	ECC-R10-1208-0175	29 August 2012	n.a.
Business Permit	Mayor's office, Quezon, Bukidnon	2013-263	18 January 2013	31 December 2013
Business Permit	Mayor's Office, Libona, Bukidnon	311-13	18 January 2013	31 December 2013
Business Permit	Mayor's Office, Sumilao, Bukidnon	2013-056	17 January 2013	31 December 2013
Business Permit	Mayor's Office, Claveria, Mis. Or.	2013-00919	17 January 2013	31 December 2013
Business Permit	Mayor's Office, Claveria, Mis. Or.	2013-0920	17 January 2013	31 December 2013
Business Permit	Mayor's Office, Alubijid, Mis. Or.	AGL No. 047-2013	18 January 2013	31 December 2013
Business Permit	Mayor's Office, Balingasag, Mis. Or.	2013-099	18 January 2013	31 December 2013
Business Permit	Mayor's Office, Balingasag, Mis. Or.	2013-100	18 January 2013	31 December 2013

LEGAL PROCEEDINGS

As of the date of this Introductory Document, the Group is involved in various civil and criminal lawsuits and legal actions arising in the ordinary course of business. However, the Group does not consider any of these as material as they will not affect the daily operations of its business, nor will they exceed 10% of the current assets of the Group or have any material effect on the financial position of the Group.

MARKET PRICE OF AND DIVIDENDS ON COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

MARKET INFORMATION

As of the date of this Introductory Document, the Company has an authorized capital stock of US$20.0 million consisting of 2,000,000,000 Shares, each with a par value of US$0.01. The Company has issued 1,297,500,491 Shares (including bonus shares of 215,719,297), of which 1,296,600,071 Shares are outstanding and 900,420 Shares are held by the Company as treasury shares.

LISTING BY WAY OF INTRODUCTION

The Company filed with the PSE, on 24 April 2013, an application for listing based on Section 1(a) of the PSE's Amended Rules on Listing by Way of Introduction, which provides that listing of securities by way of introduction may be appropriate where securities for which listing is sought are already listed or traded or will simultaneously be listed on another stock exchange or, subject to the approval of the PSE, are listed on another trading market. In such case, a public offering does not need to be undertaken by the issuer as its securities for which listing on the PSE is sought would be so widely held that its adequate marketability when listed on the PSE can be assumed.

The Shares are listed and traded on the SGX-ST, which requires that an issuer must ensure that at least 10% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public.

The principal shareholders of the Company are set out on page 80 of this Introductory Document.

DIVIDEND

For information on the Company's dividends and dividend policy, please refer to the section entitled "Dividend and Dividend Policy" located on page 54 of this Introductory Document.

BONUS SHARE ISSUE

The Company declared a bonus issue on the basis of two (2) bonus shares for every ten (10) existing Shares, fractional entitlements to be disregarded ("**Bonus Share Issue**").

The bonus shares were issued pursuant to the Company's share issue mandate approved by shareholders at the Company's AGM held on 30 April 2012, which allows the Company's Directors to issue shares in the capital of the Company. The aggregate number of Shares (including Shares to be issued from instruments that might or would require Shares to be issued) shall not exceed 50% of the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of the authorizing resolution, of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to all shareholders of the Company shall not exceed 20% of the total number of issued Shares (excluding treasury shares) in the Company's capital.

The Company declared the Bonus Share Issue to:

1. increase the liquidity of the Shares in the market; and
2. reward shareholders for their continuing support.

The Company had, on 28 March 2013, obtained the in-principle approval of the SGX-ST for the listing of and quotation of up to 215,869,298 Bonus Shares, subject to compliance with the SGX-ST's listing requirements. The in-principle approval from the SGX-ST is not to be taken as an indication of the merits of the Bonus Share Issue, the Company and/or its subsidiaries.

As at 18 April 2013, 215,719,297 (fractional shares were disregarded) Bonus Shares have been allotted and issued to shareholders of the Company pursuant to the Bonus Issue.

Accordingly, the issued and paid-up share capital of the Company had increased from US$10,817,811.94 divided into 1,081,781,194 ordinary shares of US$0.01 each fully paid, to US$12,975,004.91 divided into 1,297,500,491 ordinary shares of US$0.01 each fully paid.

The allotted and issued Bonus Shares would rank pari passu in all respects with the existing Shares in the Company.

The Bonus Shares were listed and quoted on the Official List of the SGX-ST with effect from 9.00 am on 19 April 2013.

The Company had capitalized the sum of US$2,157,192.97 standing to the credit of the Company's reserves to be applied towards paying up in full for the Bonus Shares.

DIVIDENDS AND DIVIDEND POLICY

Subject to any limitations or provisions to the contrary in its Memorandum or Articles of Association, a company may, by a resolution of directors, declare and pay dividends in money, shares or other property. 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 has a stated policy of paying a minimum of 33% of prior year's net profit, although this has been exceeded in past years' payouts. The dividend payout has been 75% per year since 2006. There is, however, no guarantee that the Company will pay any dividends in the future.

The Company has declared dividends in the past, the last of which was a cash dividend of US$0.0151 per Share declared in 2012, payable on 27 March 2013 with a book closure date of 8 March 2013.

SELECTED FINANCIAL INFORMATION

The selected financial information set forth in the following tables has been derived from the Company's audited consolidated financial statements for the years ended 31 December 2012, 2011, and 2010, and the Company's unaudited interim financial statements for the periods ended 31 March 2013 and 2012. This should be read in conjunction with the audited consolidated financial statements and notes thereto annexed to this Introductory Document, the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial information included herein.

The Company's consolidated financial statements were prepared in accordance with the International Financial Reporting Standards and were audited by KPMG LLP, in accordance with International Standards on Auditing and International Financial Reporting Standards.

The summary financial information set out below does not purport to project the results of operations or financial condition of the Company for any future period or date.

STATEMENT OF FINANCIAL POSITION

As at 31 December

	Group			Company		
	2012	**2011**	**2010**	**2012**	**2011**	**2010**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Non-current assets						
Property, plant and equipment	93,350	85,412	79,342	–	–	-
Subsidiaries	–	–	-	85,442	85,442	85,442
Joint venture	21,507	24,022	33,495	–	–	-
Intangible assets	15,433	16,004	16,575	–	–	-
Deferred tax assets	698	1,259	326	–	–	-
Other assets	14,466	12,219	12,069	–	–	-
	145,454	138,916	141,807	85,442	85,442	85,442
Current assets						
Inventories	113,458	89,381	77,498	–	–	-
Biological assets	109,665	91,791	81,860	–	–	-
Trade and other receivables	102,388	82,926	79,953	80,159	45,048	19,846
Cash and cash equivalents	24,555	20,877	17,506	232	211	211
	350,066	284,975	256,817	80,391	45,259	20,057
Total assets	495,520	423,891	398,624	165,833	130,701	105,499
Equity						
Share capital	10,818	10,818	10,818	10,818	10,818	10,818
Reserves	244,422	219,698	211,100	100,432	93,540	92,077
Equity attributable to owners of the Company	255,240	230,516	221,918	111,250	104,358	102,895
Non-controlling interests	-1,939	-1,474	-624	–	–	-
Total equity	253,301	229,042	221,294	111,250	104,358	102,895
Non-current liabilities						
Financial liabilities	15,679	5,916	18,016	–	–	-
	15,679	5,916	18,016	–	–	-
Current liabilities						
Trade and other payables	95,459	81,332	70,091	54,583	26,343	2,604
Financial liabilities	125,907	105,006	85,787	–	–	-
Current tax liabilities	5,174	2,595	3,436	–	–	-
	226,540	188,933	159,314	54,583	26,343	2,604
Total liabilities	242,219	194,849	177,330	54,583	26,343	2,604
Total equity and liabilities	495,520	423,891	398,624	165,833	130,701	105,499

For the three months ended 31 March (unaudited)

	Group		Company	
	31 Mar 2013 US$'000	31 Mar 2012 US$'000	31 Mar 2013 US$'000	31 Mar 2012 US$'000
Non-Current Assets				
Property, plant and equipment	**92,317**	85,636	**-**	-
Subsidiaries	**-**	-	**92,414**	85,442
Joint venture	**21,027**	22,141	**-**	-
Intangible assets	**15,290**	15,862	**-**	-
Deferred tax assets	**266**	650	**-**	-
Other assets	**17,696**	15,987	**-**	-
	146,596	140,276	**92,414**	85,442
Current assets				
Inventories	**130,027**	109,220	**-**	-
Biological assets	**113,772**	97,780	**-**	-
Trade and other receivables	**89,672**	59,553	**192**	45,067
Cash and cash equivalents	**15,454**	17,957	**332**	216
	348,925	284,510	**524**	45,283
Total Assets	**495,521**	424,786	**92,938**	130,725
Equity attributable to equity holders of the Company				
Share capital	**10,818**	10,818	**10,818**	10,818
Reserves	**232,233**	214,421	**81,669**	77,000
Equity attributable to owners of the Company	**243,051**	225,239	**92,487**	87,818
Non-controlling interest	**(2,024)**	(1,625)	**-**	-
Total Equity	**241,027**	223,614	**92,487**	87,818
Non-Current Liabilities				
Deferred tax liabilities	**-**	-	**-**	-
Financial liabilities	**15,783**	5,636	**-**	-
	15,783	5,636	**-**	-
Current Liabilities				
Trade and other payables	**83,307**	60,417	**451**	42,907
Financial liabilities	**149,269**	132,543	**-**	-
Current tax liabilities	**6,135**	2,576	**-**	-
	238,711	195,536	**451**	42,907
Total Liabilities	**254,494**	201,172	**451**	42,907
Total Equity and Liabilities	**495,521**	424,786	**92,938**	30,725

INCOME STATEMENTS

As at 31 December

	Group			Company		
	2012 US$'000	2011 US$'000	2010 US$'000	2012 US$'000	2011 US$'000	2010 US$'000
Revenue	459,711	425,235	378,623	35,000	25,000	25,000
Cost of sales	-346,912	-323,810	-296,862	–	–	-
Gross profit	112,799	101,425	81,761	35,000	25,000	25,000
Distribution and selling expenses	-31,537	-25,113	-23,147	–	–	-

General and administrative expenses	-28,017	-26,627	-23,842	-4,794	-5,505	-4,387
Other expenses	-3,383	-5,400	-4,454	-550	-633	-581
Results from operating activities	49,862	44,285	30,318	29,656	18,862	20,032
Finance income	824	1,460	636	–	–	-
Finance expense	-3,883	-3,057	-5,152	–	–	-
Net finance expense	-3,059	-1,597	-4,516	–	–	-
Share of loss of joint venture, net of tax	-6,090	-10,589	-6,634	–	–	-
Profit before taxation	40,713	32,099	19,168	29,656	18,862	20,032
Tax	-9,088	-5,508	-3,983	–	–	-
Profit for the year	31,625	26,591	15,185	29,656	18,862	20,032
Profit attributable to:						
Non-controlling interests	-465	-850	-624	–	–	-
Owners of the Company	32,090	27,441	15,809	29,656	18,862	20,032
Earnings per share						
Basic earnings per share (US cents)	2.97	2.54	1.46			
Diluted earnings per share (US cents)	2.97	2.53	1.45			

For the three months ended 31 March 31 (unaudited)

	Group		
	31 Mar 2013 US$'000	**31 Mar 2012 US$'000**	**%**
Turnover	87,389	74,710	17.0
Cost of sales	(67,597)	(57,063)	18.5
Gross profit	19,792	17,647	12.2
Distribution and selling expenses	(7,241)	(4,892)	48.0
General and administration expenses	(4,987)	(5,899)	(15.5)
Other operating (expenses)/income	412	1,751	(76.5)
Profit from operations	7,976	8,607	(7.3)
Financial income**	471	176	167.6
Financial expense**	(809)	(1,362)	(40.6)
Net finance income/(expense)	(338)	(1,186)	(71.5)
Share of loss of joint venture, net of tax	(1,210)	(1,881)	(35.7)
Profit before taxation	6,428	5,540	16.0
Taxation	(2,006)	(1,274)	57.5
Profit after taxation	4,422	4,266	3.7
Profit attributable to:			
Owners of the company	4,507	4,417	2.0
Non-controlling interest	(85)	(151)	(43.7)
Notes:			
Depreciation and amortization	(4,266)	(3,817)	11.8
Provision for asset impairment	83	68	22.1
Provision for inventory obsolescence	(648)	(489)	32.5
Provision for doubtful debts	(672)	430	(256.3)
Gain/(Loss) on disposal of fixed assets	47	6	683.3

****Financial income comprise:**

Interest income	186	176	5.7
Foreign exchange gain	285	-	n/m
	471	176	167.6
****Financial expense comprise:**			
Interest expense	(809)	(766)	5.6
Foreign exchange loss	-	(596)	n/m
	(809)	(1,362)	(40.6)

STATEMENT OF COMPREHENSIVE INCOME

As at 31 December

	Group			Company		
	2012 US$'000	**2011 US$'000**	**2010 US$'000**	**2012 US$'000**	**2011 US$'000**	**2010 US$'000**
Profit for the year	31,625	26,591	15,185	29,656	18,862	20,032
Other comprehensive income						
Currency translation differences	15,398	-1,670	10,834	–	–	–
Net loss on revaluation of property, plant and equipment, net of tax	–	226	–	–	–	–
Other comprehensive income/(loss) for the year, net of tax	15,398	-1,444	10,834	–	–	–
Total comprehensive income for the year	47,023	25,147	26,019	29,656	18,862	20,032
Total comprehensive income attributable to:						
Non-controlling interests	-465	-850	-624	–	–	–
Owners of the Company	47,488	25,997	26,643	29,656	18,862	20,032

For the three months ended 31 March (unaudited)

	Group		
	2013 US$'000	**2012 US$'000**	**%**
Profit for the period	4,422	4,266	3.7
Other comprehensive income (after reclassification adjustment)			
Exchange differences on translating of foreign operations	1,065	5,662	(81.2)
Changes in fair value of forward contracts	-	-	n/m
Value of employee services required for issue of share options	-	-	n/m
Adjustment relating to prior period recorded directly to equity	-	-	n/m
Income tax relating to components of other comprehensive income			
- Changes in fair value of forward contracts	-	-	n/m
Other comprehensive income for the period, net of tax	1,065	5,662	(81.2)
Total comprehensive income for the period	5,487	9,928	(44.7)
Attributable to:			
Owners of the company	5,572	10,079	(44.7)
Non-controlling interest	(85)	(151)	(43.7)

STATEMENTS OF CASH FLOWS

Year ended 31 December 2012

	Group			Company		
	2012 US$'000	2011 US$'000	2010 US$'000	2012 US$'000	2011 US$'000	2010 US$'000
Cash flows from operating activities						
Profit for the year	31,625	26,591	15,185	29,656	18,862	20,032
Adjustments for:						
Amortisation of intangible assets	571	571	570	–	–	–
Depreciation of property, plant and equipment	15,081	12,957	11,073	–	–	–
Recognition/(reversal) of impairment loss on trade receivables	1,626	-35	453	–	–	–
Recognition of impairment loss on inventory	4,066	5,134	6,973	–	–	–
Impairment loss/(reversal) on property, plant and equipment	267	-283	1,062	–	–	–
(Gain)/loss on disposal of property, plant and equipment	-136	26	63	–	–	–
Equity-settled share-based payment transactions	606	1,244	739	606	677	739
Share of profit of joint venture, net of tax	6,090	10,589	6,634	–	–	–
Dividend income	–	–	–	-35,000	-25,000	
Finance income	-824	-1,460	-636	–	–	–
Finance expense	3,883	3,057	5,152	–	–	–
Tax expense	9,088	5,508	3,983	–	–	–
	71,943	63,899	51,251	-4,738	-5,461	20,771
Changes in:						
Other assets	-3,130	-118	-938	–	–	–
Inventories	-22,145	-17,080	-12,133	–	–	–
Biological assets	-11,537	-10,145	-6,932	–	–	–
Trade and other receivables	-17,398	-3,527	-50,992	-2	13	37
Trade and other payables	7,967	12,260	7,746	-112	–	215
Amounts due to subsidiaries (non-trade)	–	–	–	28,352	23,739	–
Amounts due from subsidiaries (non-trade)	–	–	–	-109	-215	–
Operating cash flows	25,700	45,289	-11,998	23,391	18,076	21,023
Taxes paid	-6,180	-7,189	-5,023	–	–	–
Net cash flows from operating activities	19,520	38,100	-17,021	23,391	18,076	21,023
Cash flows from investing activities						
Amounts due from subsidiaries (non-trade)	–	–	–	–	–	13,909
Interest received	578	498	565	–	–	–
Proceeds from disposal of property, plant and equipment	192	72	355	–	–	–
Purchase of property, plant and equipment	-17,322	-18,478	-14,659	–	–	–
Additional investment in joint venture	-3,575	-1,116	-9,925	–	–	–
Net cash flows used in investing activities	-20,127	-19,024	-23,664	–	–	13,909
Cash flows from financing activities						
Amounts due to subsidiaries (non-trade)	–	–	–	–	–	-32,175
Interest paid	-4,096	-4,077	-3,122	–	–	–
Repayment of finance lease liabilities	–	–	-20	–	–	–
Proceeds from borrowings	1,268,396	533,567	446,687	–	–	–
Repayment of borrowings	-1,245,912	-526,511	-444,028	–	–	–
Acquisition of treasury shares	–	-1,797	-824	–	-1,230	-824
Dividends paid	-23,370	-16,846	-1,731	-23,370	-16,846	-1,731
Net cash flows used in financing activities	-4,982	-15,664	-3,038	-23,370	-18,076	-34,730
Net (decrease)/increase in cash and cash equivalents	-5,589	3,412	-43,723	21	–	202
Cash and cash equivalents at beginning of year	20,877	17,506	59,162	211	211	9
Effect of exchange rate changes on balances	9,267	-41	2,067	–	–	–

held in foreign currency						
Cash and cash equivalents at end of year	24,555	20,877	17,506	232	211	211

For the three months ended 31 March (unaudited)

	Group	
	31 Mar 2013 US$'000	**31 Mar 2012 US$'000**
Cash flows from operating activities		
Net profit attributable to shareholders	4,507	4,417
Adjustments for:		
Amortization of intangible assets	143	143
Depreciation of property, plant and equipment	4,123	3,674
Impairment of property, plant and equipment	(83)	(68)
Provision for inventory obsolescence	648	489
Provision for doubtful debts	672	(430)
(Gain)/Loss on disposal of fixed assets	(47)	(6)
Share of profit of joint venture, net of tax	1,125	1,730
Equity-settled share-based payment transactions	83	243
Income tax expense	478	1,274
Operating profit before working capital changes	11,649	11,466
Other assets	(3,171)	(3,491)
Inventories	(17,130)	(18,273)
Biological assets	(3,390)	(3,893)
Trade and other receivables	17,851	22,787
Trade and other payables	(17,117)	(22,077)
Operating cash flow	(11,308)	(13,481)
Income taxes paid	(610)	(732)
Net cash flows (used in) / from operating activities	(11,918)	(14,213)
Cash flows from investing activities		
Interest received	184	182
Proceeds from disposal of property, plant and equipment	47	22
Additional investment in joint venture	(730)	-
Purchase of property, plant and equipment	(2,627)	(1,572)
Net cash flows used in investing activities	(3,126)	(1,368)
Cash flows from financing activities		
Interest paid	(758)	(854)
Proceeds from borrowings	22,845	24,684
Acquisition of treasury shares	(1,750)	-
Proceeds from exercise of share options	203	-
Dividends paid	(16,297)	(15,599)
Net cash flows from/(used) in financing activities	4,243	8,231
Net decrease in cash and cash equivalents	(10,801)	(7,350)
Cash and cash equivalents at beginning of period	24,555	20,877

Effect of exchange rate changes on cash and cash equivalents	1,700	4,430
Cash and cash equivalents, end of period	15,454	17,957

SELECTED FINANCIAL RATIOS

As of 31 December 2012

P/E	17.0 x
Price to Sales	1.2 x
Dividend Yield	5.6%
Current Ratio	1.6 x
Net Debt to Equity Ratio	45.8%
Gross Margin	24.5%
Operating Margin	10.8%
Net Margin	7.0%
Return on Equity	13.3%

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

The following management's discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the Company's audited consolidated financial statements for two consecutive years ended December 31, 2012, including the related notes thereto, annexed to this Introductory Document. The Company's actual results going forward may differ materially from those presented in the Introductory Document as a result of various factors including, but not limited to, those set out in the "Risk Factors" discussion. In evaluating the Company's business, investors should carefully consider all of the information contained in the Introductory Document.

OPERATING AND FINANCIAL REVIEW

Group turnover for 2012 grew by 8% to a record US$459.7 million from US$425.2 million, driven by strong consumer demand for the *Del Monte* brand in the Philippines and in the Indian subcontinent, as well as *S&W* in Asia and the Middle East.

Sales in the Philippine market rose 14% due to favorable mix, better prices and higher volume. All major product categories registered growth, most notably the canned beverage segment with a remarkable increase. Strong brand equity, high market shares, advertising support, better in-store execution and increased trade coverage were key drivers to the sales growth. The Group also realized gains from improvements in its cost management and lower raw materials.

Building on a brand acquired by the Group only at the end of 2007, the *S&W* branded business expanded by 53% to US$35.2 million of sales in 2012. Improved sales of *S&W* processed products were driven by distribution expansion in China, Korea, Singapore and Indonesia as well as contribution from the Middle East, a new market for processed products. Robust sales of *S&W* fresh fruit were driven by increased sales in Korea, the Middle East and the new Japanese market. The Company has expanded its *S&W* brand footprint with its products now sold in over 20 markets in Asia and the Middle East.

The Group's non-branded business, accounting for 30% of total sales, was affected by weak demand in the export markets and significantly lower pineapple concentrate prices, especially in Europe, due to excess pineapple supply from Thailand. This led to a sales decline of 11% for processed exports, and a steeper operating profit drop of 65%.

Through the solid performance of the branded business, consolidated Group gross profit in 2012 was up 11% to US$112.8 million due to better prices, sales mix, and volume improvements. Gross margin increased to 24.5% from 23.9% in 2011. Costs were favorable due to lower sugar, papaya, tomato paste and tinplate costs. The Group also had higher production efficiencies, and the Company improved pineapple yields for both processed and fresh varieties.

Operating income rose 13% to US$49.9 million from US$44.3 million primarily due to better sales and margins, which offset higher operating expenses.

In India, the Group recognized a share of loss of US$5.6 million for its 46% stake in the FieldFresh joint venture, significantly lower than prior year's US$9.7 million. This was due to better sales and mix, reduced overheads, and tighter management of expenses.

The Group ended the year with a net profit attributable to the owners of the company of US$32.1 million, 17% higher over last year's US$27.4 million, due to higher sales, favorable margins, and lower equity share in FieldFresh loss.

Operating cash flow was lower at US$19.5 million compared to US$38.1 million in the prior year as a result of changes in working capital.

Capital expenditures were US$17.3 million, slightly lower than prior year's US$18.5 million and mainly replacement and maintenance-related. The Group also spent for revenue enhancement, cost and operations improvement, as well as for regulatory and sustainability objectives.

Branded

For the full year ended 31 December In US$'000	**2012**	**2011**	**% Change**
Turnover	320,868	274,649	16.8
Gross Profit	96,859	75,232	28.7
Gross Margin (%)	*30.2*	*27.4*	*2.8 ppt*
Operating Profit	44,448	28,765	54.5
Operating Margin (%)	*13.9*	*10.5*	*3.4 ppt*

Reported under the branded segment are sales and profit on sales in the Philippines, comprising primarily of *Del Monte* branded products, including *Del Monte* traded goods; *S&W* products in Asia and the Middle East; and *Del Monte* products from the Philippines into the Indian subcontinent.

The branded segment continued its strong performance with a 17% sales increase to US$320.9 million, while operating profit for this segment soared 55% to US$44.4 million, on higher sales in all major categories in the Philippines as well as improved *S&W* sales. The branded business generated 70% of Group sales in 2012, up from 65% in 2011 and only 50% in 2005.

Turnover in the Philippines rose 14% due to favorable mix, better prices and higher volume. Major categories registered remarkable growth, especially the canned beverages with a robust increase in sales. Strong brand equity, high market shares, advertising support, better in-store execution and increased trade coverage were key drivers to the sales growth. The Group also realized gains from improvements in its cost management and lower raw materials.

2012 signaled the start of the Company's move to harness the power of digital properties and social media as important platforms not just for engaging current consumers on a 24/7 basis, but also for building *Del Monte*'s online reputation and affinity among the next generation of consumers. From disparate, brand-specific platforms, the Company's subsidiary in the Philippines launched a fully integrated digital eco-system that links its upgraded corporate site to major social media platforms (Facebook, Twitter, LinkedIn, Instagram and Pinterest among others). In addition, the new site creates a link to a B2B platform that also signals the Company's initial foray into e-commerce with the primary objective of rapidly expanding distribution beyond its current trade coverage.

In 2012 the Group hired a Head for the Philippine Market, a new position the Company created to champion the growth of this important market with a dedicated leadership to reinforce and consolidate the Group's brand execution from marketing to sales.

S&W branded business generated sales of US$35.2 million, up strongly by 53% on deepened penetration in core markets of China, Korea and Singapore, and entry into new markets of Japan for fresh fruit and the Middle East for processed. The Group has expanded its *S&W* brand footprint with its products now sold in over 20 markets in Asia and the Middle East.

Given the pivotal role of *S&W* in expanding the Group's branded business outside the Philippines, the Group has reinforced its *S&W* team with two locally-based key hires – a Commercial Manager overseeing Japan and Korea and another Commercial Manager in charge of the Middle East and North Africa.

Due to higher volume, improved pricing and mix as well as cost improvements, gross profit for the branded segment significantly improved by 29% to US$96.9 million. Operating profit increased by 55% to US$44.4 million mainly due to better margins.

Non Branded

For the full year ended 31 December 2012

In US$'000	Non Supply Contract						Supply Contract			Total Non Branded Business		
	Asia Pacific			Europe and North America								
	2012	2011	% Chg	2012	2011	% Chg	2012	2011	% Chg	2012	2011	% Chg
Turnover	21,747	21,775	(0.1)	56,073	66,549	(15.7)	61,023	62,262	(2.0)	138,843	150,586	(7.8)
Gross Profit	5,128	5,555	(7.7)	6,509	15,365	(57.6)	4,303	5,273	(18.4)	15,940	26,193	(39.1)
Gross Margin (%)	*23.6*	*25.5*	*(1.9 ppt)*	*11.6*	*23.1*	*(11.5 ppt)*	*7.1*	*8.5*	*(1.4 ppt)*	*11.5*	*17.4*	*(5.9 ppt)*
Operating Profit	3,223	3,830	(15.9)	2,287	11,365	(79.9)	(96)	325	(129.5)	5,414	15,520	(65.1)
Op Margin (%)	*14.8*	*17.6*	*(2.8 ppt)*	*4.1*	*17.1*	*(13.0 ppt)*	*(0.2)*	*0.5*	*(0.7 ppt)*	*3.9*	*10.3*	*(6.4 ppt)*

Reported under the non branded segment are sales and profit on sales of private label and non branded processed fruits, beverages, other processed products and fresh fruit; and sales and profit on sales to other non-affiliated Del Monte companies both under long term supply contracts and at market prices.

With the expansion of the branded business, the Group's turnover of non branded business accounted for 30% of Group sales in 2012, down from 35% in 2011 and 50% in 2005. Turnover for non branded segment decreased by 8% to US$138.8 million from US$150.6 million due to lower sales on weak demand and reduced pineapple juice concentrate prices, especially in Europe. The highest turnover decline came from non supply contract Europe and North America at 16%, while sales of both non supply contract Asia Pacific and supply contract were almost flat.

Gross profit was down 39% to US$15.9 million while operating income fell 65% to US$5.4 million.

BUSINESS OUTLOOK

The Group's consumer business has performed solidly in line with the Group's vision to be one of the fastest growing global branded food and beverage companies. The Group is being steered towards more branded sales to deliver higher margins and more sustainable profits. The Group's experience in the export markets in 2012 compels the Group to reduce the contribution of volatile non branded business segments.

The Group is expanding its branded business by deepening penetration in existing markets through improved trade coverage, entering new markets such as Myanmar, and shifting to higher-margin branded products. A key initiative is to shift the industrial pineapple concentrate business into branded ready-to-drink beverage. *S&W*, both processed and fresh, will gain more traction in Asia and the Middle East as it leverages its distribution expansion.

Barring unforeseen circumstances, the Group expects to improve earnings in 2013 driven by the branded business with higher revenue from better volume and sales mix in the Philippines and *S&W* markets. The Group is actively addressing the export markets, which are expected to remain weak, by cutting back on tonnage, shifting volume to stronger markets and growing sales of more value-added products. It is imperative that the Group decommoditize its product portfolio, expand its brand footprint and improve its sales mix. The Group continues to implement operational efficiencies, procurement savings and active cost management to help mitigate the impact of the weak export markets.

In 2014-15, a number of key contracts with unfavourable terms to the Company will either terminate or improve in terms. The long term supply agreement for processed pineapple products for the US market will terminate in November 2014. This will allow the Group to sell directly into that market at market prices resulting in better margins. The long term contract the Group has to supply fresh pineapple in Asia stipulates market prices in the beginning of 2015, which will reverse the Group's current loss position under this contract.

MANAGEMENT AND CERTAIN SECURITY HOLDERS

DIRECTORS, OFFICERS AND MANAGEMENT

The overall management and supervision of the Company, including the exercise of corporate powers and the conduct of the business of the Company, is undertaken by the Board of Directors. There are seven members of the Board of Directors, two of whom are Executive Directors. Of the five Non-Executive Directors, four are Independent Directors.

As of the date of this Introductory Document, the composition of the Board of Directors is as follows:

Name	Age	Citizenship	Position	Year Appointed	Year Last Elected
Rolando C. Gapud	71	Filipino	Chairman and Non-Executive Director	2006	2011
Joselito D. Campos, Jr.	62	Filipino	Executive Director	2006	2006
Edgardo M. Cruz, Jr.	57	Filipino	Executive Director	2006	2012
Patrick L. Go	55	Singaporean	Independent Director	2001	2013
Dr. Emil Q. Javier	73	Filipino	Independent Director	2007	2013
Benedict Kwek Gim Song	66	Singaporean	Independent Director	2007	2011
Godfrey E. Scotchbrook	67	British	Independent Director	2000	2012

As of the date of this Introductory Document, the following are the Company's Senior Management:

Name	Age	Citizenship	Position	Year Position was Assumed
Joselito D. Campos, Jr.	62	Filipino	Managing Director and CEO	2006
Luis F. Alejandro	59	Filipino	Chief Operating Officer	2008
Ignacio C. O. Sison	48	Filipino	Chief Financial Officer	2006
Richard W. Blossom	65	American	Senior Vice President	2005
Tan Chooi Khim	52	Malaysian	General Manager, S&W Fine Foods International Ltd.	2009
Antonio E.S. Ungson	41	Filipino	Chief Legal Counsel and Chief Compliance Officer	2008
Ma. Bella B. Javier	53	Filipino	Chief Scientific Officer	2009
Raul C. Leonen	59	Filipino	Chief Manufacturing Officer	2009

Management, together with the Board Committees, including the Audit Committee, Nominating Committee and Remuneration & Share Option Committee support the Board in discharging its responsibilities. The members of the Board Committees are as follows:

Audit Committee	
Benedict Kwek Gim Song	Chairman and Independent Director
Edgardo M. Cruz, Jr.	Executive Director
Rolando C. Gapud	Non-Executive Director
Patrick L. Go	Independent Director
Godfrey E. Scotchbrook	Independent Director
Nominating Committee	
Godfrey E. Scotchbrook	Chairman and Independent Director
Edgardo M. Cruz, Jr.	Executive Director
Rolando C. Gapud	Non-Executive Director
Patrick L. Go	Independent Director

Dr. Emil Q. Javier	Independent Director
Benedict Kwek Gim Song	Independent Director
Remuneration and Share Option Committee	
Godfrey E. Scotchbrook	Chairman and Independent Director
Edgardo M. Cruz, Jr.	Executive Director
Rolando C. Gapud	Non-Executive Director
Patrick L. Go	Independent Director
Dr. Emil Q. Javier	Independent Director
Benedict Kwek Gim Song	Independent Director

The following is a brief description of the business experience of the Company's Board of Directors and Senior Management.

Rolando C. Gapud - 71, Filipino

Chairman and Non-Executive Director

Appointed on 20 January 2006 and last elected on 29 April 2011

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 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.

Joselito D. Campos, Jr. - 62, Filipino

Executive Director

Appointed on 20 January 2006 and last elected on 28 April 2006

Mr. Joselito D. Campos, Jr. is Chairman and CEO of the NutriAsia Group of Companies, a major food conglomerate in the Philippines. He is also Chairman of Fort Bonifacio Development Corp and Chairman of Ayala-Greenfield Development Corp, two major Philippine property developers. He is a Director of San Miguel Corporation, one of the largest and oldest business conglomerates in the Philippines. 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. and its regional subsidiaries and affiliates. Unilab is the Philippines' largest pharmaceutical company with substantial operations in the Asian region. Mr. Campos is the Honorary Consul 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. He is a Trustee and Global Council Member of the Asia Society in the Philippines; a Trustee of the Philippines-China Business Council, the Philippine Center for Entrepreneurship and the World Wildlife Fund-Philippines; and a Director of the Philippine Eagle Society. Mr. Campos holds an MBA from Cornell University.

Edgardo M. Cruz, Jr. - 57, Filipino

Executive Director

Appointed on 2 May 2006 and last elected on 30 April 2012

Mr. Edgardo M. Cruz, Jr. is a member of the Board and Corporate Secretary of the NutriAsia Group of Companies. He is a member of the Board of Evergreen Holdings Inc. He sits in the Board of 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 is the Chairman of the Board of Bonifacio Gas Corporation and President of Bonifacio Transport Corporation. He also sits in 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. 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.

Patrick L. Go - 55, Singaporean

Independent Director

Appointed on 19 April 2001 and last elected on 30 April 2013

Mr. Patrick L. Go is CEO of Paramount Life & General Insurance Corporation. Mr. Go has over 30 years of experience in corporate finance and private equity having worked for Credit Suisse First Boston, Bank of America Asia Ltd and Bankers Trust Company. He holds a Bachelor's degree in Economics from the Wharton School, University of Pennsylvania, and an MBA from the Darden School, University of Virginia.

Dr. Emil Q. Javier - 73, Filipino

Independent Director

Appointed on 30 April 2007 and last elected on 30 April 2013

Dr. Emil Q. Javier is a Filipino agronomist widely recognized 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 had served as Philippine 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). 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.

Benedict Kwek Gim Song - 66, Singaporean

Independent Director
Appointed on 30 April 2007 and last elected on 29 April 2011

Mr. Benedict Kwek Gim Song is a Director and Chairman of the Audit Committee of NTUC Choice Homes. Mr. Kwek was Chairman of Pacific Shipping Trust from 2008 to 2012. 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.

Godfrey E. Scotchbrook - 67, British

Independent Director
Appointed on 28 December 2000 and last elected on 30 April 2012

Mr. Godfrey E. Scotchbrook is an independent practitioner in corporate communications, issues management and investor relations with 42 years 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.

Luis F. Alejandro-59, 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 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 – 48, Filipino

Chief Financial 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.

Richard W. Blossom - 65, American

Mr. Richard W. Blossom is President of GTL Limited, the Company's principal export arm, and is Managing Director of the Company's Singapore-based subsidiary, DMPL Management Services Pte. Ltd. He has over 30 years experience in general management, marketing, sales, distribution and logistics of fast moving consumer goods, having served as President of Pepsi Cola Asia Pacific, PepsiCo Foods Asia Pacific, Revlon Asia Pacific, and CEO of Dohler Asia and EAC Consumer Products. Mr. Blossom obtained his MBA in Marketing from New York University's Stern School of Business.

Tan Chooi Khim- 52, Malaysian

Ms. Tan Chooi Khim has more than 20 years experience in the fast moving consumer goods industry spanning areas of general management, brand management, marketing and Technical. She started her career at Unilever where she spent more than 12 years growing a number of brands in various categories. With her achievements in brand management at Unilever Malaysia, she was expatriated to Unilever Japan and China. Ms. Tan then joined Sara Lee Malaysia as Marketing Director before moving to becoming General Manager of Sara Lee Thailand and most recently, President of Sara Lee Malaysia, Singapore and Vietnam. Ms. Tan holds a Master of Science in Chemistry from Purdue University, Indiana USA and a Bachelor of Science in Chemistry from Cumberland College, Kentucky USA.

Antonio E. S. Ungson - 41, Filipino

Chief Legal Counsel and Chief Compliance Officer

Mr. Antonio E. S. Ungson is Chief Legal Counsel and Chief Compliance Officer 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 Bachelor of Laws from the University of the Philippines College of Law and completed his undergraduate degree in Economics, cum laude and with a Departmental award at the Ateneo de Manila University.

Ma. Bella B. Javier - 53, Filipino

Chief Scientific Officer

Ms. Ma. Bella B. Javier has almost 30 years experience in R&D from leading FMCGs in the food industry. She spent 20 years at Kraft Foods, 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 has recently received recognition as a Certified Food Scientist from the Institute of Food Technologists, Chicago, Illinois, USA. Ms. Javier is a Licensed Chemist with a bachelor's degree in Chemistry from the University of the Philippines. She also sits as a Board Member of the University of the Philippines Chemistry Alumni Foundation, and the Philippine Chamber of Food Manufacturers, Inc.

Raul C. Leonen - 59, Filipino

Chief Manufacturing Officer

Mr. Raul C. Leonen has more than 30 years experience in the Group's Philippine cannery operation, which is the single largest integrated pineapple cannery facility in the world. He has worked in all departments covering the entire pineapple processing operation. Prior to his assumption of Group Head Cannery Operation, he managed the entire can manufacturing process. To complement and augment his knowledge and experience in pineapple processing, he also spent four years in the Company's plantation operation giving him a complete understanding of the pineapple cycle. He started his professional career as a manufacturing management trainee in Procter & Gamble Philippines and worked in detergent manufacturing for four years. Mr. Leonen has a BS degree in Chemical Engineering from Adamson University.

DIRECTORSHIPS IN OTHER LISTED COMPANIES, BOTH CURRENT AND IN THE PAST THREE YEARS

Name	Position	Company	Date
Joselito D. Campos, Jr.	Independent Director	San Miguel Corporation	2010 – Present
Patrick L. Go	Independent Director	Pancake House, Inc.	2012 – Present
	Independent Director	Dynamic Holdings Ltd. (HK)	2013 – Present
Godfrey E. Scotchbrook	Independent Director	Boustead Singapore Ltd. (Singapore)	2000 – Present
	Independent Director	Convenience Retail Asia (HK)	2002 – Present

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 RELATIONSHIP

There are no family relationships within the Board of Directors and the Senior Management of the Company.

INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

Except as set out below, the Company is not aware of the occurrence of any of the following events during the past five years, which events may be considered material to an evaluation of the ability or integrity of any director, any nominee for election as director, executive officer, underwriter or control person of the registrant:

1. Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

2. Any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

3. Being subject to any 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

4. Being found by a domestic or foreign court of competent jurisdiction (in a civil action), the Commission or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self regulatory organization, to have violated a securities or

commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

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 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.

DIRECTORS AND EXECUTIVE COMPENSATION

Under Article 124(1) of the Company's Articles of Association, the emoluments of all officers, including executive and non-executive Directors shall be fixed by resolution of Directors.

Furthermore, under Article 124(3) of the Company's Articles of Association, an executive Director appointed to an office under Article 122 of the Company's Articles of Association shall receive such remuneration (whether by way of salary, commission, participation in profits or otherwise or by all or any of those modes and such other benefits including pension and gratuity and/or other benefits on retirement); and allowances as the Board may by resolution of directors from time to time determine, and either in addition to or in lieu of his remuneration as a directors, but he shall not in any circumstances be remunerated by a commission on or a percentage of turnover.

Summary Compensation Table

Remuneration Bands and Names of Directors	**Fixed Salary/ Consultancy Fees %**	**Director Fees %**	**Variable Income / Bonus %**	**Benefits In Kind %**
Executive Directors				
Above S$500,000				
Mr. Joselito D. Campos, Jr.	82	5	13	-
S$250,000 to below S$500,000				
Mr. Edgardo M. Cruz, Jr.	76	16	5	3
Non-Executive Directors				
Below S$250,000				
Mr. Rolando C. Gapud	-	100	-	-
Mr. Patrick L. Go	-	100	-	-
Dr. Emil Q. Javier	54*	44	2	-
Mr. Benedict Kwek Gim Song	-	100	-	-
Mr. Godfrey E. Scotchbrook	-	100	-	-

Notes:
* Refers to consultancy fees
** Details of the share options and share awards granted to each Director are shown under "Interests held by Directors and Senior Management" beginning on page 74.

Employment Contracts between the Company and Executive Officers

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.

Interests held by Directors and Senior Management

According to the registers of Directors' Interests kept by the Company, particulars of interests of Directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares in the Company are as follows:

	Direct interest in Shares			Deemed interest in Shares		
	At 1 January 2012	**At 31 December 2012**	**At 21 January 2013**	**At 1 January 2012**	**At 31 December 2012**	**At 21 January 2013**
<u>**The Company**</u>						
Ordinary shares of US$0.01 each						
Mr. Joselito D. Campos, Jr.	966,600	3,196,800	3,196,800	849,429,372	849,429,372	849,429,372
Dr. Emil Q. Javier	67,700	67,700	67,700	–	–	–

	Direct interest in Options			Deemed interest in Options		
	At 1 January 2012	**At 31 December 2012**	**At 21 January 2013**	**At 1 January 2012**	**At 31 December 2012**	**At 21 January 2013**
Options to subscribe for ordinary shares at S$0.627 per share between 07/03/2010 to 06/03/2018*						
Mr. Rolando C. Gapud**	400,000	400,000	400,000	–	–	–
Mr. Edgardo M. Cruz, Jr.**	200,000	200,000	200,000	–	–	–
Mr. Patrick L. Go	200,000	200,000	200,000	–	–	–
Dr. Emil Q. Javier**	200,000	200,000	200,000	–	–	–
Mr. Benedict Kwek Gim Song	250,000	250,000	250,000	–	–	–
Mr. Godfrey E. Scotchbrook	300,000	300,000	300,000	–	–	–

* *Up to 60% of options granted may be exercised from 7 March 2010 onwards.*
Remaining 40% of options granted may be exercised from 7 March 2011 onwards.

Mr Edgardo M. Cruz, Jr. and Dr. Emil Q. Javier had exercised the 200,000 options they each held, on 12 March 2013 and 20 March 2013 respectively, at a consideration of S$125,400 each. Mr. Rolando C. Gapud had exercised the 400,000 options he held on 28 March 2013, at a consideration of S$250,800.

	Direct interest in Share Awards			Deemed interest in Share Awards		
	At 1 January 2012	**At 31 December 2012**	**At 21 January 2013**	**At 1 January 2012**	**At 31 December 2012**	**At 21 January 2013**
Grant of 1,611,000 share awards at S$0.680 per share with vesting period from 20/05/2010 onwards***						
Mr. Joselito D. Campos, Jr.	966,600	644,400	1,611,000	–	–	–

*** *Up to 60% of share awards granted (i.e. 966,600 shares) was released on 20 May 2011.*
Remaining 40% of share awards granted (i.e. 644,400 shares) was released in 2012.

	Direct interest in Share Awards			Deemed interest in Share Awards		
	At 1 January 2012	**At 31 December 2012**	**At 21 January 2013**	**At 1 January 2012**	**At 31 December 2012**	**At 21 January 2013**
Grant of 2,643,000 share awards at S$0.485 per share with vesting period from 12/05/2011 onwards****						
Mr. Joselito D. Campos, Jr.	–	1,585,800	1,585,800	–	–	–

**** *Up to 60% of share awards granted (i.e. 1,585,800 shares) was released on 12 May 2012.*

Remaining 40% of share awards granted (i.e. 1,057,200 shares) were released after 11 May 2013.

	Direct interest in Share Awards			Deemed interest in Share Awards		
	At 1 January 2012	**At 31 December 2012**	**At 21 January 2013**	**At 1 January 2012**	**At 31 December 2012**	**At 21 January 2013**
Grant of 67,700 share awards at S$0.455 per share with no vesting period imposed*****						
Dr. Emil Q. Javier	67,700	67,700	67,700	–	–	–

***** *100% of share awards granted (i.e. 67,700 shares) was released to the grantee on 12 December 2011.*

Stock Option and Share Plans

The Del Monte Pacific Executive Stock Option Plan 1999 ("**ESOP**") of the Company was approved and amended by its shareholders at a GM held on 30 July 1999 and 21 February 2002, respectively. No further options could be granted pursuant to the ESOP as it had expired on 24 July 2009. Any options granted by the Company prior to 24 July 2009 would continue to be valid for a period of 10 years from the date of the grant of options.

The Company's shareholders also approved the adoption of two share plans, Del Monte Pacific Restricted Share Plan ("**Del Monte Pacific RSP**") and Del Monte Pacific Performance Share Plan ("**Del Monte Pacific PSP**") (collectively the "**Share Plans**"), at a GM held on 26 April 2005. The Share Plans seek to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, and are currently targeted at executives in key positions, to excel in their performance.

Under the ESOP, two types of options were granted:

- Initial Public Offering Options ("**IPO Options**")
- Market Price Options

<u>*IPO Options*</u>

At the time of the Company's initial public offering in July 1999, a total of 11,428,571 IPO Options were granted at an exercise price of US$0.504 each. None of the IPO Options granted were exercised and all IPO Options granted have since lapsed.

<u>*Market Price Options*</u>

1. A Market Price Option confers the right to subscribe for shares granted under the ESOP one year after the IPO Listing Date.

2. A Market Price Option may be granted only after the lapse of one year from the IPO Listing Date.

3. The period for the exercise of a Market Price Option commences after the second anniversary of the date of grant of the option and expires on the 10th anniversary of such date of grant.

4. The exercise price of a Market Price Option may be set at a discount not exceeding 20% of the market price at the date of grant.

In March 2001, a total of 14,050,000 Market Price Options were granted at an exercise price of S$0.490 each. All of the 14,050,000 Market Price Options have either been exercised or have lapsed following the mandatory conditional cash offer by NutriAsia Pacific Ltd. in January 2006.

On 7 March 2008, a total of 1,550,000 Market Price Options were granted at an exercise price of S$0.627 each being the average last done price of the Company's share for the last three market days preceding the date of grant. The options are valid for 10 years from 7 March 2008.

Del Monte Pacific RSP

Other information regarding the Del Monte Pacific RSP is set out below:

1. No minimum vesting periods are prescribed.

2. 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.

3. 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 7 March 2008, three employees of related companies were granted an aggregate of 1,725,000 Share awards at the market price of S$0.615 per Share.

On 20 May 2008, 1,611,000 Shares were awarded at the market price of S$0.680 per Share to Mr. Joselito D. Campos, Jr., an associate of a controlling shareholder, approved by shareholders at the AGM of the Company held on 28 April 2008.

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of S$0.540 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 AGM of the Company held on 29 April 2011.

On 21 November 2011, 67,700 Shares were awarded to a non-executive Director of the Company at the market price of S$0.455 per share.

Del Monte Pacific PSP

Other information regarding the Del Monte Pacific PSP is set out below:

1. Vesting periods are not applicable.

2. 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.

3. 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 Introductory Document, no share awards have been granted pursuant to the Del Monte Pacific PSP.

Other Arrangements

Dr. Emil Q. Javier has a consultancy agreement with the Company to act as a consultant to amongst other things, 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.

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS AND MANAGEMENT

SECURITY OWNERSHIP OF CERTAIN RECORD AND BENEFICIAL OWNERS

As of the date of this Introductory Document, the following are the security ownership of certain record and beneficial owners:

Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	% of Total Outstanding Shares
NutriAsia Pacific Limited, stockholder	NutriAsia Pacific Limited is the beneficial and record owner of the shares indicated	British Virgin Islands	1,019,315,246	78.753%
Lee Pineapple Company Pte. Ltd., stockholder	Lee Pineapple Company Pte. Ltd. is the beneficial and record owner of the shares indicated	Singapore	100,422,000	7.759%

SECURITY OWNERSHIP OF MANAGEMENT

Interests held by Directors and Senior Management

According to the registers of Directors' Interests and the records kept by the Company, particulars of interests of Directors and Senior Management who held office at the end of the financial year (including those held by their spouses and infant children) in shares in the Company are as follows:

	Direct interest			Deemed interest		
	At 1 January 2012	At 31 December 2012	At 21 January 2013	At 1 January 2012	At 31 December 2012	At 21 January 2013
The Company						
Ordinary shares of US$0.01 each						
Mr. Joselito D. Campos, Jr.	966,600	3,196,800	3,196,800	849,429,372	849,429,372	849,429,372
Dr. Emil Q. Javier	67,700	67,700	67,700	–	–	–
Luis F. Alejandro	2,212,800	2,212,800	2,212,800	–	–	–
Richard W. Blossom	1,230,600	1,230,600	1,230,600	–	–	–

	Direct interest			Deemed interest		
	At 1 January 2012	At 31 December 2012	At 21 January 2013	At 1 January 2012	At 31 December 2012	At 21 January 2013
Options to subscribe for ordinary shares at S$0.627 per share between 07/03/2010 to 06/03/2018*						
Mr. Rolando C. Gapud**	400,000	400,000	400,000	–	–	–
Mr. Edgardo M. Cruz, Jr.**	200,000	200,000	200,000	–	–	–
Mr. Patrick L. Go	200,000	200,000	200,000	–	–	–
Dr. Emil Q. Javier**	200,000	200,000	200,000	–	–	–
Mr. Benedict Kwek Gim Song	250,000	250,000	250,000	–	–	–
Mr. Godfrey E. Scotchbrook	300,000	300,000	300,000	–	–	–

* *Up to 60% of options granted may be exercised from 7 March 2010 onwards. Remaining 40% of options granted may be exercised from 7 March 2011 onwards.*

** *Mr. Edgardo M. Cruz, Jr. and Dr. Emil Q. Javier had exercised the 200,000 options they each held, on 12 March 2013 and 20 March 2013 respectively, at a consideration of S$125,400 each. Mr. Rolando C. Gapud had exercised the 400,000 options he held on 28 March 2013, at a consideration of S$250,800.*

	Direct interest			Deemed interest		
	At 1 January 2012	**At 31 December 2012**	**At 21 January 2013**	**At 1 January 2012**	**At 31 December 2012**	**At 21 January 2013**
Grant of 1,611,000 share awards at S$0.680 per share with vesting period from 20/05/2010 onwards* **						
Mr. Joselito D. Campos, Jr.	966,600	644,400	1,611,000	–	–	–

*** *Up to 60% of share awards granted (i.e. 966,600 shares) was released on 20 May 2011. Remaining 40% of share awards granted (i.e. 644,400 shares) was released in 2012.*

	Direct interest			Deemed interest		
	At 1 January 2012	**At 31 December 2012**	**At 21 January 2013**	**At 1 January 2012**	**At 31 December 2012**	**At 21 January 2013**
Grant of 2,643,000 share awards at S$0.485 per share with vesting period from 12/05/2011 onwards** **						
Mr. Joselito D. Campos, Jr.	–	1,585,800	1,585,800	–	–	–

**** *Up to 60% of share awards granted (i.e. 1,585,800 shares) was released on 12 May 2012. Remaining 40% of share awards granted (i.e. 1,057,200 shares) were released after 11 May 2013.*

	Direct interest			Deemed interest		
	At 1 January 2012	**At 31 December 2012**	**At 21 January 2013**	**At 1 January 2012**	**At 31 December 2012**	**At 21 January 2013**
Grant of 67,700 share awards at S$0.455 per share with no vesting period imposed*** **						
Dr. Emil Q. Javier	67,700	67,700	67,700	–	–	–

***** *100% of share awards granted (i.e. 67,700 shares) was released to the grantee on 12 December 2011.*

VOTING TRUST

As of the date of this Introductory Document, there are no persons holding more than 5% of the Shares of the Company under a voting trust or similar agreement.

CHANGE IN CONTROL

As of the date of this Introductory Document, there are no arrangements that may result in a change in control of the Company.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Except as disclosed in Note 33 of the Company's audited consolidated financial statements annexed to this Introductory Document, there is no material transaction or proposed transaction to which the Company was or is to be a party, in which any of its directors or executive officers, or any individual owning, directly or indirectly, significant voting power of the Company, or any close family members or individuals, had or is to have a direct or indirect material interest.

PRINCIPAL SHAREHOLDERS

The 20 largest shareholders of the Company, their respective number of common shares, and the corresponding percentage of ownership as of 24 May 2013 are as follows:

	Name	Number Of Shares	Percentage
1	Nutriasia Pacific Limited	1,019,315,246	78.61%
2	Lee Pineapple Company Pte. Ltd.	100,422,000	7.75%
3	DBS Nominees Pte. Ltd.	47,613,200	3.67%
4	HSBC (Singapore) Nominees Pte. Ltd.	18,433,628	1.42%
5	Wee Poh Chan Phyllis	15,084,000	1.16%
6	United Overseas Bank Nominees Pte. Ltd.	11,334,000	0.87%
7	Citibank Nominees Singapore Pte. Ltd.	7,281,200	0.56%
8	DB Nominees (Singapore) Pte. Ltd.	6,664,800	0.51%
9	Pineapples of Malaya Private Limited	6,432,000	0.50%
10	Representations International (HK) Ltd.	5,000,000	0.39%
11	DBS Vickers Securities (Singapore) Pte. Ltd.	4,393,600	0.34%
12	BNP Paribas Nominees Singapore Pte. Ltd.	4,070,400	0.31%
13	Joselito Jr. Dee Campos	3,836,160	0.30%
14	Luis Francisco Alejandro	2,655,360	0.20%
15	Chong Kah Lin	1,500,000	0.12%
16	Richard Warren Blossom	1,476,720	0.11%
17	UOB Kay Hian Private Limited	921,000	0.07%
18	Ng Keng Wee	865,200	0.07%
19	28 Holdings Pte. Ltd.	795,200	0.06%
20	OCBC Securities Private Ltd.	614,400	0.05%
21	Others	37,891,957	2.75%
	Total Outstanding	1,296,600,071	100.00%

BACKGROUND INFORMATION ON TOP 20 STOCKHOLDERS

NutriAsia Pacific Ltd.

NutriAsia Pacific Ltd. ("**NAPL**") was incorporated as an international business company on 21 November 2005 under the International Business Companies Ordinance, Chapter 291 of the laws of the British Virgin Islands. NAPL's registered office is located at Trident Chambers, Road Town, Tortola, British Virgin Islands.

NAPL's principal activity is investment holding.

NAPL's subscribed and paid-up capital is US$180,000,000.

Its immediate holding company is NutriAsia Holdings Ltd. (formerly known as NutriAsia San Miguel Holdings Limited), the ultimate shareholders of which are Golden Chamber Investment Limited and Well Grounded Limited, which as at 24 April 2013 hold 57.8% and 42.2% respectively through their intermediary companies. NutriAsia Holdings Ltd, Golden Chamber Investment Limited and Well Grounded Limited are incorporated in the British Virgin Islands.

Golden Chambers and Well Grounded Limited are beneficially owned by the Campos family.

<u>*Directors*</u>

Joselito D. Campos, Jr.

Rolando C. Gapud
Edgardo M. Cruz, Jr.
Tin Yu Ang
Genaro D. Reyes

Lee Pineapple Company Pte. Ltd.

Lee Pineapple Company Pte. Ltd. ("**Lee**") was incorporated in Singapore in 1931. Lee's principal activity is that of investment holding. Lee has pineapple canning operations and oil palm planting.

Lee's subscribed and paid-up capital is S$300,000,000. It is majority owned by Lee Foundation, Singapore and Lee Foundation, States of Malaya and the Lee family.

Lee and Pineapples of Malaya Pte. Ltd. have been shareholders in the Company since 2003 with a combined 3.5% stake then. In 2010, they increased their shareholding to 8%. The Company has no dealings with them and as such, they are considered a passive shareholder.

Directors

Fong Soon Yong
Chong Kwok Kian
Lee Seng Tee
Lee Shih Hua (Alternate Director)
Huang Thiay Sherng
Pang Ngiap Chiew

Officers

Fong Soon Yong
Chong Kwok Kian
Teo Kim Yam

Pineapples of Malaya Pte. Ltd.

Pineapples of Malaya Pte. Ltd. was incorporated in Singapore in 1964 as an investment holding company. Its subscribed and paid-up capital is S$25,000,000. It is wholly-owned by Lee Pineapple Company Pte. Ltd.

Lee Pineapple Company Pte. Ltd. and Pineapples of Malaya Pte. Ltd. have been shareholders in the Company since 2003 with a combined 3.5% stake then. In 2010, they increased their shareholding to 8%. The Company has no dealings with them and as such, they are considered a passive shareholder.

Directors

Fong Soon Yong
Huang Thiay Sherng
Tang Wee Yong

Officer

Fong Soon Yong

Representations International (HK) Ltd.

Representations International (HK) Ltd. is an investment holding company with a subscribed and paid-up capital of HK$5 million. It is 100%-owned by Asia Resource Corporation Pte. Ltd. (Singapore).

Directors

Tony Chew Leong Chee
Melanie Chew-Ng Fung Ling
Thang Kwek Ming
Ignatius Quek Feng Hong

Officers

Tony Chew Leong Chee
Melanie Chew-Ng Fung Ling
Daniel Lin
Ignatius Quek

28 Holdings Pte. Ltd.

28 Holdings Pte. Ltd. is a Singapore-based private family investment office.

Others

The rest of the top 20 stockholders are nominee companies, stock brokerage companies (DBS Vickers Securities (Singapore) Pte. Ltd., UOB Kay Hian Private Limited and OCBC Securities Private Ltd.) and individual shareholders. Individual shareholders Joselito D. Campos, Jr., Luis F. Alejandro and Richard W. Blossom are Key Management Personnel of the Company.

PHILIPPINE TAXATION

The statements made regarding taxation in the Philippines are based on the laws in force at the date hereof and are subject to any changes in law occurring after such date. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to invest in the Shares and does not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rates. Prospective purchasers of the Shares are advised to consult their own tax advisers concerning the tax consequences of their investment in the Shares.

As used in this section, the term "resident alien" refers to an individual whose residence is within the Philippines and who is not a citizen thereof; a "non-resident alien" is an individual whose residence is not within the Philippines and who is not a citizen of the Philippines; a non-resident alien who is actually within the Philippines for an aggregate period of more than 180 days during any calendar year is considered a "non-resident alien engaged in trade or business in the Philippines"; otherwise, such non-resident alien who is actually within the Philippines for an aggregate period of 180 days or less during any calendar year is considered a "non-resident alien not engaged in trade or business in the Philippines." A "domestic corporation" is a corporation created or organized in the Philippines or under its laws; and a "foreign corporation" means a corporation that is not domestic. A "resident foreign corporation" is a foreign corporation engaged in trade or business within the Philippines; and a "non-resident foreign corporation" is a foreign corporation not engaged in trade or business within the Philippines.

TAX ON DIVIDENDS

Cash and property dividends received from a foreign corporation by:

1. individual shareholders who are citizens and residents of the Philippines and resident aliens shall form part of gross income, which, less personal and additional exemptions, are subject to income tax at progressive rates of between 5% and 32%;

2. individual shareholders who are citizens of the Philippines not residing therein, non-resident aliens engaged in trade or business in the Philippines, and non-resident aliens not engaged in trade or business in the Philippines are not subject to Philippine tax; and

3. domestic corporations shall form part of gross income, which, less deductions, is subject to income tax at the rate of 30%.

Where the recipient of the cash or property dividends is a resident foreign corporation or a non-resident foreign corporation, whether the cash or property dividends will be subject to Philippine tax depends on whether the dividends will be considered as income from a Philippine source. Dividends received from a foreign corporation are, as a rule, considered Philippine source income and therefore taxable in the Philippines unless the income from the Philippines of the foreign corporation declaring dividends, for the three year period preceding the declaration of the dividends, constitutes less than 50% of its entire gross income in said years. If the dividends are taxable applying the preceding rule, then (a) if the recipient is a resident foreign corporation, such dividends shall form part of gross income, which, less deductions, are subject to income tax at the rate of 30% and (b) if the recipient is a non-resident foreign corporation, such dividends shall form part of gross income, which, without deductions, is subject to income tax at the rate of 30%.

SALE, EXCHANGE OR DISPOSITION OF SHARES

If Sale Was Made outside the PSE

Income received from the sale in the Philippines, outside the facilities of the PSE, of shares of stock of a foreign corporation by:

1. individual shareholders who are citizens of the Philippines, resident aliens, and non-resident aliens engaged in trade or business in the Philippines shall form part of gross income, which, less personal and additional exemptions, is subject to income tax at progressive rates of between 5% and 32%;

2. non-resident aliens not engaged in trade or business in the Philippines shall form part of gross income, which, without deductions, is subject to income tax at the rate of 25%;

3. domestic corporations and resident foreign corporations shall form part of gross income, which, less deductions, is subject to income tax at the rate of 30%; and

4. non-resident foreign corporations shall form part of gross income, which, without deductions, is subject to income tax at the rate of 30%.

Taxes on Transfer of Shares Listed and Traded at the PSE

A sale or other disposition of shares of stock through the facilities of the PSE by a resident or a non-resident holder, other than a dealer in securities, is subject to a stock transaction tax at the rate of 0.5% of the gross selling price or gross value in money of the shares of stock sold or otherwise disposed, unless an applicable treaty exempts such sale from said tax. This tax is required to be collected by and paid to the Government by the selling stockbroker on behalf of his client. The stock transaction tax is classified as a percentage tax in lieu of a capital gains tax. Under certain tax treaties, the exemptions from capital gains tax discussed herein may not be applicable to stock transaction tax.

In addition, VAT of 12.0% is imposed on the commission earned by the PSE-registered broker, and is generally passed on to the client.

However, under Revenue Regulations No. 16-12, the sale, barter, transfer and or assignment of shares of stock in publicly-listed companies that fail to meet the 10% minimum public ownership requirement beginning January 1, 2013 shall be subject to final tax as if the sale were sold outside the PSE.

DOCUMENTARY STAMP TAX

The transfer of shares of stock is subject to a documentary stamp tax of ₱0.75 for each ₱200 par value or a fractional part thereof of the share of stock transferred.

The sale, barter or exchange of shares of stock listed and traded at the PSE is exempt from documentary stamp tax.

In addition, the borrowing and lending of securities executed under the securities borrowing and lending program of a registered exchange, or in accordance with regulations prescribed by the appropriate regulatory authority, are likewise exempt from documentary stamp tax. However, the securities borrowing and lending agreement should be duly covered by a master securities borrowing and lending agreement acceptable to the appropriate regulatory authority, and should be duly registered and approved by the BIR.

ESTATE AND GIFT TAXES

The transfer of shares of stock upon the death of an individual holder to his heirs by way of succession, whether such holder was a citizen of the Philippines or an alien, regardless of residence, is subject to Philippine taxes at progressive rates ranging from 5.0% to 20.0%, if the net estate is over ₱200,000. Individual and corporate holders, whether or not citizens or residents of the Philippines, who transfer shares of stock by way of gift or donation are liable to pay Philippine donors' tax on such transfer of shares ranging from 2.0% to 15.0% of the net gifts during the year exceeding ₱100,000. The rate of tax with respect to net gifts made to a stranger (i.e. one who is not a brother, sister, spouse, ancestor, lineal descendant or relative by consanguinity within the fourth degree of relationship) is a flat rate of 30.0%.

Estate and donors' taxes, however, shall not be collected in respect of intangible personal property, such as shares of stock: (a) if the decedent at the time of his death or the donor at the time of the donation was a citizen and resident of a foreign country which at the time of his death or donation did not impose a transfer tax of any character, in respect of intangible personal property of citizens of the Philippines not residing in that foreign country, or (b) if the laws of the foreign country of which the decedent or donor was a citizen and resident at the time of his death or donation allows a similar exemption from transfer or death taxes of every character or description in respect of intangible personal property owned by citizens of the Philippines not residing in that foreign country.

TAXATION OUTSIDE THE PHILIPPINES

The tax treatment of a non-resident holder of shares of stock in jurisdictions outside the Philippines may vary depending on the tax laws applicable to such holder by reason of domicile or business activities and such holder's particular situation.

This Introductory Document does not discuss the tax considerations of non-resident holders of shares of stock under laws other than those of the Philippines.

THE COMMENTS ABOVE ARE OF A GENERAL NATURE AND, A SUMMARY OF CERTAIN PHILIPPINE TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSAL OF THE SHARES. THEY ARE IS NOT INTENDED TO BE AND DO NOT CONSTITUTE LEGAL OR TAX ADVICE. EACH PROSPECTIVE HOLDER SHOULD CONSULT WITH HIS OWN TAX ADVISER AS TO THE PARTICULAR TAX CONSEQUENCES TO SUCH HOLDER OF PURCHASING, OWNING AND DISPOSING OF THE OFFER SHARES, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL AND NATIONAL TAX LAWS.

PHILIPPINE STOCK MARKET

The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by the Company or its subsidiaries and advisors in connection with the Listing.

BRIEF HISTORY

The Philippines initially had two stock exchanges: the Manila Stock Exchange, which was organized in 1927, and the Makati Stock Exchange, which began operations in 1963. Each exchange was self-regulating and governed by its Board of Governors elected annually by its members.

Several steps initiated by Government and undertaken over the last few years have resulted in the unification of the two bourses into the PSE. The PSE was incorporated in 1992 by officers of both the Makati and the Manila Stock Exchanges. In March 1994, the licenses of the two exchanges were revoked. While the PSE maintains two trading floors, one in Makati City and the other in Pasig City, these floors are linked by an automated trading system which integrates all bids and ask quotations from the bourses.

In June 1998, the Philippine SEC granted the PSE a Self-Regulatory Organization ("**SRO**") status, allowing it to impose rules as well as implement penalties on erring trading participants and listed companies. On 8 August 2001, PSE completed its demutualization, converting from a non-stock member-governed institution into a stock corporation in compliance with the requirements of the Securities Regulation Code. The PSE has an authorized capital stock of ₱36.8 million, of which ₱15.3 million is subscribed and fully paid-up. Each of the 184 member-brokers was granted 50,000 shares of the new PSE at a par value of ₱1 per share. In addition, a trading right evidenced by a "Trading Participant Certificate" was immediately conferred on each member broker allowing the use of the PSE's trading facilities. As a result of the demutualization, the composition of the PSE Board of Governors was changed, requiring the inclusion of seven brokers and eight non-brokers, one of whom is the President. On 15 December 2003, the PSE listed its shares by way of introduction at its own bourse as part of a series of reforms aimed at strengthening the Philippine securities industry.

Classified into financial, industrial, holding firms, property, services, mining and oil sectors, companies are listed either on the PSE's First Board, Second Board or the Small and Medium Enterprises Board. Each index represents the numerical average of the prices of component stocks. The PSE has an index, referred to as the PSEi, which as at the date hereof reflects the price movements of 30 selected stocks listed on the PSE, based on traded prices of stocks from the various sectors. The PSE shifted from full market capitalization to free float market capitalization effective 3 April 2006 simultaneous with the migration to the free float index and the renaming of the PHISIX to PSEi. With the increasing calls for good corporate governance, PSE has adopted an online daily disclosure system to improve the transparency of listed companies and to protect the investing public.

INDEX PERFORMANCE AND SELECTED STOCK EXCHANGE DATA

In 2010, the PSEi reached a record level of 4,397.3 in November 2010, surpassing the previous maximum level of 3,973.5 set in October 2007. The PSEi closed the year at 4,201.1 representing a 37.6% year-on-year growth – one of the highest growth rates among Asian indices. Total value turnover in 2010 was ₱1,207.4 billion with aggregate market capitalization of ₱8,866 billion at year end. In 2011, the PSEi achieved a record level of 4,550.5 in August 2011 and closed the year at 4,372.0, a 4.1% year-on-year appreciation. Total value turnover for 2011 was ₱1,422.6 billion with an aggregate market capitalization of ₱8,697.0 billion at year end. In 2012, the PSEi recorded a maximum level of 5,832.8 in December 2012 and closed the year at 5,812.7, 33.0% higher year-on-year. Total value turnover for 2012 was ₱1,770.7 billion with aggregate market capitalization reaching ₱10,930.1 billion at year end.

The PSEi hit a record maximum level of 7,215.4 on 3 May 2013, representing a 24.1% year-to-date appreciation. Total value turnover for the first four months of 2013 was ₱891.7 billion and total market capitalization stood at ₱13,044.5 billion at the end of April 2013.

The table below sets forth movements in the composite index from 1999 to March 2013, and shows the number of listed companies, market capitalization, and value of shares traded for the same period (in billions):

Year	Composite Index at Closing	Number of Listed Companies	Aggregate Market Capitalization (in ₱ Bn)	Combined Value of Turnover (in ₱ Bn)
1999	2,142.9	226	1,937.7	781.0
2000	1,494.5	230	2,577.6	357.6
2001	1,168.1	232	2,142.6	159.5
2002	1,018.4	234	2,083.2	159.7
2003	1,442.4	236	2,973.8	145.4
2004	1,822.8	235	4,766.2	206.6
2005	2,096.0	237	5,984.4	383.5
2006	2,982.5	240	7,172.8	572.6
2007	3,621.6	244	7,978.5	1,338.2
2008	1,872.8	246	4,069.2	763.9
2009	3,052.7	248	6,029.1	994.2
2010	4,201.1	253	8,866.1	1,207.4
2011	4,372.0	253	8,697.0	1,422.6
2012	5,812.7	254	10,930.1	1,770.7
April 2013	7,071.0	253	13,044.5	891.7

Source: Philippine Stock Exchange, Inc.

TRADING

The PSE is a double auction market. Buyers and sellers are each represented by stock brokers. To trade, bids or ask prices are posted on the PSE's electronic trading system. A buy (or sell) order that matches the lowest asked (or highest bid) price is automatically executed. Buy and sell orders received by one broker at the same price are crossed at the PSE at the indicated price. Transactions are generally invoiced through a confirmation slip sent to customers on the trade date (or the following trading date). Payment of purchases of listed securities must be made by the buyer on or before the third trading day (the settlement date) after the trade. For Small-Denominated Treasury Bonds, settlement is on the day the trade was made.

Trading on the PSE starts at 9:30 am and ends at 12:00 pm with a 1 hour 30 minute break, and resumes trading from 1:30 p.m. to 3:30 p.m. with a ten-minute extension. During the extension, transactions may be conducted, provided that they are executed at the last traded price and are only for the purpose of completing unfinished orders. Trading days are Monday to Friday, except legal and special holidays.

Minimum trading lots range from 5 to 1,000,000 shares depending on the price range and nature of the security traded. Odd-sized lots are traded by brokers on a board specifically designed for odd-lot trading.

To maintain stability in the stock market, daily price swings are monitored and regulated. Under current PSE regulations, when the price of a listed security moves up by 50% or down by 50% in one day (based on the previous day's closing price), the price of that security is automatically frozen by the PSE, unless there is an official statement from the relevant company or a government agency justifying such price fluctuation, in which case the affected security can still be traded but only at the frozen price. If the issuer fails to submit such explanation, a trading halt is imposed by the PSE on the listed security the following day. Resumption of trading will be allowed only when the disclosure of the issuer is disseminated, subject again to the trading band.

SETTLEMENT

The Securities Clearing Corporation of the Philippines ("**SCCP**") is a wholly-owned subsidiary of the PSE, and was organized primarily as a clearance and settlement agency for SCCP-eligible trades executed through the facilities of the PSE. It is responsible for (a) synchronizing the settlement of funds and the transfer of securities through Delivery versus Payment clearing and settlement of transactions of Clearing Members, who are also Trading Participants of the PSE; (b) guaranteeing the settlement of trades in the event of a Trading Participant's default through the implementation of its Fails Management System and administration of the Clearing and Trade Guaranty Fund, and; (c) performance of Risk Management and Monitoring to ensure final and irrevocable settlement.

SCCP settles PSE trades on a three-day rolling settlement environment, which means that settlement of trades takes place three days after transaction date (T+3). The deadline for settlement of trades is 12:00 noon of T+3. Securities sold should be in scripless form and lodged under PDTC's book entry system. Each Trading Participant maintains a Cash Settlement Account with one of the two existing Settlement Banks of SCCP, which are Banco De Oro Unibank, Inc. and Rizal Commercial Banking Corporation. Payment for securities bought should be in good, cleared funds and should be final and irrevocable. Settlement is presently on a broker level.

SCCP implemented its new clearing and settlement system called Central Clearing and Central Settlement ("**CCCS**") on 29 May 2006. CCCS employs multilateral netting whereby the system automatically offsets "buy" and "sell" transactions on a per issue and a per flag basis to arrive at a net receipt or a net delivery security position for each Clearing Member. All cash debits and credits are also netted into a single net cash position for each Clearing Member. Novation of the original PSE trade contracts occurs, and SCCP stands between the original trading parties and becomes the Central Counterparty to each PSE-Eligible trade cleared through it.

SCRIPLESS TRADING

In 1995, PDTC (formerly the Philippine Central Depository, Inc.), was organized to establish a central depository in the Philippines and introduce scripless or book-entry trading in the Philippines. On December 16, 1996, the PDTC was granted a provisional license by the SEC to act as a central securities depository.

All listed securities at the PSE have been converted into book-entry settlement in the PDTC. The depository service of the PDTC provides the infrastructure for lodgment (deposit) and upliftment (withdrawal) of securities, pledge of securities, securities lending and borrowing and corporate actions including shareholders meetings, dividend declarations and rights offerings. The PDTC also provides depository and settlement services for non-PSE trades of listed equity securities. For transactions on the PSE, the security element of the trade will be settled through the book-entry system, while the cash element will be settled through the current settlement banks, Rizal Commercial Banking Corporation and Banco De Oro Unibank, Inc.

In order to benefit from the book-entry system, securities must be immobilized into the PDTC system through a process called lodgment. Lodgment is the process by which shareholders transfer legal title (but not beneficial title) over their shares of stock in favor of PCD Nominee Corporation, a corporation wholly owned by the PDTC whose sole purpose is to act as nominee and legal title holder of all shares of stock lodged into the PDTC. "Immobilization" is the process by which the warrant or share certificates of lodging holders are cancelled by the transfer agent and the corresponding transfer of beneficial ownership of the immobilized shares in the account of PCD Nominee through the PDTC participant will be recorded in the issuer's registry. This trust arrangement between the participants and PDTC through PCD Nominee is established by and explained in the PDTC Rules and Operating Procedures approved by the SEC. No consideration is paid for the transfer of legal title to PCD Nominee. Once lodged, transfers of beneficial title of the securities are accomplished via book-entry settlement.

Under the current PDTC system, only participants (e.g. brokers and custodians) will be recognized by the PDTC as the beneficial owners of the lodged equity securities. Thus, each beneficial owner of shares, through his participant, will be the beneficial owner to the extent of the number of shares held by such participant in the records of the PCD Nominee. All lodgments, trades and uplifts on these shares will have to be coursed through a participant. Ownership and transfers of beneficial interests in the shares will be reflected, with respect to the participant's aggregate holdings, in the PDTC system, and with respect to each beneficial owner's holdings, in the records of the participants. Beneficial owners are thus advised that in order to exercise their rights as beneficial owners of the lodged shares, they must rely on their participant-brokers and/or participant-custodians.

Any beneficial owner of shares who wishes to trade his interests in the shares must course the trade through a participant. The participant can execute PSE trades and non-PSE trades of lodged equity securities through the PDTC system. All matched transactions in the PSE trading system will be fed through the SCCP, and into the PDTC system. Once it is determined on the settlement date (trading date plus three trading days) that there are adequate securities in the securities settlement account of the participant-seller and adequate cleared funds in the settlement bank account of the participant-buyer, the PSE trades are automatically settled in the CCCS, in accordance with the SCCP and PDTC Rules and Operating Procedures. Once settled, the beneficial ownership of the securities is transferred from the participant-seller to the participant-buyer without the physical transfer of stock certificates covering the traded securities. If a stockholder wishes to withdraw his stockholdings from the PDTC System, the PDTC has a procedure of upliftment under which PCD Nominee will transfer back to the stockholder the legal title to the shares lodged. The uplifting shareholder shall follow the Rules and Operating Procedure of the PDTC for the upliftment of shares lodged under the name of PCD Nominee. The transfer agent shall prepare and send a Registry Confirmation Advice to the PDTC covering the new number of shares lodged under PCD Nominee. The expenses for upliftment are for the account of the uplifting shareholder.

The difference between the depository and the registry would be in the recording of ownership of the shares in the issuing corporations' books. In the depository set-up, shares are simply immobilized, wherein customers' certificates are cancelled and a confirmation advice is issued in the name of PCD Nominee Corp. Transfers among/between broker and/or custodian accounts, as the case may be, will only be made within the book-entry system of PDTC. However, as far as the issuing corporation is concerned, the shares are in the name of PCD Nominee Corp. In the registry set-up, settlement and recording of ownership of traded securities will already be directly made in the corresponding issuing company's transfer agents books or system. Likewise, recording will already be at the beneficiary level (whether it be a client or a registered custodian holding securities for its clients), thereby removing from the broker its current "de facto" custodianship role.

The option of whether a listed scripless security should be "housed" in the depository or registry is at the issuer's discretion. The migration from the depository to the registry model aims to eliminate the legal and operational risk brought about by a depository infrastructure. Likewise, the migration is expected to strengthen measure to protect the public investors/shareholders and decrease transaction costs resulting from additional layers in the settlement process. At present, the depository model is the most widely used and recognized system, being utilized by nearly all jurisdictions around the world.

Once the CCCS is in place, custodians holding Philippine listed equity securities will have the following options:

- Stay with the depositary for all its securities, whereby PDTC acts as their implied "Custodian". For share under the PDTC, custodians are direct PDTC account holders with the shares still recorded in the PCD Nominee's name as far as the corporation/transfer agent is concerned; for shares under the registry, the custodian appears to be a "client" under "PCD", such that the shares are recognized or recorded with PCD as the master/controlling account.

- Be a system participant of the SCCP wherein the CCCS would offer to the custodians the interface to both the depositary and registry systems. In this option, for shares under the PDTC, custodians will still have the option to maintain their own accounts in the PDTC or have an omnibus account together with the broker accounts in the PDTC as shares are accounted for or segregated per account holder in the CCCS. This simplifies the custodian's interface into only one connectivity for both the depositary and the registry system; for shares under the registry system, the custodian will have its own master account, having the control over its own account. In the registry scenario, custodians are already recognized as the beneficiary holder of the securities on behalf of its clients. The custodian effectively is given a direct relationship with the issuing company wherein it receives the annual reports, dividends, the other communications and information directly. Prospectively, when the custodian is accredited as an indirect clearing member of the SCCP, straight-through processing of trades or settlement can already be done directly with the custodian or with its client.

AMENDED RULE ON LODGMENT OF SECURITIES

One 24 June 2009, the PSE apprised all listed companies and market participants through Memorandum No. 2009-0320 that commencing on 1 July 2009, as a condition for the listing and trading of the securities of an applicant company, the applicant company shall electronically lodge its registered securities with the PDTC or any other entity duly authorized by the SEC, without any jumbo or mother certificate, in compliance with the requirements of Section 43 of the Securities Regulation Code. In compliance with the foregoing requirement, actual listing and trading of securities on the scheduled listing date shall take effect only after submission by the applicant company of the documentary requirements stated in Article III Part A of the PSE's Revised Listing Rules.

Further, the PSE apprised all listed companies and market participants on 21 May 2010, through Memorandum No. 2010-0246, that the Amended Rule on Lodgment of Securities under Section 16 of Article III, Part A of the PSE's Revised Listing Rules shall apply to all securities that are lodged with the PDTC or any other entity duly authorized by the SEC.

For listing applications, the amended rule on lodgment of securities is applicable to:

1. The offer shares/securities of the applicant company in the case of an initial public offering;
2. The shares/securities that are lodged with the PDTC, or any other entity duly authorized by the Commission in the case of a listing by way of introduction;
3. New securities to be offered and applied for listing by an existing listed company; and
4. Additional listing of securities of an existing listed company.

Pursuant to the said amendment, the PDTC issued an implementing procedure in support thereof to wit:

"For new companies to be listed at the PSE as of 1 July 2009 the usual procedure will be observed but the Transfer Agent of the companies shall no longer issue a certificate to PCD Nominee Corp. but shall issue a Registry Confirmation Advice, which shall be the basis for the PDTC to credit the holdings of the Depository Participants on listing date.

"On the other hand, for existing listed companies, the PDTC shall wait for the advice of the Transfer Agents that it is ready to accept surrender of PCNC jumbo certificates and upon such advice the PDTC shall surrender all PCNC jumbo certificates to the Transfer Agents for cancellation. The Transfer Agents shall issue a Registry Confirmation Advice to PCNC evidencing the total number of shares registered in the name of PCNC in the issuer's registry as a confirmation date."

ISSUANCE OF CERTIFICATED SHARES

On or after the listing of the shares with the PSE, any beneficial owner of the shares may apply to PDTC through his broker or custodian-participant for a withdrawal from the book-entry system and return to the conventional paper-based settlement. If a stockholder wishes to withdraw his stockholdings from the PDTC System, the PDTC has the procedure of upliftment under which PCD Nominee will transfer back to the stockholder the legal title to the shares lodged. The expenses for upliftment are for the account of the uplifting shareholder. Pending completion of the upliftment process, the beneficial interest in the shares covered by the application for upliftment is frozen and no trading or book-entry settlement will be permitted until certificated shares have been issued by the relevant company's transfer agent.

Upon the issuance of the certificated shares in the name of the person applying for upliftment, such shares shall be deemed to be withdrawn from the PDTC book-entry settlement system. Such shares cannot be traded on the PSE without lodging them once again in the depository, in accordance with the existing PSE and PDTC rules that were approved by the SEC pursuant to the policy of dematerialization of securities.

CORPORATE GOVERNANCE

The Company is committed to the highest standards of corporate governance and supports the principles of openness, integrity and accountability advocated by the SGX-ST and the Code. The Company confirms that it has adhered to the principles and guidelines as set out in the Code, where applicable, and has specified and explained the areas of non-compliance in this report.

The Board of Directors and Management are also committed to use their best endeavor to align the Company's governance framework with the recommendations of the 2012 Code and applicable to the Company only with effect from financial year commencing 1 January 2013.

This report describes the Company's corporate governance policies and practices with specific reference made to each of the principles of the Code and the 2012 Code (where stated) in compliance with the Listing Manual of the SGX-ST.

BOARD MATTERS

Principle 1 - The Board's Conduct of Affairs

The Board oversees Management and ensures that the long-term interests of shareholders are served. The Board provides entrepreneurial leadership and sets the strategic direction for the Company. It is responsible for the overall policies and integrity of the Group to ensure success.

The Board has adopted a set of internal guidelines specifying matters requiring the Board's approval. These include approval of the Group's strategic plans, appointment of Directors and key managerial personnel, annual budgets, major investment proposals, and review of the financial performance of the Group.

In 2011, the Company formulated guidelines setting forth matters reserved for the Board's decision. Management was also given clear directions on matters (including set thresholds for certain operational matters relating to subsidiaries) that require the Board's approval.

Certain material corporate actions that require the Board's approval are:

- quarterly results announcements;
- annual results and financial statements;
- grant of share awards or options;
- remuneration and human resources matters;
- declaration of dividends;
- convening of shareholders' meetings;
- merger and acquisition transactions; and
- major transactions and investments.

The Board likewise reviews and approves all corporate actions for which shareholder approval is required.

To facilitate effective management, certain functions have been delegated to various Board committees, each of which has its own written terms of reference ("**ToR**") and whose actions are reported to and monitored by the Board. To achieve its goals, the Board ensures that the Company is equipped with the necessary financial, technical and human resources. The Board, together with Management, shapes the Company's values and standards to be more dynamic, innovative and global in its mindset and outlook.

The Board works closely with Management to drive the Group's business to a higher level of success. Management is accountable to the Board and Management's performance is reviewed by the Board annually.

The Board has also put in place a framework of prudent and effective controls that allows risks to be assessed and managed.

The Board ensures that obligations to shareholders and other stakeholders are understood and complied with. With the Company Secretary's assistance, the Board and Management are kept continually apprised of their compliance obligations and responsibilities arising from regulatory requirements and changes.

The Board meets at least quarterly, and more frequently when required, to review and evaluate the Group's operations and performance and to address key policy matters.

Board meetings are scheduled to enable the Board to perform its duties. During the year in review, the Board held six meetings. The Company's Articles of Association allow for tele-conference and video-conference meetings to facilitate participation by Board members and Management.

New Directors undergo an orientation program whereby they are briefed by the Company Secretary on their obligations as Directors, as well as the Group's corporate governance practices, and relevant statutory and regulatory compliance issues, as appropriate. They are also briefed by Management on the Group's industry and business operations. Ongoing orientation includes visits to the Group's plantation and manufacturing facilities. These are organized to enable Board members to gain a firsthand understanding and appreciation of the Group's business operations.

Timely updates on developments in accounting matters, legislation, jurisprudence, government policies and regulations affecting the Group's business and operations are likewise provided to all Directors. The Board was duly updated on the 2012 Code, changes to relevant laws and related matters.

In addition, Directors are encouraged to attend such training as may be relevant to the discharge of their responsibilities, at the expense of the Company, as set out in the table below.

Date	**No. of Hours**	**Training/Seminar**	**Organizer**	Attendees
Singapore				
9-Mar-12	3.5	How Boards can work with the Internal Auditor and the Management to satisfy Regulatory Requirements on Internal Control	Singapore Institute of Directors ("**SID**"), RSM Ethos and The Institute of Internal Auditors Singapore	Patrick Go and Benedict Kwek
23-Mar-12	3.5	Effective Board Leadership (EBL) Programme EBL Module 2: The Board & Fund Raising	SID, presented by Provenance Capital Pte Ltd & Stamford Law Corp	Patrick Go
15-Jun-12	2.25	Executive Share Schemes: Design Considerations & Cost Implications	SID and Aon Hewitt	Patrick Go and Benedict Kwek
17-Jul-12	3.5	Listed Company Director ("LCD") Programme LCD Module 3: Risk Management Essentials	SID, presented by PricewaterhouseCoopers	Patrick Go
23-Oct-12	3.5	Listed Company Director ("LCD") Programme LCD Module 2: Audit Committee Essentials	SID, presented by PricewaterhouseCoopers	Patrick Go
6-7 Nov-12	16.0	Programme for Enhancing Board Stewardship	Stewardship & Corporate Governance Centre	Patrick Go

Hong Kong				
4-May-12	1.0	Board Training on Emerging Risks and China Risks 2012	Convenience Retail Asia ("**CRA**"), presented by PricewaterhouseCoopers	Godfrey Scotchbrook
23-Nov-12	0.5	The need for a Risk and Sustainability Committee	CRA	Godfrey Scotchbrook
23-Nov-12	1.5	Retailing 2020	CRA, presented by PricewaterhouseCoopers	Godfrey Scotchbrook
23-Nov-12	1.0	Update on Price Sensitive Information disclosure	CRA, presented by Mayer Brown JSM	Godfrey Scotchbrook

The NC has formalized procedures for the selection, appointment and re-appointment of Directors. Letters of appointment will be issued to Directors setting out their duties, obligations and terms of appointment as appropriate.

The Board is of the view that the Company's Directors make objective decisions in the interest of the Company.

Principle 2 - Board's Composition and Guidance

The Board comprises seven Directors, two of whom are Executive Directors. Of the five Non-Executive Directors, four are Independent Directors. The profiles of the Directors, including information on their appointments and re-appointments, are set out beginning on page 67 of this Introductory Document.

A strong element of independence is present in the Board with Independent Directors making up more than half the Board. The Board exercises objective and independent judgment on the Group's corporate affairs. No individual or group of individuals dominates the Board's decision-making. In addition, the roles of Chairman and CEO are assumed by different persons.

The Non-Executive Directors contribute to the Board process by monitoring and reviewing Management's performance against pre-determined goals and objectives. Their views and opinions provide alternative perspectives to the Group's business. The Directors exercise independent judgment and discretion on the Group's business activities and transactions, in particular, in situations involving conflicts of interest and other complexities.

The NC, on an annual basis, determines whether or not a Director is independent, taking into account the Code's definition.

Independence is taken to mean that Directors have no relationship with the Company, or its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment.

The NC had assessed the independence of each Director and had considered that Mr. Patrick L. Go, Dr. Emil Q. Javier, Mr. Benedict Kwek Gim Song and Mr. Godfrey E. Scotchbrook continue to be independent. Each member of the NC had abstained from deliberations in respect of the assessment on his own independence.

The Directors also bring invaluable experience, extensive business network and expertise in specialized fields such as strategic planning, mergers and acquisitions, corporate finance and restructuring, accounting, marketing and business development, risk and crisis management, corporate communications and investor relations.

The size, composition, range of experience and the varied expertise of current Board members allow discussions on policy, strategy and performance to be critical, informed and effective.

Management together with the Board Committees including the AC, NC and RSOC support the Board in discharging its responsibilities. The roles and powers of the Board committees are set out separately in this Introductory Document. All committees have been constituted with clear written TOR, which set out the duties, authority and accountabilities of each. The TORs are reviewed on a regular basis to ensure continued relevance. The TORs of the respective committees had also been updated to be in line with the 2012 Code.

Principle 3 - Chairman and Chief Executive Officer

There is a clear division of executive duties and responsibilities in the Company, providing checks and balances to ensure that there is no concentration of power, in any one individual and that accountability is increased. The Company's business is managed and administered by the Managing Director and CEO, Mr. Joselito D. Campos Jr., while the Board is headed by Mr. Rolando C. Gapud as Non-Executive Chairman. The Chairman of the Board and the CEO are not related to each other.

The Chairman sets the tone of Board meetings to encourage proactive participation and constructive discussions on agenda topics. Constructive relations between the Board and Management are encouraged, as with Executive Directors and Non-Executive Directors. The Chairman ensures that Directors and shareholders alike, receive clear, timely and accurate information from Management, thus maintaining the Company's high standards of corporate governance.

The Board of Directors was honored to receive the "Best Managed Board" award from the Singapore Corporate Awards (Gold, for companies with a market capitalization of between S$300 million to less than S$1 billion) in May 2010, and will continue to uphold the Company's high standards of corporate governance.

Principle 4 -Board Membership

The NC was set up on 7 February 2003 and currently comprises the following members, a majority of whom including the Chairman, are independent Directors:

Mr. Godfrey E. Scotchbrook	Chairman & Independent Director
Mr. Edgardo M. Cruz, Jr.	Executive Director
Mr. Rolando C. Gapud	Non-Executive Director
Mr. Patrick L. Go	Independent Director
Dr. Emil Q. Javier	Independent Director
Mr. Benedict Kwek Gim Song	Independent Director

Under its TOR, the NC is responsible for reviewing the Board's composition and effectiveness and determining whether Directors possess the requisite qualifications and expertise and whether the independence of Directors is compromised.

All appointments and re-appointments of Directors are first reviewed and considered by the NC and then recommended for approval by the Board. The NC has formalized this process and has adopted procedures for the selection, appointment and re-appointment of Directors, in order to increase transparency of the nominating process.

The NC will evaluate the balance of skills and competencies on the Board and in consultation with the Chairman of the Board and Management, determine the desired skill sets and qualities for a particular appointment.

The NC does not usually engage the services of search consultants to identify prospective candidates and will consider recommendations and referrals provided the prospective candidates meet the qualification criteria established for the particular appointment.

The NC will evaluate the suitability of a prospective candidate based on his qualification and experience, ability to commit time and effort in the effective discharge of his duties and responsibilities, independence, past business and related experience and track record. The NC will also identify any core competencies that will complement those of current Directors on the Board.

The NC is also tasked with reviewing the performance and contribution of Directors in order to nominate them for re-election or re-appointment. The NC will review, in particular, the Directors' attendance and participation at meetings of the Board and Board committees and their efforts and contributions towards the success of the Group's business and operations.

Details of each Director's academic and professional qualifications, Directorships or Chairmanships in other companies, and other major appointments, are presented beginning on page 67 of this Introductory Document.

In cases where a Director has multiple Board representations, the NC also assesses whether such Director has been adequately carrying out his duties as a Director of the Company. The NC noted the confirmations from Directors who held multiple Board representations that their time/effort in carrying out their duties as Directors of the Company would not be compromised.

The Committee reviews and determines the independence of each Director on an annual basis.

All Directors hold office for a maximum period of three years whereupon they shall retire in accordance with the Company's Articles of Association but are eligible for re-election. Newly appointed Directors will be subject to re-election at the AGM following his appointment.

For 2012, the NC had carried out a review on the succession planning of Board members, CEO and Key Management Personnel of the Company. The Company has in place a succession plan, with a deep bench of well-trained candidates to immediately assume the responsibilities of Key Management Personnel in the event of a vacancy.

For the year in review, the NC had implemented an evaluation process to assess the effectiveness of the NC as a whole. The evaluation process is undertaken as an internal exercise and involves NC members completing a questionnaire covering areas relating to:

- Memberships & appointments
- Conduct of NC meetings
- Trainings and resources available
- Reporting to the Board
- Process for selection and appointment of new Directors
- Nomination of Directors and re-election
- Independence of Directors
- Board performance evaluation
- Succession planning

- Multiple Board representations
- Standards of conduct
- Communication with shareholders

The evaluation process takes into account the views of each NC member and provides an opportunity for the NC to give constructive feedback on the workings of the NC including procedures and processes adopted and if these may be improved upon.

The evaluation exercise would continue to be carried out by the NC on an annual basis.

Principle 5 - Board Performance

The Board has, through the NC, implemented an annual evaluation process to assess the effectiveness of the Board as a whole. The evaluation process is undertaken as an internal exercise and involves RSOC members completing a questionnaire covering areas relating to:

- Board composition
- Information to the Board
- Board procedures
- Board accountability
- Communication with CEO and Key Management Personnel
- Succession planning of Key Management Personnel
- Standards of conduct by the Board

The evaluation process takes into account the views of each Board member and provides an opportunity for Directors to provide constructive feedback on the workings of the Board including its procedures and processes and if these may be improved upon.

An evaluation exercise was carried out in the financial year under review.

Led by the Chairman, this collective assessment was conducted by means of a confidential questionnaire completed by each Director, which is collated, analyzed and discussed with the NC and the Board with comparatives from the previous year. Recommendations to further enhance the effectiveness of the Board are implemented, as appropriate.

The NC had conducted a performance evaluation of the Board for 2012 and determined that all Directors had contributed effectively and had demonstrated full commitment to their roles. No external facilitator had been engaged by the Board for this purpose.

Principle 6 - Access to Information

Management provides the Board with timely and complete information prior to Board meetings and on an ongoing basis. These include relevant information and explanatory notes for matters that are presented to the Board, such as budgets and forecasts.

At Board meetings, the Group's actual results are compared with budgets, and material variances are explained. The strategies and forecasts for the following months are discussed and approved as appropriate.

The Directors have separate and independent access to Management and the Company Secretary. The Company Secretary is responsible for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

The Company Secretary attends and prepares minutes of all Board and Board committee meetings. She assists the Chairman in ensuring that Board procedures are followed and regularly reviewed to ensure the effective functioning of the Board, and that the Company's Memorandum and Articles of Association and relevant rules and regulations are complied with.

The Company Secretary ensures the flow of qualitative information within the Board and its committees and between senior Management and the Non-Executive Directors. She is the primary channel of communication between the Company and the SGX-ST.

The Company Secretary advises newly-appointed Directors on their duties and obligations as Directors, the Group's governance practices, and relevant statutory and regulatory compliance matters, as part of an orientation program. In addition, she assists with the professional development and training of Board members as appropriate.

The appointment and the removal of the Company Secretary is a matter for the Board.

Aside from access to the advice and services of Management and the Company Secretary, the Directors may, in appropriate circumstances, seek independent professional advice concerning the Company's affairs at the Company's expense.

REMUNERATION MATTERS

Principle 7 - Procedures for Developing Remuneration Policies

The RSOC was set up on 7 February 2003 and currently comprises the following members, a majority of whom including the Chairman, are independent Directors:

Mr. Godfrey E. Scotchbrook	Chairman & Independent Director
Mr. Edgardo M. Cruz, Jr.	Executive Director
Mr. Rolando C. Gapud	Non-Executive Director
Mr. Patrick L. Go	Independent Director
Mr. Benedict Kwek Gim Song	Independent Director

The Board is of the view that the inclusion of an Executive Director in the RSOC would facilitate discussions at the RSOC meetings.

The RSOC's principal function is to ensure that a formal and transparent procedure is in place for fixing the remuneration packages of the Directors as well as Key Management Personnel of the Group. It is at liberty to seek independent professional advice as appropriate.

Under its TOR, the RSOC is responsible for reviewing and recommending a remuneration framework for the Board and the Company's Key Management Personnel. The RSOC assumed the role of the ESOP Committee, previously responsible for administering the Del Monte Pacific Executive Stock Option Plan, the Del Monte Pacific RSP and the Del Monte Pacific PSP. The RSOC considers all aspects of remuneration - Director's fees, salaries, allowances, bonuses, options, share awards and other benefits-in-kind. All remuneration matters are ultimately approved by the Board.

In conjunction with the review of remuneration matters of the Company's Key Management Personnel, the RSOC works with the Company's human resource department in reviewing individual performance appraisal reports and benchmark studies conducted by Management.

The RSOC's recommendation for Directors' fees had been made in consultation with the Chairman of the Board and had been endorsed by the entire Board, following which the recommendation is tabled for shareholders' approval at the Company's AGM. No member of the RSOC or the Board participated in the deliberation of his own remuneration.

During the year in review, the RSOC held four meetings.

For the year, the RSOC had implemented an evaluation process to assess the effectiveness of the RSOC as a whole. The evaluation process is undertaken as an internal exercise and involves RSOC members completing a questionnaire covering areas relating to:

- Memberships & appointments
- Conduct of RSOC meetings
- Trainings and resources available
- Scope of remuneration matters reviewed
- Reporting to the Board
- Standards of conduct
- Communication with shareholders

The evaluation process takes into account the views of each RSOC member and provides an opportunity for the RSOC to give constructive feedback on the workings of the RSOC including procedures and processes adopted and if these may be improved upon.

The evaluation exercise would continue to be carried out by the RSOC on an annual basis.

Principle 8 - Level and Mix of Remuneration

The remuneration of the Company's Directors and Key Management Personnel has been formulated to attract, retain and motivate these executives to run the Company successfully.

Where appropriate, the RSOC reviews the service contracts of the Company's Executive Directors and Key Management. The compensation commitments in service contracts are reviewed periodically and notice periods for termination are also reviewed to ensure that they are not excessively long.

In reviewing the recommendation for Non-Executive Directors' remuneration for 2013, the RSOC continued to adopt a framework, based on guidelines of the Singapore Institute of Directors, which comprises a base fee, fees for membership on Board committees, as well as fees for chairing Board committees. The fees take into consideration the amount of time and effort that each Board member is required to devote to their role.

The compensation structure for Key Management Personnel of Group subsidiaries consists of two key components - fixed cash and a short term incentive of an annual variable bonus. The fixed component includes salary, pension fund contributions and other allowances. The variable component comprises a performance-based bonus which is payable upon the achievement of individual and corporate performance targets.

The Group's Directors and officers had participated in the ESOP, as amended. Please refer to the discussion on the ESOP beginning on page 74 of this Introductory Document.

The Company has in place two other share plans - the Del Monte Pacific RSP and the Del Monte Pacific PSP (collectively the "**Share Plans**"). These are also administered by the RSOC. The Del Monte Pacific RSP and the Del Monte Pacific PSP are long-term incentive schemes based on participants achieving pre-set operating unit financial goals, individual performance, as well as achieving corporate financial goals in the case of the Del Monte Pacific PSP.

The purpose of these plans is to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, currently targeted at Key Management Personnel, to excel in their performance. These are also designed to align the interest of Key Management Personnel with those of shareholders.

Under the Share Plans, shares are delivered after the participant has served the Group for a specific period or delivered after a further period beyond completion of prescribed performance targets.

The aggregate number of shares which may be offered under the Share Plans should not exceed 10% of the Company's total issued capital. The terms of Share Plans are described in more detail beginning on page 74 of this Introductory Document.

The RSOC had also during the year considered the recommendation of the 2012 Code to implement a scheme to encourage Non-Executive Directors to hold shares in the Company, so as to better align the interests of the Non-Executive Directors with the interests of Shareholders.

The Company had adopted a policy for Non-Executive Directors to purchase shares (within three years from the adoption of the policy or the date of their appointments to acquire a number of shares in the Company having an investment value that is equal to at least one year's annual base retainer fees) and to hold such shares for as long as they remain as Directors of the Company.

Principle 9 - Disclosure on Remuneration

The remuneration of each Director and the top five Key Management Personnel has been disclosed in the respective bands. Please refer to the Summary Compensation Table on page 73 of this Introductory Document.

There is no immediate family member (as defined in the Listing Manual of the SGX-ST) of a Director or the CEO in the employ of the Company whose annual remuneration exceeds S$150,000 during the year.

ACCOUNTABILITY AND AUDIT

Principle 10 - Accountability

There are in place comprehensive management reporting disciplines and structured financial approval authorities to govern the implementation of agreed Company policies and Board decisions, including the day-to-day management of the Group's operating units.

For effective monitoring of the Group's business and affairs, management and financial information are provided to the Board. Information such as disclosure documents, quarterly results, profit and loss statements, cash flow statements, working capital requirements and borrowing levels are presented using comparative figures between actual results, budgeted levels and prior year's results.

The Group's annual budget is reviewed and approved by the Board. A strategic plan, which defines business development goals and overall business objectives, is prepared and updated periodically.

Based on Management's reports, the Board provides a balanced and fair assessment of the Company's performance, position and prospects for interim reports, other price sensitive public reports and other reports to regulators as required.

Principle 11 - Audit Committee

The AC was set up on 9 July 1999 and currently comprises the following members, a majority of whom including the Chairman, are independent Directors:

Mr. Benedict Kwek Gim Song	Chairman & Independent Director
Mr. Edgardo M. Cruz, Jr.	Executive Director
Mr. Rolando C. Gapud	Non-Executive Director
Mr. Patrick L. Go	Independent Director
Mr. Godfrey E. Scotchbrook	Independent Director

The Board is of the view that the inclusion of an Executive Director in the AC would facilitate discussions at the AC meetings.

The members of the AC are highly qualified with at least two members having the requisite financial management experience and expertise.

In 2011, the AC had implemented an evaluation process to assess the effectiveness of the AC as a whole. The evaluation process is undertaken as an internal exercise and involves AC members completing a questionnaire covering areas relating to:

- Memberships & appointments
- Conduct of AC meetings
- Trainings and resources available
- Financial reporting processes
- Financial & operational internal controls
- Risk management systems
- Internal & external audit processes
- Whistle-blowing reporting processes
- AC's relationship with the Board

The evaluation process takes into account the views of each AC member and provides an opportunity for the AC to give constructive feedback on the workings of the AC including procedures and processes adopted and if these may be improved upon.

The evaluation exercise would continue to be carried out by the AC on an annual basis.

Led by the AC Chairman, a summary of findings prepared based on responses from the completed questionnaires was discussed with feedback noted.

Under its TOR, the AC reviews the scope and results of the audit and its cost effectiveness. The AC 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 AC had reviewed the audit and non-audit services of the external auditors and was satisfied that the auditors continue to be independent.

The AC also reviews significant financial reporting issues so as to ensure the integrity of the Company’s financial statements and any announcements relating to the Company’s financial performance. The AC further conducts periodic reviews of all interested persons transactions.

During the year in review, there were no material contracts entered into by the Company and its subsidiaries involving the interests of its CEO, Directors or controlling shareholders.

The AC has the authority to investigate any matter within its TOR, has unrestricted access to Management and the Head of the Internal Audit department, and has full discretion to invite any Director or Executive Officer to attend its meetings.

The AC monitors the adequacy and effectiveness of the Group’s internal controls system and internal audit function. It has set in place arrangements to ensure independent investigation of matters such as improprieties in financial reporting.

A Whistleblower Policy has been in place since 2004 to promote the highest standards of business and personal ethics in the conduct of the Group’s affairs. As representatives of the Group, officers and employees must practice honesty and integrity and strictly comply with all applicable laws, rules and regulations.

The Policy aims to deter and uncover corrupt, illegal, unethical, fraudulent or other conduct detrimental to the interest of the Group committed by officers and employees as well as third parties/any other persons such as suppliers and contractors. The Group encourages its officers and employees, suppliers and contractors to provide information that evidences unsafe, unlawful, unethical, fraudulent or wasteful practices. It does not disregard anonymous complaints.

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

The Board, together with the Chairman of the AC, had appointed a Protection Officer as well as an Investigations Officer to administer the Company’s Whistleblower program.

The AC also makes recommendations to the Board on the appointment, re-appointment and removal of the external auditors including the remuneration and terms of engagement of the external auditors.

In appointing the external auditors for the Company and its subsidiaries, the Group has complied with Rule 712 of the SGX Listing Manual in having appointed a suitable auditing firm to meet its audit obligations, and one that is registered with the ACRA. The Group has also complied with Rule 715 in having engaged the same auditing firm based in Singapore to audit its Singapore-incorporated subsidiaries and significant associated companies, and for having appointed suitable auditing firms for its significant foreign-incorporated subsidiaries and associated companies.

The AC meets with the Group’s external auditors and with the head of the Internal Audit department without the presence of Management at least once a year. During the year in review, the AC held four meetings.

Principle 12 - Internal Controls

The Group maintains an effective system of internal controls addressing financial, operational and compliance risks. These controls are designed to provide reasonable assurance as to the effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

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

Risk assessment and evaluation takes place as an integral part of the AOP. Having identified key risks to the achievement of the Group's AOP, mitigating actions are formulated in respect of each significant risk. Identified risks are also included and monitored in the corporate risk register, and mitigating measures are followed up. The approach to risk management is set out in the Risk Management section beginning on page 17 of this Introductory Document.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, various Board Committees and the Board, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational and compliance risks, were adequate as at 31 December 2012.

The Board had as at year end received written confirmation from the CEO and the Chief Financial Officer (a) that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (b) that the Company's risk management and internal control systems are effective.

The Board will, on a continuing basis, endeavor to further enhance and improve the Company's system of internal controls and risk management policies.

Principle 13 - Internal Audit

The Group's Internal Audit department is staffed by trained personnel with appropriate segregation of duties. The head of Internal Audit reports functionally to the AC and administratively to the CEO. A majority of the Group's auditors are Certified Public Accountants and are members of the Institute of Internal Auditors-Philippines.

This department commands a respectable standing within the Company and is responsible for reviewing the risk management, control and governance processes to determine whether these are adequate and effectively implemented.

It is the Group's policy to support the Internal Audit department in complying with the International Professional Practices Framework set by The Institute of Internal Auditors.

The AC is of the view that the Company has an adequate internal audit function.

Principle 14 - Shareholder Rights

The Group treats all shareholders fairly and equitably, and recognizes, protects and facilitates the exercise of shareholders' rights. Moreover, the Group continually reviews and updates such governance arrangements.

Shareholders are informed of changes in the Company's business that are likely to materially affect the value of the Company's shares.

The Group ensures that shareholders have the opportunity to participate effectively in and vote at GMs. Shareholders are informed of the rules, including voting procedures that govern GMs.

The Memorandum & Articles of Association of the Company does not allow corporations which provide nominee or custodial services to appoint more than two proxies to vote. At present, only the Central Depository (Pte.) Ltd. is permitted to appoint more than two proxies. The Company, does however, allow non-shareholders to attend the AGM as observers.

As part of the Company's continuous effort to improve investor relations, it will continue to review and update governance arrangements with stakeholders regularly. The Company also benchmarks against peers and industry best practices by attending seminars and forums, joining IR organizations, and keeping abreast of the Code of Corporate Governance, the GTI and similar guidelines and recommendations.

Principle 15 - Communication with Shareholders/Investor Relations

The Group is committed to engaging its stakeholders and providing easy and regular access to timely, effective, fair, pertinent and accurate information about the Company, in clear language. The Group has an Investor Relations policy (available on www.delmontepacific.com) that clearly articulates and promotes this.

The Group provides descriptive and detailed disclosure whenever possible and avoids boilerplate disclosure, and immediately announces any material information known to the Company concerning the Company or any of its subsidiaries or associated companies.

Material information is disclosed to all shareholders and the investing community equally via the SGXNET (i.e. no selective disclosure), including the Company's financial position, performance, ownership, strategies, activities and governance.

The Company observes a closed-window period of two weeks prior to the announcement of its quarterly results and one month prior to the announcement of its full year results. During this period, the Company does not meet nor communicate with the investing community to ensure no selective disclosure is made.

The Company announces its financial results on a quarterly basis within the prescribed timeframe and holds joint briefings with the investing community on its half-year and full-year performance in an accessible central location. Key Management Personnel are present during the briefings.

The Management, Discussion and Analysis (MDA) report, press release and presentation on the Company's financial results are disseminated through the SGXNET, the Company's email alerts and website all on the same day.

The Company strengthens relationships with the investing community and solicits their views through one-on-one meetings, participation in at least two annual conferences, forums and road shows organized by stock broking and investing companies. In 2012, the Group participated in two conferences organized by HSBC and Nomura Securities in Singapore, and met with 67 investors, brokers and media, including conference calls.

The Company organizes trips to its plantation and cannery, as well as trade checks, for the investing community, providing them with firsthand appreciation and understanding of the Company's operations and markets.

The corporate website (www.delmontepacific.com) has a dedicated and comprehensive Investor Relations section that is user-friendly with easily downloadable and updated press releases, announcements, quarterly reports, presentations and annual reports. Announcements are uploaded as soon as they are released to the SGXNET.

The following are also included in the Investor Relations site: Investor Relations policy, Investor Relations calendar, Next events, Dividend policy and payout details, Bio-data of Directors and Senior Management, and Corporate Governance. The following are uploaded in other sections of the website: Sustainability and Code of Business Ethics.

The Investor Relations email address (jluy@delmontepacific.com) and telephone number (+65 6594 0980), as well as the share registrar's details, are listed prominently on the Investor Relations homepage. DMPL's Investor Relations manager is accessible and available through the Investor Relations contact details listed on its Investor Relations homepage and annual report. The Investor Relations team endeavors to reply to emails and requests within a day.

The Company is committed to providing easily accessible, timely and relevant information. To maintain an open channel of communication, the Company has an email alert system whereby emails on its developments and updates are sent out to investors on a regular basis. Such information is also announced to the public via the SGXNET system.

Various Investor Relations and communication modes are employed by the Company to establish and maintain frequent engagement and regular dialogue with the investing community, not just for the Company to provide them with information but also to gather their feedback and address their concerns. Insights gathered are taken and, where appropriate and applicable, acted upon.

The Company is guided by strong principles grounded on the guidelines of the Code of Corporate Governance and the SGX Listing Manual to strengthen stakeholder relations. DMPL's Investor Relations is guided by the principles of trust; good corporate governance; transparency, openness and quality of disclosure; fairness; timeliness; proactiveness and engagement; accessibility; employment of information technology, and continuous improvement.

The Company is pleased to report that it received from the Singapore Corporate Awards the Best Annual Report (Bronze) award in 2012 and 2010, Best Investor Relations (Gold) award in 2011 and Best Chief Financial Officer award in 2010 (for companies with a market capitalization of between S$300 million to less than S$1 billion).

The Company has a dividend payment policy to distribute 33% of full year profit, although in the recent past, the actual payout has been 75%. The dividend policy and terms are provided in the Company's website.

Principle 16 - Conduct of Shareholder Meetings

DMPL encourages shareholder participation at GMs and ensures that the venue for GMs is in a central location easily accessed by public transportation.

Shareholders have the opportunity to participate effectively and to vote in the AGM either in person or by proxy.

Resolutions on each distinct issue are tabled separately at GMs.

In GMs, shareholders are given the opportunity to communicate their views and direct questions to Directors and Senior Management regarding the Company. All Directors, in particular the Chairman of the Board and the Chairpersons of Board Committees, and the external auditors are present to assist the Board in addressing shareholders' questions.

For greater transparency, the Company puts all resolutions to vote by poll and an announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages are made on the same day.

The Company prepares minutes of GMs that include substantial and relevant comments or queries from shareholders, and responses from the Board and Management. These minutes are available to shareholders upon their request.

DEALINGS WITH SECURITIES

The Company has during the year in review adopted and implemented a Securities Dealings Policy (which replaces and incorporates the guidelines set out in the Best Practices on Securities Transactions adopted by the Company in 2003) to govern dealings by Directors, Key Management Personnel and employees in the Company's securities. With this policy, the Directors, Key Management Personnel and their associates are required to seek the approval of the Board before dealing in the Company's shares.

The Company's employees had been advised that it is an offense to deal in the Company's securities when the officers (Directors and employees) are in possession of unpublished material price-sensitive information. The officers are also discouraged from dealing in the Company's securities on short-term considerations.

The Board and the Company's officers and staff are not allowed to deal in the Company's securities during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year; and one month before the announcement of the Company's full-year financial results. This restriction ends one day after the Company's announcements of the relevant results.

LISTINGS, REGISTRATION, DEALINGS AND SETTLEMENT

LISTINGS

The Company currently has a primary listing of Shares on the SGX-ST, which it intends to maintain alongside its proposed secondary listing of Shares on the main board of the PSE. Application has been made to the PSE for the listing of, and permission to deal in, the Shares on the PSE by way of introduction.

REGISTRATION

The principal register of members is maintained in the BVI by the Singapore Share Transfer Agent who acts on behalf of the BVI Share Registrar. The Company has established the Philippine Branch Share Register, which is maintained by the Philippine Branch Share Registrar, Banco de Oro Universal Bank, whose address is at the 15th Floor BDO South Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City. The Singapore Share Transfer Agent is Boardroom Corporate & Advisory Services Pte. Ltd., whose address is 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.

The BVI Share Registrar will keep in BVI duplicates of the Philippine Branch Share Register, which will be updated from time to time.

CERTIFICATES

Only Share certificates issued by the Philippine Branch Share Registrar will be valid for delivery in respect of lodgement in the PDTC System and eventual dealings effected on the PSE. Only Share certificates issued by the Singapore Share Transfer Agent who acts on behalf of the BVI Share Registrar will be valid for delivery in respect of dealings effected on the SGX-ST.

DEALINGS

Dealings in Shares on the PSE and the SGX-ST will be conducted in Philippine Pesos and Singapore Dollars respectively. The Company's Shares are traded on the SGX-ST in board lots of 1,000 Shares each and will be traded on the PSE in board lots of 100 Shares each.

The transaction costs of dealings in the Company's Shares on the PSE include a stock transaction tax at the rate of 0.5% based on the gross selling price or gross value in money of the shares of stock sold or otherwise disposed. The brokerage commission in respect of trades of Shares on the PSE is freely negotiable although subject to a minimum of between 0.05% and 0.25% depending on the transaction value.

A clearing fee in Singapore is payable at the rate of 0.04% of the transaction value, subject to a maximum of S$600 per transaction. The clearing fee is subject to goods and services tax in Singapore (currently at 7%). The brokerage commission in respect of trades of Shares on the SGX-ST is freely negotiable.

SETTLEMENT

Settlement of Dealings in Singapore

Shares listed and traded on the SGX-ST are trading under the book-entry settlement system of the CDP and all dealings in and transactions of Shares through the SGX-ST are effected in accordance with the terms and conditions for the operation of securities accounts with the CDP, as amended from time to time.

The CDP is incorporated under the laws of Singapore and acts as a depository and clearing organization. The CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with the CDP.

Shares will be registered in the name of the CDP or its nominees and held by the CDP for and on behalf of persons who maintain, either directly or through depository agents, securities accounts with the CDP. CDP depositors and depository agents on whose behalf the CDP holds Shares, may not be accorded the full rights of membership, such as voting rights, the right to appoint proxies, or the right to receive shareholders' circulars, proxy forms, annual reports, prospectuses and take over documents. CDP depositors and depository agents will be accorded only such rights as the CDP may make available to them pursuant to the CDP's terms and conditions to act as depository for foreign securities.

Persons holding Shares in a securities account with the CDP may withdraw the number of Shares they own from the book-entry settlement system in the form of physical share certificates. Such share certificates will not, however, be valid for delivery pursuant to trades transacted on the SGX-ST, although they will be prima facie evidence of title and may be transferred in accordance with the Memorandum and Articles of Association of the Company. A fee of S$10 for each withdrawal of 1,000 Shares or less and a fee of S$25 for each withdrawal of more than 1,000 Shares will be payable upon withdrawing Shares from the book-entry settlement system and obtaining physical share certificates. In addition, a fee of S$2 (or such other amounts as the Directors may decide) will be payable to the Singapore share transfer agent for each share certificate issued, and stamp duty of S$0.20 per S$100 or part thereof of the last-transacted price where Shares are withdrawn in the name of a third-party. Persons holding physical share certificates who wish to trade on the SGX-ST must deposit with the CDP their share certificates together with the duly executed and stamped instruments of transfer in favor of the CDP, and have their respective securities accounts credited with the number of Shares deposited before they can effect the desired trades. A fee of S$10 is payable upon the deposit of each instrument of transfer with the CDP.

Transactions in Shares under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for the transfer of the Shares that are settled on a book-entry basis.

A Singapore clearing fee for trades in Shares on the SGX-ST is payable at the rate of 0.04% of the transaction value, subject to a maximum of S$600 per transaction. The clearing fee, instrument of transfer deposit fees and share withdrawal fee are subject to Singapore goods and services tax of 7%.

Dealings in the Shares on the SGX-ST will be carried out in Singapore dollars and will be effected for settlement in the CDP on a scripless basis. Settlement of trades on a normal "ready" basis on the SGX-ST generally takes place on the third market day following the transaction date, and payment for the securities is generally settled on the following day. The CDP holds securities on behalf of investors in securities accounts. An investor may open a direct securities account with the CDP or a securities sub-account with a depository agent. A depository agent may be a member company of the SGX-ST, bank, merchant bank or trust company.

All duties, fees and expenses specified herein are subject to changes from time to time.

Settlement of Dealings in the Philippines

Investors in the Philippines must settle their trades executed on the PSE through their brokers directly or through custodians or other Trading Participants. For an investor in the Philippines who has lodged his Shares with the PDTC, settlement will be effected by way of book entries in the PDTC System.

PSE trades are settled on a three-day rolling settlement environment, which means that settlement of trades takes place three days after transaction date (T+3). The deadline for settlement of trades is 12:00 noon of T+3. Securities sold should be in scripless form and lodged under PDTC's book entry system.

Foreign Exchange Risk

Investors in Singapore who trade the Shares on the SGX-ST should note that their trades will be effected in Singapore dollars. Investors in the Philippines who trade the Shares on the PSE should note that their trades will be effected in Philippine Pesos. Accordingly, investors should be aware of the foreign exchange risks associated with such trading.

Please see the section headed "Risk Factors" in this Introductory Document for a discussion on foreign exchange risks.

DIVIDENDS

The Company must pay all dividends out of its distributable profits less any required reserve funds. To the extent that the Company declares dividends, it anticipates that they will be declared in US$. Shareholders whose Shares are traded on the PSE will receive their dividends in the Philippine Peso equivalent of the US$ dividend, net of currency conversion costs. The Company will make the necessary arrangements to convert the dividends in US$ to Philippine Pesos at the prevailing foreign exchange rate and in such manner as determined by the Directors at their sole discretion. The Philippine Peso amount of dividends received by the Company's shareholders will be affected by fluctuations in the exchange rate between the US$ and the Philippine Peso. The Company, PDTC and the CDP will not be liable for any loss arising from the conversion of the dividends payable to Shareholders from US$ to Philippine Pesos.

REMOVAL OF SHARES

Currently, all the Shares are registered on the BVI Share Register and the Singapore Branch Share Register. For the purposes of trading on the PSE following the Listing, the Shares must be registered on the Philippine Branch Share Register. Shares may be transferred between the Singapore Branch Share Register and the Philippine Branch Share Register. An investor who wishes to trade on the SGX-ST must have his Shares registered on the Singapore Branch Share Register and an investor who wishes to trade on the PSE following the Listing must have his Shares registered on the Philippine Branch Share Register by removing them from the Singapore Branch Share Register and transferring them to the Philippine Branch Share Register. A resolution has been passed by the Directors authorizing the removal of Shares between the Singapore Branch Share Register and the Philippine Branch Share Register as may from time to time be requested by the Shareholders of the Company.

From the SGX-ST to the PSE

Following the Listing, if an investor whose Shares are traded on the SGX-ST wishes to trade his Shares on the PSE, he must effect a removal of Shares from the Singapore Branch Share Register to the Philippine Branch Share Register.

In order to be able to settle any trades on the PSE through the system for the central handling of securities by which transactions involving such securities may be settled by book-entries in the records of Philippine Depository and Trust Corporation (the "**PDTC System**"), investors should ensure that they have set up an account with a brokerage in the Philippines which has applied for and has been approved as a participant by the Philippine Depository and Trust Corporation ("**PDTC**") ("**PDTC Participant**"), through a brokerage in the Philippines. Investors should consult their stockbrokers or other professional advisers on the logistical details for the setting up of such stock account.

A removal of the Shares from the Singapore Branch Share Register to the Philippine Branch Share Register would involve the following procedures:

(a) If the investor's Shares have been deposited with the CDP, the investor must first withdraw his Shares from the CDP by submitting to CDP (i) a Withdrawal of Securities Form (CDP Form 3.1, which is accompanied by a transfer deed) (the "**CDP Withdrawal Form**") available from the CDP, (ii) certificate of stamp duty (where applicable) and (iii) the withdrawal fee as prescribed by the CDP from time to time.

(b) The investor shall complete a removal request form (the "**Singapore Removal Request Form**") (in triplicate) obtained from the Singapore Share Transfer Agent and submit the Singapore Removal Request Form to the Singapore Share Transfer Agent. If the investor's Shares are to be deposited into the PDTC System, the investor shall instruct his designated PDTC Participant by executing and submitting to his designated PDTC Participant a fourth copy of the Singapore Removal Request Form and the Lodgement Request Form (as defined below) in the manner set out in paragraph (f)(2) below.

(c) CDP will then send a duly completed transfer deed, certificate of stamp duty (where applicable) and the relevant share certificate(s) registered under the name of the CDP to the Singapore Share Transfer Agent directly.

(d) Upon receipt of the duly completed documents referred to above together with bank drafts for the amount as prescribed by the Singapore Share Transfer Agent and the Philippine Branch Share Registrar from time to time, the Singapore Share Transfer Agent shall take all actions necessary to effect the transfer and removal of Shares on the Singapore Branch Share Register to the Philippine Branch Share Register. A copy of the relevant documents will be sent by the Singapore Share Transfer Agent to the Company's principal share register in British Virgin Islands ("**BVI Share Registrar**") and the Philippine Branch Share Registrar.

(e) On completion, the Singapore Share Transfer Agent shall then notify the BVI Share Registrar and the Philippine Branch Share Registrar of the removal whereupon the Philippine Branch Share Registrar shall update the Philippine Branch Share Register and the BVI Share Registrar shall update the BVI Share Register.

(f) (1) If the investor's Shares are not to be deposited with the PDTC, the Philippine Branch Share Registrar will register the Shares in the name of the investor in the Philippine Branch Share Register and issue Share certificate(s) in the name of the investor and send such Share certificate(s) to the address specified by the investor. Despatch of the Share certificate(s) will be at the risk and expense of the investor as specified in the Singapore Removal Request Form. The Philippine Branch Share Registrar will notify the BVI Share Registrar that the Shares are registered in the name of the investor in the Philippine Branch Share Register whereupon the BVI Share Registrar will update the BVI Share Register.

(2) If the investor's Shares are to be deposited into the PDTC System, the Philippine Branch Share Registrar will register the Shares in the name of PCD Nominee Corp. in the Philippine Branch Share Register. The investor must instruct his designated PDTC Participant by executing a lodgement request form which is in use by his designated PDTC Participant ("**Lodgement Request Form**") and delivering to his designated PDTC Participant directly the Lodgement Request Form together with a copy of the Singapore Removal Request Form (as contemplated in paragraph (b) above), for credit into the account of his designated PDTC Participant.

(g) Upon receipt of the relevant documents, the investor's designated PDTC Participant will submit the lodgement request to the PDTC through the PDTC System and complete the PDTC Participant's portion of the Singapore Removal Request Form and deliver the duly completed Singapore Removal Request Form to the Philippine Branch Share Registrar.

(h) Upon receipt of the relevant documents from the investor's designated PDTC Participant, the Philippine Branch Share Registrar shall issue a Registry Confirmation Advice to the PDTC to confirm to the PDTC that the Shares are registered in the name of PCD Nominee Corp in the Philippine Branch Register. The Philippine Branch Share Registrar will notify the BVI Share Registrar that the Shares are registered in the name of PCD Nominee Corp in the Philippine Branch Share Register whereupon the BVI Share Registrar will update the BVI Share Register. PDTC shall credit the specified number of Shares into the account of the investor's designated PDTC Participant. The investor must have an account with a PDTC Participant as only PDTC Participants will be recognized by the PDTC as the beneficial owners of the lodged Shares.

From the PSE to the SGX-ST

Upon the Listing, if an investor whose Shares are traded on the PSE wishes to trade his Shares on the SGX-ST, he must effect a removal of his Shares from the Philippine Branch Share Register to the Singapore Branch Share Register, and deposit such Shares into the CDP. Such removal and deposit of the Shares would involve the following procedures:

(a) If the investor's Shares are registered in the investor's own name in the Philippine Branch Share Register, the investor shall complete the Combined Share Removal and Transfer Form and Delivery Instruction Form (the "**Philippine Removal Request Form**") (in triplicate) obtained from the Philippine Branch Share Registrar and submit the same together with the Share certificate(s) in his name and bank draft for the amount as prescribed by the Singapore Share Transfer Agent and Philippine Branch Share Registrar from time to time to the Philippine Branch Share Registrar.

(b) If the investor's Shares have been deposited into the PDTC System, the investor must first withdraw such shares from the account of his designated PDTC Participant. The investor must instruct his designated PDTC Participant by completing the Philippine Removal Request Form obtained from the Philippine Branch Share Registrar and submitting the same to the investor's designated PDTC Participant. The investor must also complete the Philippine Removal Request Form (in triplicate) and submit the same together with bank draft for the amount as prescribed by the Singapore Share Transfer Agent and the Philippine Branch Share Registrar from time to time to the Philippine Branch Share Registrar.

(c) Upon receipt of the Philippine Removal Request Form, the investor's designated PDTC Participant shall submit an upliftment request to the PDTC through the PDTC System and complete the PDTC Participant's portion of the Philippine Removal Request Form and deliver the duly completed Philippine Removal Request Form to the Philippine Branch Share Registrar.

(d) The PDTC will confirm and sign off on the upliftment request and submit the duly signed upliftment request to the Philippine Branch Share Registrar. The Philippine Branch Share Registrar will confirm the upliftment directly through the PDTC System or submit a Registry Confirmation Advice confirming the upliftment to the PDTC, for the PDTC to input the confirmation into the PDTC System.

(e) Upon receipt of the Philippine Removal Request Form, the Philippine Branch Share Registrar shall take all actions necessary to effect the transfer and the removal of the Shares from the Philippine Branch Share Register to the Singapore Branch Share Register. A copy of the relevant documents will be sent by the Philippine Branch Share Register to the BVI Share Registrar and the Singapore Share Transfer Agent.

(f) The Philippine Branch Share Registrar shall notify the BVI Share Registrar and the Singapore Share Transfer Agent of the removal, whereupon the Singapore Share Transfer Agent shall update the Singapore Branch Share Register and the BVI Share Registrar shall update the BVI Share Register. Upon completion, the Singapore Share Transfer Agent shall issue the relevant Share certificate(s) in the name of the investor and deliver the Share certificate(s) to the investor. Despatch of share certificate(s) will be made at the risk and expense of the investor as specified in the Philippine Removal Request Form. The Singapore Share Transfer Agent will notify the BVI Share Registrar that the Shares are registered in the name of the investor in the Singapore Branch Share Register whereupon the BVI Share Registrar will update the BVI Share Register.

(g) If the investor requires the Singapore Share Transfer Agent to assist in depositing the Share certificate(s) into the CDP, he should submit a duly completed and signed Form of Transfer and Delivery Instruction as provided on the Philippine Removal Request Form and a bank draft for the amount as prescribed by the CDP from time to time to the Singapore Share Transfer Agent at the same time he submits the relevant documents (as contemplated in paragraph (a) or (b) above) to the Philippine Branch Share Registrar. The Philippine Branch Share Registrar shall then deliver the Philippine Removal Request Form to the BVI Share Registrar and the Singapore Share Transfer Agent and notify the BVI Share Registrar and the Singapore Share Transfer Agent of the removal of Shares from the Philippine Branch Share Register. The Singapore Share Transfer Agent shall issue the relevant Share certificate(s) in the name of the CDP and arrange to deposit the same with the CDP. The Singapore Share Transfer Agent will notify the BVI Share Registrar that the Shares are registered in the name of CDP in the Singapore Branch Share Register whereupon the BVI Share Register will update the BVI Share Register. Upon receipt of the relevant documents and once payment of the deposit fee is in good order, the CDP shall credit the specified number of Shares into the investor's securities account with the CDP. The investor must have a securities account in his own name with the CDP or a sub-account with a CDP depository agent so that the investor's Shares can be credited to his securities account with the CDP or sub-account with a CDP depository agent before dealing in our Shares on the SGX-ST.

Illustrations of the share transfer process have been included in the annexes to this Introductory Document. Please refer to "Share Transfer Process: From Singapore to Philippines" and "Share Transfer Process: From Philippines to Singapore."

Investors who require clarification with respect to any of the procedures, timing and costs can contact the Singapore Share Transfer Agent (for transfers from Singapore to the Philippines), and the Philippine Branch Share Registrar (for transfers from the Philippines to Singapore), at the hotlines indicated below:

Boardroom Corporate & Advisory Services Pte. Ltd.	:	(65) 6536 5355
Banco de Oro Universal Bank	:	(632) 840 7000

COSTS INVOLVED

All duties, fees and expenses specified herein are subject to changes from time to time.

Stamp Duty on Transfer of Shares

Philippine Stamp Duty

No stamp duty in the Philippines is currently payable for transfers of the Shares if the Shares are traded and listed on the PSE, and the sale is conducted through the facilities of the PSE.

Singapore Stamp Duty

For those Shares which are deposited with the CDP, no transfer stamp duty in Singapore is currently payable for the transfer of our Shares.

Other Costs on Transfer of our Shares

Transaction Costs of Dealing in Shares Listed on the SGX-ST

The clearing fee for trades in our Shares on the SGX-ST is payable at the rate of 0.04% of the transaction value, subject to a maximum of S$600 per transaction and a trading fee of 0.0075% of the consideration.

All fees mentioned above are subject to Singapore goods and services tax currently at 7%.

Transaction Costs of Dealing in Shares Listed on the PSE

The transaction costs of dealings in the Company's Shares on the PSE include a stock transaction tax at the rate of 0.5% based on the gross selling price or gross value in money of the shares of stock sold or otherwise disposed. The brokerage commission in respect of trades of Shares on the PSE is freely negotiable although subject to a minimum of between 0.05% and 0.25% depending on the transaction value.

Costs of Removal of our Shares

All costs charged by the Philippine Branch Share Register and the Singapore Share Transfer Agent in relation to the removal process shall be borne by the investor requesting the removal.

In particular, investors should note that the Philippine Branch Share Registrar will charge ₱1,200.00 for each removal and transfer of Shares, and a fee of ₱100.00 and ₱20.00 for each Share certificate issued (in the case of direct deposit into the PDTC System) and cancelled by it, respectively.

In addition, the Singapore Share Transfer Agent will charge S$32.10 (inclusive of prevailing 7% Goods & Services Tax) for each removal and transfer of Shares and a fee of S$2.14 (inclusive of prevailing 7% Goods & Services Tax) for each Share certificate cancelled or issued by it. CDP will charge S$10.70 (inclusive of prevailing 7% Goods & Services Tax) for any deposit of Shares into CDP per transaction, and a withdrawal fee of S$10.70 (inclusive of the prevailing 7% Goods & Services Tax) for each withdrawal of 1,000 Shares or less, and a fee of S$26.75 (inclusive of the prevailing 7% Goods & Services Tax) for each withdrawal of more than 1,000 Shares.

DESCRIPTION OF RELEVANT LAWS

SUMMARY OF SALIENT PROVISIONS OF THE LAWS OF SINGAPORE

The following summarizes the salient provisions of certain laws of Singapore applicable to the Company's shareholders as at the date of this Introductory Document. The summaries below are for general guidance only and do not constitute legal advice, nor must they be used as a substitute for specific legal advice, on the corporate laws of Singapore. Additionally, the Company's shareholders should also note that the laws applicable to the Company's shareholders may change, whether as a result of proposed legislative reform to the laws of Singapore or otherwise. The Company's shareholders should consult their own legal advisers for specific legal advice concerning their legal obligations under the relevant laws.

Takeover obligations

Offenses and Obligations Relating to Take-overs

Section 140 of the SFA

Section 140 of the SFA provides that a person shall not give notice or publicly announce that he intends to make a take-over offer if (a) he has no intention to make a take-over offer; or (b) he has no reasonable or probable grounds for believing that he will be able to perform his obligations if the take-over offer is accepted or approved, as the case may be. A person who contravenes section 140 of the SFA is guilty of an offense and shall be liable on conviction to a fine not exceeding S$250,000 or to imprisonment for a term not exceeding seven years or to both.

Obligations under the Singapore Take-Over Code and the consequences of non-compliance

Obligations under the Singapore Take-Over Code

The Singapore Take-Over Code regulates the acquisition of ordinary shares of public companies and contains certain provisions that may delay, deter or prevent a future takeover or change in control of the Company. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30% or more of the voting Shares, or, if such person holds, either on his own or together with parties acting in concert with him, between 30% and 50% (both inclusive) of the voting Shares, and if he (or parties acting in concert with him) acquires additional voting Shares representing more than 1% of the voting Shares in any six-month period, must, except with the consent of the Securities Industry Council in Singapore, extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Take-Over Code.

"Parties acting in concert" comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. They are as follows:

1. a company and its related companies, the associated companies of any of the company and its related companies, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;

2. a company and its directors (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);

3. a company and its pension funds and employee share schemes;

4. a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis;

5. a financial or other professional advisers and its clients in respect of shares held by the advisers and persons controlling, controlled by or under the same control as the advisers and all the funds managed by the advisers on a discretionary basis, where the shareholdings of the advisers and any of those funds in the client total 10% or more of the client's equity share capital;

6. directors of a company (including their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;

7. partners; and

8. an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights.

In the event that one of the abovementioned trigger-points is reached, the person acquiring an interest (the "**Offeror**") must make a public announcement stating the terms of the offer and its identity. The Offeror must post an offer document not earlier than 14 days and not later than 21 days from the date of the offer announcement. An offer must be kept open for at least 28 days after the date on which the offer document was posted.

The Offeror may vary the offer by offering more for the shares or by extending the period in which the offer remains open. If a variation is proposed, the Offeror is required to give a written notice to the offeree company and its shareholders, stating the modifications made to the matters set out in the offer document. The revised offer must be kept open for at least another 14 days. Where the consideration is varied, shareholders who agree to sell before the variation are also entitled to receive the increased consideration.

A mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the Offeror or parties acting in concert with the Offeror within the six months preceding the acquisition of shares that triggered the mandatory offer obligation.

Under the Singapore Take-Over Code, where effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An Offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.

Consequences of non-compliance with the requirements under the Singapore Take-Over Code

The Singapore Take-Over Code is non-statutory in that it does not have the force of law. Therefore, as provided in section 139(8) of the SFA, a failure of any party concerned in a take-over offer or a matter connected therewith to observe any of the provisions of the Singapore Code shall not of itself render that party liable to criminal proceedings. However, the failure of any party to observe any of the provisions of the Singapore Take-Over Code may, in any civil or criminal proceedings, be relied upon by any party to the proceedings as tending to establish or to negate any liability which is in question in the proceedings.

Section 139 further provides that where the Securities Industry Council has reason to believe that any party concerned in a take-over offer or a matter connected therewith is in breach of the provisions of the Singapore Take-Over Code or is otherwise believed to have committed acts of misconduct in relation to such take-over offer or matter, the Securities Industry Council has power to enquire into the suspected breach or misconduct. The Securities Industry Council may summon any person to give evidence on oath or affirmation, which it is thereby authorized to administer, or produce any document or material necessary for the purpose of the inquiry.

Reporting obligations of shareholders

Reporting obligations under the Singapore Companies Act

Section 81 of the Singapore Companies Act

A person has a substantial shareholding in a company if he has an "interest" in voting shares in the company, and the total votes attached to those shares is not less than 5% of the total votes attached to all the voting shares in the company.

Section 82 of the Singapore Companies Act

A substantial shareholder of a company (as defined under the Singapore Companies Act) is required to notify the company in writing of his name, address and full particulars of his "interests" in the voting shares in the company within two business days after becoming a substantial shareholder.

Sections 83 and 84 of the Singapore Companies Act

A substantial shareholder (as defined under the Singapore Companies Act) is required to notify the company in writing of changes in the "percentage level" of his shareholding or his ceasing to be a substantial shareholder within two business days after he is aware of such changes or within two business days after he ceases to be a substantial shareholder, as the case may be.

The reference to changes in "percentage level" means any changes in a substantial shareholder's interest in the company which results in his interest, following such change, increasing or decreasing to the next discrete 1% threshold. For example, an increase in interests in the company from 5.1% to 5.9% need not be notified, but an increase from 5.9% to 6.1% will have to be notified.

Consequences of non-compliance under the Singapore Companies Act

Section 89 of the Singapore Companies Act

Section 89 of the Singapore Companies Act provides for the consequences of non-compliance with sections 82, 83 and 84. Under section 89, a person who fails to comply shall be guilty of an offense and shall be liable on conviction to a fine not exceeding S$5,000 and in the case of a continuing offense to a further fine of S$500 for every day during which the offense continues after conviction.

Section 90 of the Singapore Companies Act

Section 90 of the Singapore Companies Act provides for a defense to a prosecution for failing to comply with sections 82, 83 or 84. It is a defense if the defendant proves that his failure was due to his not being aware of a fact or occurrence the existence of which was necessary to constitute the offense and that he was not so aware on the date of the summons; or he became so aware less than seven days before the date of the summons. However, a person will conclusively be presumed to have been aware of a fact or occurrence at a particular time (a) of which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware at that time; or (b) of which an employee or agent of the person, being an employee or agent having duties or acting in relation to his master's or principal's interest or interests in a share or shares in the company concerned, was aware or would, if he had acted with reasonable diligence in the conduct of his master's or principal's affairs, have been aware at that time.

Powers of the court with respect to defaulting substantial shareholders

Section 91 of the Singapore Companies Act

Section 91 of the Singapore Companies Act provides that where a substantial shareholder fails to comply with sections 82, 83 or 84, the Court may, on the application of the Minister, whether or not the failure still continues, make one of the following orders:

1. an order restraining the substantial shareholder from disposing of any interest in shares in the company in which he is or has been a substantial shareholder;
2. an order restraining a person who is, or is entitled to be registered as, the holder of shares referred to in paragraph (1) from disposing of any interest in those shares;
3. an order restraining the exercise of any voting or other rights attached to any share in the company in which the substantial shareholder has or has had an interest;
4. an order directing the company not to make payment, or to defer making payment, of any sum due from the company in respect of any share in which the substantial shareholder has or has had an interest;
5. an order directing the sale of all or any of the shares in the company in which the substantial shareholder has or has had an interest;
6. an order directing the company not to register the transfer or transmission of specified shares;
7. an order that any exercise of the voting or other rights attached to specified shares in the company in which the substantial shareholder has or has had an interest be disregarded; or

8. for the purposes of securing compliance with any other order made under this section, an order directing the company or any other person to do or refrain from doing a specified act.

Any order made under this section may include such ancillary or consequential provisions as the Court thinks just. The Court may not make an order other than an order restraining the exercise of voting rights, if it is satisfied (a) that the failure of the substantial shareholder to comply was due to his inadvertence or mistake or to his not being aware of a relevant fact or occurrence; and (b) that in all the circumstances, the failure ought to be excused. Any person who contravenes or fails to comply with an order made under this section that is applicable to him shall be guilty of an offense and shall be liable on conviction to a fine not exceeding S$5,000 and, in the case of a continuing offense, to a further fine of S$500 for every day during which the offense continues after conviction.

Reporting obligations under the SFA

Sections 135(1), 136(1) and 137(1) of the SFA

A substantial shareholder (as defined under the Singapore Companies Act) is required to notify the Company of his interest or change in interest in the voting Shares of the Company. Such notification must be made within two business days of the substantial shareholder becoming aware: (i) that he has become a substantial shareholder, (ii) of a change in the percentage level of his interest, or (iii) that he has ceased to be a substantial shareholder. A substantial shareholder need only give notice to the Company and the Company will in turn announce or otherwise disseminate the information stated in the notice to the SGX-ST as soon as practicable and in any case, no later than the end of the Singapore business day following the day on which the Company received the notice. A person has a substantial shareholding in a company if he has an interest or interests in one or more voting shares in the company, and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the company.

While the definition of an "interest" in voting shares for the purposes of substantial shareholder disclosure requirements under the SFA is similar to that under the Singapore Companies Act, the SFA provides that a person who has authority (whether formal or informal, or express or implied) to dispose of, or to exercise control over the disposal of, a voting share is regarded as having an interest in such share, even if such authority is, or is capable of being made, subject to restraint or restriction in respect of particular voting shares. In addition, the deadline for a substantial shareholder (as defined under the Singapore Companies Act) to make disclosure to the company is two Singapore business days after he becomes aware:

- that he is or (if he had ceased to be one) had been a substantial shareholder (as defined under the Singapore Companies Act);
- of any change in the percentage level in his interest; or
- that he had ceased to be a substantial shareholder (as defined under the Singapore Companies Act),

there being a conclusive presumption of a person being "aware" of a fact or occurrence at the time at which he would, if he had acted with reasonable diligence in the conduct of his affairs, have been aware.

Sections 137A and 137B of the SFA

A beneficial owner who authorizes another person to hold, acquire or dispose of, on his behalf, voting shares or an interest or interests in voting shares in a company shall take reasonable steps to ensure notification by the person who holds, acquires or disposes of interests on his behalf and, in any case, no later than two business days after any acquisition or disposal of any of those voting shares or interest or interests in voting shares effected by the second-mentioned person on his behalf which will or may give rise to any duty on the part of the beneficial owner to give notice pursuant to the reporting obligations under the SFA.

Similarly, a person who holds, acquires or disposes of interests for benefit of another beneficial owner shall give to the beneficial owner a notice of any acquisition or disposal of any of those shares effected by him as soon as practicable and, in any case, no later than two business days after acquiring or disposing of the shares.

Consequences of non-compliance under the SFA

Section 137D of the SFA

Section 137D of the SFA provides for the consequences of non-compliance with section 135, 136(1), 137, 137A or 137B of the SFA. Under 137D, a person who (i) intentionally or recklessly contravenes the foregoing provisions of the SFA, or (ii) in purported compliance with section 135, 136, 137 or 137B of the SFA, furnishes any information which he knows is false or misleading in any material particular or is reckless as to whether it is, shall be guilty of an offense and shall (a) in the case of an individual, be liable on conviction to a fine not exceeding S$250,000 or to imprisonment for a term not exceeding two years or both, and in the case of a continuing offense, to a further fine not exceeding S$25,000 for every day or part thereof during which the offense continues after conviction, or (b) in the case of a corporation, be liable on conviction to a fine not exceeding S$250,000, and in the case of a continuing offense, to a further fine not exceeding S$25,000 for every day or part thereof during which the offense continues after conviction.

Section 134 of the SFA

Directors and chief executive officers of corporations if found to have (i) intentionally or recklessly contravened the disclosure requirements or intentionally or recklessly provided any information which he knows is false or misleading in a material particular, he could, upon conviction, be liable to a fine not exceeding S$250,000 or to imprisonment for a term not exceeding two years or both and in the case of a continuing offense, and to a further fine of S$25,000 for every day (or part thereof) during which the offense continues after conviction and (ii) contravened the disclosure requirements or provided any information which is false or misleading in a material particular, could, upon conviction, be liable to a fine not exceeding S$25,000, and in the case of a continuing offense, to a further fine of S$2,500 for every day (or part thereof) during which the offense continues after conviction.

Duty not to furnish false statements to securities exchange, futures exchange, designated clearing house and Securities Industry Council of Singapore

Section 330 of the SFA

Section 330 of the SFA provides that any person who, with intent to deceive, makes or furnishes, or knowingly and wilfully authorizes or permits the making or furnishing of, any false or misleading statement or report to a securities exchange, futures exchange, designated clearing house or any officers thereof relating to dealing in securities shall be guilty of an offense and shall be liable on conviction to a fine not exceeding S$50,000 or to imprisonment for a term not exceeding two years or to both. Section 330 further provides that any person who, with intent to deceive, makes or furnishes or knowingly and willfully authorizes or permits the making or furnishing of, any false or misleading statement or report to the Securities Industry Council or any of its officers, relating to any matter or thing required by the Securities Industry Council in the exercise of its functions under the SFA shall be guilty of an offense and shall be liable on conviction to a fine not exceeding S$50,000 or to imprisonment for a term not exceeding two years or to both.

Prohibited conduct in relation to trading in the securities of the company

Prohibitions against false trading and market manipulation

Section 197 of the SFA

Section 197(1) of the SFA prohibits (i) the creation of a false or misleading appearance of active trading in any securities on a securities exchange; and (ii) the creation of a false or misleading appearance with respect to the market for, or price of, any securities on a securities exchange.

Section 197(1A) of the SFA prohibits a person from doing anything or causing any thing to be done or engaging in any course of conduct that creates or is likely to create a false or misleading appearance of active trading in any securities on a securities market, or with respect to the market for, or the price of, such securities, if (i) he knows that doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will be likely to create, that false or misleading appearance; or (ii) he is reckless as to whether doing that thing, causing that thing to be done or engaging in that course of conduct, as the case may be, will create, or will be likely to create, that false or misleading appearance.

Section 197(3) of the SFA provides that a person is deemed to have created a false or misleading appearance of active trading in securities on a securities market if he does any of the following acts:

1. if he effects, takes part in, is concerned in or carries out, directly or indirectly, any transaction of purchase or sale of any securities, which does not involve any change in the beneficial ownership of the securities;

2. if he makes or causes to be made an offer to sell any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to purchase the same number, or substantially the same number, of securities at a price that is substantially the same as the first-mentioned price; or

3. if he makes or causes to be made an offer to purchase any securities at a specified price where he has made or caused to be made or proposes to make or to cause to be made, or knows that a person associated with him has made or caused to be made or proposes to make or to cause to be made, an offer to sell the same number, or substantially the same number, of securities at a price that is substantially the same as the first-mentioned price, unless he establishes that the purpose or purposes for which he did the act was not, or did not include, the purpose of creating a false or misleading appearance of active trading in securities on a securities market.

Section 197(5) of the SFA provides that a purchase or sale of securities does not involve a change in the beneficial ownership if a person who had an interest in the securities before the purchase or sale, or a person associated with the first-mentioned person in relation to those securities, has an interest in the securities after the purchase or sale.

Section 197(6) of the SFA provides a defense to proceedings against a person in relation to a purchase or sale of securities that did not involve a change in the beneficial ownership of those securities. It is a defense if the defendant establishes that the purpose or purposes for which he purchased or sold the securities was not, or did not include, the purpose of creating a false or misleading appearance with respect to the market for, or the price of, securities.

Prohibition against securities market manipulation

Section 198 of the SFA

Section 198(1) of the SFA provides that no person shall carry out directly or indirectly, two or more transactions in securities of a corporation, being transactions that have, or likely to have, the effect of raising, lowering, maintaining or stabilizing the price of the securities with intent to induce other persons to purchase them. Section 198(2) of the SFA provides that transactions in securities of a corporation includes (i) the making of an offer to purchase or sell such securities of the corporation; and (ii) the making of an invitation, however expressed, that directly or indirectly invites a person to offer to purchase or sell such securities of the corporation.

Prohibition against the manipulation of the market price of securities by the dissemination of misleading information

Sections 199 and 202 of the SFA

Section 199 of the SFA prohibits the making of false or misleading statements. Under this provision, a person shall not make a statement, or disseminate information, that is false or misleading in a material particular and is likely (a) to induce other persons to subscribe for securities; (b) to induce the sale or purchase of securities by other persons; or (c) to have the effect of raising, lowering, maintaining or stabilizing the market price of securities, if, when he makes the statement or disseminates the information, he either does not care whether the statement or information is true or false, or knows or ought reasonably to have known that the statement or information is false or misleading in a material particular.

Section 202 of the SFA prohibits the dissemination of information about illegal transactions. This provision prohibits the circulation or dissemination of any statement or information to the effect that the price of any securities of a corporation will rise, fall or be maintained by reason of transactions entered into in contravention of sections 197 to 201 of the SFA. This prohibition applies where the person who is circulating or disseminating the information or statements (i) is the person who entered into the illegal transaction; or (ii) is associated with the person who entered into the illegal transaction; or (iii) is the person, or associated with the person, who has received or expects to receive (whether directly or indirectly) any consideration or benefit for circulating or disseminating the information or statements.

Prohibition against fraudulently inducing persons to deal in securities

Section 200 of the SFA

Section 200 of the SFA prohibits a person from inducing or attempting to induce another person to deal in securities, (a) by making or publishing any statement, promise or forecast that he knows or ought reasonably to have known to be misleading, false or deceptive; (b) by any dishonest concealment of material facts; (c) by the reckless making or publishing of any statement, promise or forecast that is misleading, false or deceptive; or (d) by recording or storing in, or by means of, any mechanical, electronic or other device information that he knows to be false or misleading in a material particular, unless it is established that, at the time when the defendant so recorded or stored the information, he had no reasonable grounds for expecting that the information would be available to any other person.

Prohibition against employment of manipulative and deceptive devices

Section 201 of the SFA

Section 201 of the SFA prohibits (i) the employment of any device, scheme or artifice to defraud; (ii) engaging in any act, practice or course of business which operates as a fraud or deception, or is likely to operate as a fraud or deception, upon any person; and (iii) making any statement known to be false in a material particular or (iv) omitting to state a material fact necessary to make statements made not misleading, in connection with the subscription, purchase or sale of any securities.

Prohibition against the dissemination of information about illegal transactions

Section 202 of the SFA

Section 202 of the SFA prohibits the circulation or dissemination of any statement or information to the effect that the price of any securities of a corporation will rise, fall or be maintained by reason of any transaction entered into or to be entered into in contravention of sections 197 to 201 of the SFA. This prohibition applies where the person who is circulating or disseminating the information or statements (i) is the person who entered into the illegal transaction; or (ii) is associated with the person who entered into the illegal transaction; or (iii) is the person, or associated with the person, who has received or expects to receive (whether directly or indirectly) any consideration or benefit of circulating or disseminating the information or statements.

Prohibition against insider trading

Sections 218 and 219 of the SFA

Sections 218 and 219 of the SFA prohibit persons from dealing in securities of a corporation if the person knows or reasonably ought to know that he is in possession of information that is not generally available, which is expected to have a material effect on the price or value of securities of that corporation. Such persons include substantial shareholders of a corporation or a related corporation, and persons who occupy a position reasonably expected to give him access to inside information by virtue of professional or business relationship by being an officer or a substantial shareholder of the corporation or a related corporation, or any other person in possession of inside information. For an alleged contravention of section 218 or 219, section 220 makes it clear that it is not necessary for the prosecution or plaintiff to prove that the accused person or defendant intended to use the information referred to in section 218(1)(a) or (1A)(a) or 219(1)(a) in contravention of section 218 or 219, as the case may be.

Section 216 of the SFA

Section 216 of the SFA provides that a reasonable person would be taken to expect information to have a material effect on the price or value of securities if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the first-mentioned securities.

Penalties

Section 232 of the SFA

Section 232 of the SFA provides that the Monetary Authority of Singapore may, with the consent of the Public Prosecutor, bring an action in a court against the offender to seek an order for a civil penalty in respect of any contravention. If the court is satisfied on the balance of probabilities that the contravention resulted in the gain of a profit or avoidance of a loss by the offender, the offender may have to pay a civil penalty of a sum (a) not exceeding three times the amount of the profit that the person gained; or the amount of the loss that he avoided, as a result of the contravention; or (b) equal to S$50,000 if the person is not a corporation, or S$100,000 if the person is a corporation, whichever is the greater. If the court is satisfied on a balance of probabilities that the contravention did not result in the gain of a profit or avoidance of a loss by the offender, the court may make an order against him for the payment of a civil penalty of a sum not less than S$50,000 and not more than S$2 million.

Section 204 of the SFA

Any person who contravenes sections 197, 198, 201 or 202 of the SFA is guilty of an offense and shall be liable on conviction to a fine not exceeding S$250,000 or to imprisonment for a term not exceeding seven years or to both under section 204 of the SFA. Section 204 of the SFA further provides that no proceedings shall be instituted against a person for the offense after a court has made an order against him for the payment of a civil penalty under section 232 in respect of the contravention.

Section 221 of the SFA

Any person who contravenes section 218 or 219 of the SFA, is guilty of an offense and shall be liable on conviction to a fine not exceeding S$250,000 or to imprisonment for a term not exceeding seven years or to both under section 221 of the SFA. Section 221 of the SFA further provides that no proceedings shall be instituted against a person for an offense in respect of a contravention of section 218 or 219 of the SFA after a court has made an order against him for the payment of a civil penalty under section 232 of the SFA in respect of that contravention.

COMPARISON BETWEEN APPLICABLE LAWS AND REGULATIONS

Further information relating to, *inter alia*, the takeover or tender offer rules applicable to the Company and the salient provisions of the listing rules of the SGX-ST and PSE and relevant regulations which are applicable to the Company after the Listing is set out in Appendix 1 to this Introduction Document.

APPENDIX 1

This appendix sets out extracts of the SGX Listing Manual and the PSE Revised Listing and Disclosure Rules, ("**PSE Rules**") certain applicable laws and regulations of Singapore and the Philippines, and the takeover rules under the Singapore Code, the Securities Regulation Code and certain relevant legislation concerning companies with listed securities. These extracts are not comprehensive and may not be the only laws or regulations that will apply to the identified matters.

These extracts are not and shall not be relied on as legal advice or any other advice to shareholders of the Company. The Company shall comply with the SGX Listing Manual as its primary listing is on the SGX-ST, and in the event where additional requirements are imposed on the Company by the PSE Rules, the Company shall also comply with such additional requirements unless an exemption is available or waiver has been obtained. The Company will inform shareholders in the event any waiver from the applicable laws and regulations of Philippines including the PSE Rules and Securities Regulation Code is obtained.

COMPARATIVE SUMMARY OF THE HIGHLIGHTS OF THE LISTING AND DISCLOSURE RULES OF THE PSE AND CERTAIN APPLICABLE SINGAPORE LAWS AND REGULATIONS

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
Reporting Requirements		
1.	**Section 2, PSE Rules on Disclosure** Issuers must comply with the continuing disclosure requirements of the PSE. The Issuer must promptly make available all information, through the submission of structured and unstructured disclosures, that would enable a reasonable investor to determine whether to buy, sell or hold securities, or in connection with the exercise of related voting rights. It must take reasonable steps to ensure that all investors have equal access to such information. **Section 4, PSE Rules on Disclosure: Unstructured Continuing Disclosure Requirements** The purpose of requiring unstructured disclosures is for the Issuer to update the investing public with any material fact or event that occurs which would reasonably be expected to affect investors' decision in relation to trading of its securities. **Section 4.1, PSE Rules on Disclosure: Disclosure of Material Information** In addition to the reportorial requirements under the Securities Regulation Code, Issuers are required to disclose to the PSE once they become aware of any material information or corporate act, development or event, within ten (10) minutes from the receipt of such information or the happening or occurrence of said act,	Issuers in Singapore are required to comply with disclosure obligations under the SGX Listing Manual upon the occurrence of the events which are prescribed in the SGX Listing Manual. In the case that the Company makes a disclosure pursuant to Singapore laws, it will make the same disclosure in Philippines. **Chapter 7 of the SGX Listing Manual (Continuing Obligations) Rule 703, SGX Listing Manual: Disclosure of Material Information** An issuer must announce any information known to the issuer concerning it or any of its subsidiaries or associated companies which:- is necessary to avoid the establishment of a false market in the issuer's securities; or would be likely to materially affect the price or value of its securities. Rule 703(1) does not apply to information which it would be a breach of law to disclose. Rule 703(1) does not apply to particular information while each of the following conditions applies:- Condition 1: a reasonable person would not expect the information to be disclosed;

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	development or event. Disclosure must be made to the PSE prior to its release to the news media. The original copy of the disclosure must be delivered to the PSE within twenty four hours from the time of initial disclosure. Any disclosure pursuant to the foregoing must be addressed to the attention of the Disclosure Department of the PSE. Should the act, development or event occur during trading hours, the Issuer must request a halt in the trading of its shares in order to ensure that the investing public would have equal access to the information. If, however, the said act, development or event occurs after trading hours but the Issuer is unable to make a disclosure prior to the pre-open period of the next trading day, the Issuer must request a halt in the trading of its shares. In both cases, the trading halt shall be lifted one (1) hour after the information has been disseminated to enable the investing public to digest the information. If the information is disseminated one (1) hour or less prior to the close of market, the trading halt shall be lifted on the subsequent trading day. However, the above rule shall not apply when the following instances are present: 4.1.1 The activity or development is still considered soft information. 4.1.2 The disclosure of the information would be in contravention to any existing laws of the land. **Section 4.2, PSE Rules on Disclosure: Selective Disclosure of Material Information** An Issuer is prohibited to communicate material non-public information about the Issuer to any person, unless the Issuer is ready to simultaneously disclose the material non-public information to the PSE. This Rule does not apply if the disclosure is made to: (a) A person who is bound by duty to maintain trust and confidence to the Issuer such as but not limited to its auditors, legal counsels, investment bankers, financial advisers; and (b) A person who agrees in writing to maintain in strict confidence the disclosed material information and will not take advantage of it for his personal gain. The Issuer shall establish and implement internal	Condition 2: the information is confidential; and Condition 3: one or more of the following applies: the information concerns an incomplete proposal or negotiation; the information comprises matters of supposition or is insufficiently definite to warrant disclosure; the information is generated for the internal management purposes of the entity; the information is a trade secret. In complying with the SGX-ST's disclosure requirements, an issuer must: observe the Corporate Disclosure Policy set out in Appendix 7.1 of the SGX Listing Manual, and ensure that its directors and executive officers are familiar with the SGX-ST's disclosure requirements and Corporate Disclosure Policy. (5) The SGX-ST will not waive any requirements under this Rule.

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	controls that will ensure that its officers, staff and any other person who is privy to the material non-public information shall comply with the requirement of this rule. **Section 4.3, PSE Rules on Disclosure: Standard and Test in Determining Whether Disclosure is Necessary** A disclosure must be made promptly by the Issuer if it meets any of the following standards: a. Where the information is necessary to enable the Issuer and the public to appraise their position or standing, such as, but not limited to, those relating to the Issuer's financial condition, prospects, development projects, contracts entered into in the ordinary course of business or otherwise, mergers and acquisitions, dealings with employees, suppliers, customers and others, as well as information concerning a significant change in ownership of the Issuer's securities owned by insiders or those representing control of the Issuer; or b. Where such information is necessary to avoid the creation of a false market for its securities; or c. Where such information may reasonably be expected to materially affect market activity and the price of its securities.	

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws

Section 4.4, PSE Rules on Disclosure: Events Mandating Prompt Disclosure

The following events, while not comprising a list of all the situations must be disclosed to the PSE in compliance with Section 4.1, PSE Rules on Disclosure:

a. A change in control of the Issuer;

b. The filing of any legal proceeding by or against the Issuer and/or its subsidiaries, involving a claim amounting to 10% or more of the Issuer's total current assets or any legal proceeding against its President and/or any member of its board of directors in their capacity as such;

c. Changes in the Issuer's corporate purpose and any material alterations in the issuer's activities or operations or the initiation of new ones;

d. Resignation or removal of directors, officers or senior management and their replacements and the reasons for such;

e. Any decision taken to carry out extraordinary investments or the entering into financial or commercial transactions that might have a material impact on the Issuer's situation;

f. Losses or potential losses, the aggregate of which amounts to at least ten percent (10%) of the consolidated total assets of the Issuer;

g. Occurrence of any event of dissolution with details in respect thereto;

h. Acts and facts of any nature that might seriously obstruct the development of corporate activities, specifying its implications on the Issuer's business;

i. Any licensing or franchising agreement or its cancellation which may materially affect the Issuer's operations;

j. Any delay in the payment of debentures, negotiable obligations, bonds or any other publicly traded security;

k. Creation of mortgages or pledges on assets exceeding ten percent (10%) or more of the Issuer's total assets;

Rule 704, SGX Listing Manual: Announcement of Specific Information

In addition to Rule 703, an issuer must immediately announce the following:-

General

(1) Any change of address of the registered office of the issuer or of any office at which the register of members or any other register of securities of the issuer is kept.

(2) Any proposed alteration to the memorandum of association or articles of association or constitution of the issuer.

(3) [Deleted]

(4) Any call to be made on partly paid securities of the issuer or of any of its principal subsidiaries.

(5) Any qualification or emphasis of a matter by the auditors on the financial statements of:-

(a) the issuer; or

(b) any of the issuer's subsidiaries or associated companies, if the qualification or emphasis of a matter has a material impact on the issuer's consolidated accounts or the group's financial position.

(6) If an issuer has previously announced its preliminary full-year results, any material adjustment to the issuer's preliminary full year results made subsequently by auditors.

Appointment or cessation of service

(7)

(a) Any appointment or cessation of service of key persons such as director, chief executive officer, chief financial officer, chief operating officer, general manager or other executive officer of equivalent authority, company secretary, registrar or auditors of the issuer. The announcement of an appointment or cessation of service of key persons such as director, chief executive officer, chief financial officer, chief operating officer, general manager or other executive officer of equivalent authority must contain the information contained in Appendix 7.4.1 or Appendix 7.4.2 of the SGX Listing Manual, as the case may be.

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	l. Any purchase or sale of stock or convertible debt securities of other companies when the amount is ten percent (10%) or more of the Issuer's total assets; m. Contracts of any nature that might limit the distribution of profits with copies thereof; n. Facts of any nature that materially affect or might materially affect the economic, financial or equity situation of those companies controlling, or controlled by the Issuer including the sale of or the constitution of sureties/pledges on a substantial part of its assets; o. Authorisation, suspension, retirement or cancellation of the listing of the Issuer's securities on an exchange or electronic marketplace domestically or abroad; p. Fines of more than P50,000.00 and/or other penalties on the Issuer or on its subsidiaries by regulatory authorities and the reasons therefor; q. Merger, consolidation or spin-off of the Issuer; r. Any modification in the rights of the holders of any class of securities issued by the Issuer and the corresponding effect of such modification upon the rights of the holders; s. Any declaration of cash dividend, stock dividend and pre-emptive rights by the board of directors; t. Any change in the Issuer's fiscal year and the reason(s) therefor; u. All resolutions, approving material acts or transactions, taken up in meetings of the board of directors and stockholders of the Issuer; v. A joint venture, consolidation, acquisition, tender offer, take-over or reverse take-over and a merger; w. Capitalisation issues, options, directors/officers/employee stock option plans, warrants, stock splits and reverse splits; x. All calls to be made on unpaid	(b) In the case of a cessation of service of any director, chief executive officer, chief financial officer, chief operating officer, general manager or other executive officer of equivalent authority, such persons must inform the SGX-ST in writing as soon as possible if he is aware of any irregularities in the issuer which would have a material impact on the group, including financial reporting. (8) Any appointment or reappointment of a director to the audit committee. The issuer must state in the announcement whether the board considers the director to be independent. The issuer must also provide such additional disclosure as may be appropriate in the circumstances to enable its shareholders to assess the independence or otherwise of the appointed director. In the event of any retirement or resignation which renders the audit committee unable to meet the minimum number (not less than three) the issuer should endeavour to fill the vacancy within two months, but in any case not later than three months. (9) Any appointment of a person who is a relative of a director or chief executive officer or substantial shareholder of the issuer to a managerial position in the issuer or any of its principal subsidiaries. The announcement must state the job title, duties and responsibilities of the appointee, and the information required in Rule 704(7). (10) Any promotion of an appointee referred to in Rule 704(9). (11) Any appointment of, or change in legal representative(s) (or person(s) of equivalent authority, however described), appointed as required by any relevant law applicable to the issuer and/or any of its principal subsidiaries, with sole powers to represent, exercise rights on behalf of, the issuer and/or that principal subsidiary. (12) For issuers with principal subsidiaries based in jurisdictions other than Singapore, any of its independent directors' appointment or cessation of service from the boards of these principal subsidiaries. (13) Within 60 days after each financial year, the issuer must make an announcement of each person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	subscriptions to the capital stock of the Issuer; y. Any change of address and contact numbers of the registered office of the Issuer; z. Any change in the auditors of the Issuer and the corresponding reason for such change; aa. Any proposed amendment to the Articles of Incorporation and By-Laws and its subsequent approval by the Securities and Exchange Commission; bb. Any action filed in court, or any application filed with the Securities and Exchange Commission, to dissolve or wind-up the Issuer or any of its subsidiaries, or any amendment to the Articles of Incorporation shortening its corporate term; cc. The appointment of a receiver or liquidator for the Issuer or any of its subsidiaries; dd. Any acquisition of shares of another corporation or any transaction resulting in such corporation becoming a subsidiary of the Issuer; ee. Any acquisition by the Issuer of shares resulting in its holding 10% or more of the issued and outstanding shares of another listed company or where the total value of its holdings exceed 5% of the net assets of an unlisted corporation; ff. Any sale made by the Issuer of its shareholdings in another listed or unlisted corporation: (1) resulting in such corporation ceasing to be its subsidiary; (2) resulting in its shareholding falling below 10% of the issued capital stock; gg. Firm evidence of significant improvement or deterioration in near-term earnings prospects; hh. The purchase or sale of significant assets amounting to ten percent (10%) or more of the Issuer's total assets otherwise than in the ordinary course of business; ii. A new product or discovery;	the issuer as set out in Appendix 7.2 Part II of the SGX Listing Manual. If there are no such persons, the issuer must make an appropriate negative statement. The SGX-ST may require the issuer to provide additional information on any such person, including his remuneration, any changes to his duties, responsibilities and remuneration package. **Appointment of Special Auditors** (14) SGX-ST may require an issuer to appoint a special auditor to review or investigate the issuer's affairs and report its findings to SGX-ST or the issuer's audit committee or such other party as SGX-ST may direct. The issuer may be required by the SGX-ST to immediately announce the requirement, together with such other information as SGX-ST directs. The issuer may be required by SGX-ST to announce the findings of the special auditors.

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	jj. The public or private sale of additional securities; kk. A call for redemption of securities; ll. The borrowing of a significant amount of funds not in the ordinary course of business; mm. Default of financing or sale agreements; nn. Deviation from capital investment funds equivalent to twenty percent (20%) of the original amount appropriated; oo. Disputes with subcontractors, customers or suppliers or with any other parties; pp. An increase or decrease by 10% in the monthly, quarterly and annual revenues on a year-on-year basis. **Section 8, PSE Rules on Disclosure: Disclosure of the Amendments to the Articles of Incorporation and By-Laws** Upon approval by the Securities and Exchange Commission of the amendment to the Articles of Incorporation and By-Laws of an Issuer, the following should be submitted to the PSE within two (2) trading days: a. SEC Certified True Copy of the Amended Articles of Incorporation and By-Laws; and b. Detailed procedure to be undertaken by the Issuer in amending its stock certificates, if required. **Section 11, PSE Rules on Disclosure: Disclosure of Pending Release of Shares held under Voluntary Lock-Up** The Issuer must notify the PSE of the release of the shares held under escrow not earlier than fifteen (15) trading days but not later than ten (10) trading days before the end of the voluntary lock-up period.	

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
General Meetings		
	Section 7, PSE Rules on Disclosure: Disclosure on Stockholders' Meeting For the holding of any stockholders' meeting, the PSE must be given a written notice thereof at least Ten (10) trading days prior to the record date fixed by the Issuer. The notice must include all the necessary details including the time, venue, and agenda of the meeting and the inclusive dates when the stock and transfer books will be closed. The Issuer shall further submit within Five (5) trading days after the record date the list of stockholders who are entitled to notice and to vote at a regular or special stockholders' meeting.	(15) The date, time and place of any general meeting. All notices convening meetings must be sent to shareholders at least 14 calendar days before the meeting (excluding the date of the notice and the date of meeting). For meetings to pass special resolution(s), the notice must be sent to shareholders at least 21 calendar days before the meeting (excluding the date of notice and the date of meeting). (16) All resolutions put to a general meeting of an issuer, and immediately after such meeting, whether or not the resolutions were passed.
Acquisitions and Realisations		
	Please refer to Section 4.4, PSE Rules on Disclosure at paragraph "Reporting Requirements" for further details. **Section 4.3, PSE Rules on Disclosure** a. Where the information is necessary to enable the Issuer and the public to appraise their position or standing, such as, but not limited to, those relating to the Issuer's financial condition, prospects, development projects, contracts entered into in the ordinary course of business or otherwise, mergers and acquisitions, dealings with employees, suppliers, customers and others, as well as information concerning a significant change in ownership of the Issuer's securities owned by insiders or those representing control of the Issuer; or **Section 4.4, PSE Rules on Disclosure** dd. any acquisition of shares of another corporation or any transaction resulting in such corporation becoming subsidiary of the Issuer. ee. Any acquisition by the Issuer of shares resulting in its holding 10% or more of the issued and outstanding shares of another listed company or where the total value of its holdings exceed 5% of the net assets of an unlisted corporation;	**Acquisitions and Realizations** (17) Any acquisition of:- (a) shares resulting in the issuer holding 10% or more of the total number of issued shares excluding treasury shares of a quoted company; (b) except for an issuer which is a bank, finance company, securities dealing company or approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment exceeding each multiple of 5% of the issuer's latest audited consolidated net tangible assets. The announcement must state:- (i) the aggregate cost of the issuer's quoted investments before and after the acquisition, and such amounts as a percentage of the latest audited consolidated net tangible assets of the issuer; (ii) the total market value of its quoted investments before and after the acquisition; and (iii) the amount of any provision for dimunition in value of investments; (c) shares resulting in a company becoming a subsidiary or an associated company of the issuer (providing the information required by Rule 1010(3) and (5)); and (d) shares resulting in the issuer increasing

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
		its shareholding in a subsidiary or an associated company (providing the information required by Rule 1010(3) and (5)).
		(18) Any sale of: (a) shares resulting in the issuer holding less than 10% of the total number of issued shares excluding treasury shares of a quoted company; (b) except for an issuer which is a bank, finance company, securities dealing company or an approved financial institution, quoted securities resulting in the issuer's aggregate cost of investment in quoted securities falling below each multiple of 5% of the issuer's latest audited consolidated net tangible assets. The announcement must contain the same information as required under Rule 704(17)(b)(i) to (iii), relating to a sale instead of an acquisition; (c) shares resulting in a company ceasing to be a subsidiary or an associated company of the issuer (providing the information required by Rule 1010(3) and (5)); and (d) shares resulting in the issuer reducing its share holding in a subsidiary or an associated company (providing the information required by Rule 1010(3) and (5)).
		(19) Any acquisition or disposal of shares or other assets which is required to be announced under Chapter 10.
Winding Up, Judicial Management, etc		
	Please refer to Section 4.4, PSE Rules on Disclosure at paragraph "Reporting Requirements" for further details.	(20) Any application filed with a court to wind up the issuer or any of its subsidiaries, or to place the issuer or any of its subsidiaries under judicial management.
		(21) The appointment of a receiver, judicial manager or liquidator of the issuer or any of its subsidiaries.
		(22) Any breach of any loan covenants or any notice received from principal bankers or from the trustee of any debenture holders to demand repayment of loans granted to the issuer or any of its subsidiaries which, in the opinion of the issuer's directors, would result in the issuer facing a cash flow problem.

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
		(23) Where Rule 704(20), (21) or (22) applies, a monthly update must be announced regarding the issuer's financial situation, including: (a) the state of any negotiations between the issuer and its principal bankers or trustee; and (b) the issuer's future direction, or other material development that may have a significant impact on the issuer's financial position. If any material development occurs between the monthly updates, it must be announced immediately.
Announcement of Results, Dividends, etc		
	Section 6, PSE Rules on Disclosure: Disclosure of Dividend Declarations The Issuer must disclose to the PSE dividend declarations as approved by its board of directors and shareholders in accordance with Section 4.1, PSE Rules on Disclosure.	(24) Any recommendation or declaration of a dividend (including a bonus or special dividend, if any), the rate and amount per share and date of payment. If dividends are not taxable in the hands of shareholders, this must be stated in the announcement and in the dividend advice to shareholders. If there is a material variation in the interim or final dividend rate compared to that for the previous corresponding period, the directors must state the reasons for the variation at the time the dividend is recommended or declared. If the directors decide not to declare or recommend a dividend, this must be announced. (25) After the end of each of the first three quarters of its financial year, half year or financial year, as the case may be, an issuer must not announce any:- (a) dividend; (b) capitalisation or rights issue; (c) closing of the books; (d) capital return; (e) passing of a dividend; or (f) sales or turnover unless it is accompanied by the results of the quarter, half year or financial year, as the case may be, or the results have been announced.
Books Closure		
	Section 6.1, PSE Rules on Disclosure:	(26) Any intention to fix a books closure date,

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	Disclosure of Record Date The Issuer must set the record date in accordance with the rules of the Securities and Exchange Commission and when appropriate, of the rules of the Bangko Sentral ng Pilipinas. The disclosure of the record date must not be less than ten (10) trading days from the said date. **Section 6.2, PSE Rules on Disclosure: Determination of Payment Date** The Issuer must set the payment date in accordance with the rules of the Commission and when appropriate, of the rules of the Bangko Sentral ng Pilipinas. **Section 7, PSE Rules on Disclosure: Disclosure on Stockholders' Meeting** Disclosure on Stockholder's Meeting: For the holding of any stockholders' meeting, the Exchange must be given a written notice thereof at least ten (10) trading days prior to the record date fixed by the Issuer. The notice must include all the necessary details including the time, venue, and agenda of the meeting and the inclusive dates when the stock and transfer books will be closed. The Issuer shall further submit within five (5) trading days after the record date the list of stockholders who are entitled to notice and to vote at a regular or special stockholders' meeting.	stating the date, reason and address of the share registry at which the relevant documents will be accepted for registration. At least 5 market days of notice (excluding the date of announcement and the books closure date) must be given for any books closure date. Issuers could consider a longer notice period, where necessary. Subject to the provisions of the Singapore Companies Act, the SGX-ST may agree to a shorter books closure period. In fixing a books closure date, an issuer must ensure that the last day of trading on a cum basis falls at least 1 day after the general meeting, if a general meeting is required to be held. (27) The issuer must not close its books for any purpose until at least 8 market days after the last day of the previous books closure period. This rule does not prohibit identical books closure dates for different purposes.
Treasury Shares		
	Please refer to Section 9, PSE Rules on Disclosure at paragraph "Restrictions on Repurchase of Shares" for further details.	**Treasury Shares** (28) Any sale, transfer, cancellation and/or use of treasury shares, stating the following:- (a) date of the sale, transfer, cancellation and/or use; (b) purpose of such sale, transfer, cancellation and/or use; (c) number of treasury shares sold, transferred, cancelled and/or used; (d) number of treasury shares before and after such sale, transfer, cancellation and/or use; (e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
		(f) value of the treasury shares if they are used for a sale or transfer, or cancelled.
Share Option Scheme		
	Please refer to the sections under Part D, Article V, PSE Rules on Additional Listing at paragraph "Share Option Schemes or Share Schemes" for further details. **Section 4.4, PSE Rules on Disclosure** w. Capitalisation issues, options, directors/officers/employee stock option plans, warrants, stock splits and reverse splits;	(29) Any grant of options or shares. The announcement must be made on the date of the offer and provide details of the grant, including the following:- (a) Date of grant; (b) Exercise price of options granted; (c) Number of options or shares granted; (d) Market price of its securities on the date of grant; (e) Number of options or shares granted to each director and controlling shareholder (and each of their associates), if any; (f) Validity period of the options.
Loan agreements / Issue of Debt Securities		
	Sec. 4.4, PSE Rules on Disclosure ll. the borrowing of a significant amount of funds not in the ordinary course of business; mm. Default of financing or sale agreements;	(31) When the issuer or any of its subsidiaries enters into a loan agreement or issues debt securities that contain a condition making reference to shareholding interests of any controlling shareholder in the issuer, or places restrictions on any change in control of the issuer, and the breach of this condition or restriction will cause a default in respect of the loan agreement or debt securities, significantly affecting the operations of the issuer: (a) The details of the condition(s) making reference to shareholding interests of such controlling shareholder in the issuer or restrictions placed on any change in control of the issuer; and (b) The aggregate level of these facilities that may be affected by a breach of such condition or restriction. (32)Any breach of the terms of loan agreements or debt issues which may have a significant impact on the operations of the issuer.
Notifiable Transactions		
	Section 4.3, PSE Rules on Disclosure:	**Chapter 10 of the SGX Listing Manual**

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	Standard and Test in Determining Whether Disclosure is Necessary A disclosure must be made promptly by the Issuer if it meets any of the following standards: a. Where the information is necessary to enable the Issuer and the public to appraise their position or standing, such as, but not limited to, those relating to the Issuer's financial condition, prospects, development projects, contracts entered into in the ordinary course of business or otherwise, mergers and acquisitions, dealings with employees, suppliers, customers and others, as well as information concerning a significant change in ownership of the Issuer's securities owned by insiders or those representing control of the Issuer; or b. Where such information is necessary to avoid the creation of a false market for its securities; or c. Where such information may reasonably be expected to materially affect market activity and the price of its securities; **Section 5, PSE Rules on Disclosure: Disclosure for Substantial Acquisitions and Reverse Takeovers** When an Issuer or its subsidiary has merged or consolidated with or otherwise acquires a direct or indirect interest in an unlisted company, person or group, and said interest is ten percent (10%) or more of the total book value of the listed company, the trading of the securities of the listed company shall be suspended until the terms and conditions of the transaction, and the details pertaining to the business or project acquired are actually disclosed and, if applicable, the latest audited financial statements of the unlisted company, are submitted to the PSE. The foregoing, however, shall not apply to cases where the Issuer has merged or consolidated with or otherwise acquires an interest in its existing subsidiary(ies).	**(Acquisitions and Realizations)** **Rule 1004, SGX Listing Manual** Transactions are classified as:- (a) non-discloseable transactions, (b) discloseable transactions; (c) major transactions; and (d) very substantial acquisitions or reverse takeovers. **Rule 1005, SGX Listing Manual** In determining whether a transaction falls within category (a), (b), (c) or (d) of Rule 1004, SGX-ST may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction. **Rule 1006, SGX Listing Manual** A transaction may fall into category (a), (b), (c) or (d) of Rule 1004 depending on the size of the relative figures computed on the following bases:- (a) the net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets; (b) the net profits attributable to the assets acquired or disposed of, compared with the group's net profits; (c) the aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares; (d) the number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue. Transactions are categorized as follows:- - non-discloseable transaction: where all of the relative figures computed on the bases set out in Rule 1006 amount to 5% or less; - discloseable transaction: where any of the relative figures computed on the bases set out in Rule 1006 exceeds 5% but does not exceed 20%; - major transaction: where any of the relative

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
		figures computed on the bases set out in Rule 1006 exceeds 20%; and - very substantial acquisition or reverse takeover: Where any of the relative figures in Rule 1006 is 100% or more, or where there is a change in control of the issuer. **Rule 1008(1), SGX Listing Manual** Where a transaction is classified as a non-discloseable transaction, unless Rule 703, 905 or 1009 of the SGX Listing Manual applies, no announcement of the transaction is required. **Rule 1009, SGX Listing Manual** If the consideration is satisfied wholly or partly in securities for which listing is being sought, the issuer must announce the transaction as soon as possible after the terms have been agreed, stating the information set out in Chapter 10 Part VI of the SGX Listing Manual. **Rule 1010, Rule 1014(1) and Rule 1015(1), SGX Listing Manual** Where a transaction is classified as a discloseable transaction, major transaction or very substantial acquisition/reverse takeover, the Company must make an immediate announcement, which includes the details prescribed in Rule 1010 of the SGX Listing Manual (as set out below):- (1) particulars of the assets acquired or disposed of, including the name of any company or business, where applicable; (2) a description of the trade carried on, if any; (3) the aggregate value of the consideration, stating the factors taken into account in arriving at it and how it will be satisfied, including the terms of payment; (4) whether there are any material conditions attaching to the transaction including a put, call or other option and details thereof; (5) the value (book value, net tangible asset value and the latest available open market value) of the assets being acquired or disposed of, and in respect of the latest available valuation, the value placed on the assets, the party who commissioned the valuation and the basis and date of such valuation; (6) in the case of a disposal, the excess or deficit of the proceeds over the book value, and the intended use of the sale proceeds. In the case

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
		of an acquisition, the source(s) of funds for the acquisition; (7) the net profits attributable to the assets being acquired or disposed of. In the case of a disposal, the amount of any gain or loss on disposal; (8) the effect of the transaction on the net tangible assets per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the end of that financial year; (9) the effect of the transaction on the earnings per share of the issuer for the most recently completed financial year, assuming that the transaction had been effected at the beginning of that financial year; (10) the rationale for the transaction including the benefits which are expected to accrue to the issuer as a result of the transaction; (11) whether any director or controlling shareholder has any interest, direct or indirect, in the transaction and the nature of such interests; (12) details of any service contracts of the directors proposed to be appointed to the issuer in connection with the transaction; and (13) the relative figures that were computed on the bases set out in Rule 1006. **Rule 1014(2) and Rule 1015(2), SGX Listing Manual** Further, transactions that are major transactions are conditional upon the prior approval of shareholders. Very substantial acquisitions/ reverse takeovers transactions are conditional upon the approval of shareholders and the approval of the SGX-ST. A circular to shareholders will need to be distributed to seek shareholders approval. The disclosures required to be made in such circular for these types of transactions are prescribed in the SGX Listing Manual. **Rule 1015(1)(b) and Rule 1015(2), SGX Listing Manual** For very substantial acquisitions/reverse takeovers, the issuer must also immediately announce the latest three years of proforma financial information of the assets to be acquired and obtain the approval of the SGX-ST.

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
		The enlarged group must also comply with the requirements in Rule 1015(3) of the SGX Listing Manual.

Announcement of financial results and annual reports

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
2.	**Section 17.2, PSE Rules on Disclosure: Submission of Periodic and Other Reports by Listed Companies to the PSE** Issuers shall file with the PSE the following periodic and other reports: a. Annual Report: An annual report using SEC Form 17-A within 105 days after the end of the fiscal year, or such other time as the Securities and Exchange Commission by rule shall prescribe. b. Three (3) Quarterly Reports, within 45 days from end of the first three quarters of the fiscal year, the SEC Form 17-Q format shall be used. Issuers must include a schedule of aging of accounts receivables in their SEC Form 17-Q submitted to the PSE. c. Other Periodical Reports Prescribed by the Securities and Exchange Commission: Such other periodical reports for interim fiscal periods and current reports on significant developments of the Issuer as the Securities and Exchange Commission may prescribe as necessary to update and keep current information on the operation of the business and financial condition of the Issuer. **Section 17.3, PSE Rules on Disclosure: Form of Periodic Report** All reports (including financial statements) required to be filed with the Securities and Exchange Commission and the PSE pursuant to Section 17.2, PSE Rules on Disclosure shall, be in such form, contain such information and be filed at such times as the Securities and Exchange Commission by rule shall prescribe, and in lieu of any periodical or current reports or financial statements otherwise required to be filed under the Corporation Code of the Philippines. **Section 17.4, PSE Rules on Disclosure: Furnishing of Annual Report to Shareholders** Every Issuer shall furnish to each holder of such	**Rule 705, SGX Listing Manual: Financial Statements** (1) An issuer must announce the financial statements for the full financial year (as set out in Appendix 7.2 of the SGX Listing Manual) immediately after the figures are available, but in any event not later than 60 days after the relevant financial period. (2) An issuer must announce the financial statements for each of the first three quarters of its financial year (as set out in Appendix 7.2 of the SGX Listing Manual) immediately after the figures are available, but in any event not later than 45 days after the quarter end if:- (a) its market capitalization exceeded S$75 million as at 31 March 2003; or (b) it was listed after 31 March 2003 and its market capitalization exceeded S$75 million at the time of listing (based on the I PO issue price); or (c) its market capitalization is S$75 million or higher on the last trading day of each calendar year commencing from 31 December 2006. An issuer whose obligation falls within this sub-section (c) will have a grace period of a year to prepare for quarterly reporting. As an illustration, an issuer whose market capitalization is S$75 million or higher as at the end of the calendar year 31 December 2006 must announce its quarterly financial statements for any quarter of its financial year commencing in 2008. Notwithstanding the grace period, all issuers whose obligation falls under this sub-section (c) are strongly encouraged to adopt quarterly reporting as soon as possible. (3) (a) An issuer who falls within the subsections in Rule 705(2) above must comply with Rule 705(2) even if its market capitalization subsequently

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	equity security an annual report in such form and containing such information as the Securities and Exchange Commission by rule shall prescribe. **Section 17, Securities Regulation Code: Reportorial Requirements** **Section 17.1, Securities Regulation Code** Every Issuer satisfying the requirements in Section 17.2 of the Securities Regulation Code shall file with the Securities and Exchange Commission: a) Within one hundred thirty-five (135) days, after the end of the issuer's fiscal year, or such other time as the Securities and Exchange Commission may prescribe, an annual report which shall include, among others, a balance sheet, profit and loss statement and statement of cash flows, for such last fiscal year, certified by an independent certified public accountant, and a management discussion and analysis of results of operations; and b) Such other periodical reports for interim fiscal periods and current reports on significant developments of the issuer as the Securities and Exchange Commission may prescribe as necessary to keep current information on the operation of the business and financial condition of the issuer. **Section 17.2, Securities Regulation Code** The reportorial requirements of Section 17.1 of the Securities Regulation Code shall apply to the following: (a) An issuer which has sold a class of its securities pursuant to a registration under Section 12 of the Securities Regulation Code: Provided, however, That the obligation of such issuer to file reports shall be suspended for any fiscal year after the year such registration became effective if such issuer, as of the first day of any such fiscal year, has less than one hundred (100) holders of such class of securities or such other number as the Securities and Exchange Commission shall prescribe and it notifies the Securities and Exchange Commission of such; (b) An issuer with a class of securities listed for trading on an organised marketplace or facility that brings together buyers	decreases below S$75 million. (b) An issuer who does not fall within the sub-sections in Rule 705(2) above must announce its first half financial statements (as set out in Appendix 7.2 of the SGX Listing Manual) immediately after the figures are available, but in any event not later than 45 days after the relevant financial period. (4) Notwithstanding the foregoing, with respect to the first announcement to be made by the issuer pursuant to Rules 705(1) or (2) following its listing on the SGX-ST, where the time period between the date of its listing and the final date for the issuer to make the relevant announcement pursuant to Rule 705(1) or (2) above is less than 30 days, the issuer shall have 30 days from the relevant deadline to make the relevant announcement of the financial statements provided that the following conditions are satisfied: (a) the extension is announced by the issuer at the time of the issuer's listing; and (b) in the announcement referred to in paragraph (a), the issuer must confirm that there is no material adverse change to the financial position of the issuer since the date of its prospectus or introductory document in connection with its listing on SGX-ST. (5) In the case of an announcement of interim financial statements (quarterly or half-yearly, as applicable, but excluding full year financial statements), an issuer's directors must provide a confirmation that, to the best of their knowledge, nothing has come to the attention of the board of directors which may render the interim financial statements to be false or misleading in any material aspect. In order to make this confirmation, directors would not be expected to commission an audit of these financial statements. The confirmation may be signed by 2 directors on behalf of the board of directors. **Rule 707, SGX Listing Manual** (1) The time between the end of an issuer's financial year and the date of its annual general meeting (if any) must not exceed four months. (2) An issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting.

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	and sellers and executes trades of securities and/or commodities; and (c) An issuer with assets of at least Fifty million pesos (P50,000,000.00) or such other amount as the Securities and Exchange Commission shall prescribe, and having Two hundred (200) or more holders each holding at least One hundred (100) shares of a class of its equity securities: Provided, however, That the obligation of such issuer to file reports shall be terminated ninety (90) days after notification to the Securities and Exchange Commission by the issuer that the number of its holders holding at least one hundred (100) shares is reduced to less than One hundred (100).	

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws

Appointment of Auditors

Article 5, SEC Memorandum Circular No. 6 Series of 2009, Revised Code of Corporate Governance

Accountability and Audit

A) The board is primarily accountable to the stockholders. It should provide them with a balanced and comprehensible assessment of the corporation's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

Thus, it is essential that management provide all members of the board with accurate and timely information that would enable the board to comply with its responsibilities to the stockholders.

Management should formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

(i) The extent of its responsibility in the preparation of the financial statements of the corporation, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;

(ii) An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the corporation should be maintained;

(iii) On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the corporation's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets,

Rule 712, SGX Listing Manual: Appointment of Auditors

(1) An issuer must appoint a suitable accounting firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the accounting firm and the persons assigned to the audit, the firm's audit engagements, the size and complexity of the listed group being audited, and the number and experience of supervisory and professional staff assigned to the particular audit.

(2) The auditing firm appointed by the issuer must be:-

(a) Registered with the Accounting and Corporate Regulatory Authority;

(b) Registered with and/or regulated by an independent audit oversight body acceptable to the SGX-ST. Such oversight bodies should be members of the International Forum of Independent Audit Regulators, independent of the accounting profession and directly responsible for the system of recurring inspection of accounting firms or are able to exercise oversight of inspections undertaken by professional bodies; or

(c) Any other auditing firm acceptable by the SGX-ST.

(3) A change in auditors must be specifically approved by shareholders in a general meeting.

Rule 713, SGX Listing Manual

(1) An issuer must disclose in its annual report the date of appointment and the name of the audit partner in charge of auditing the issuer and its group of companies. The audit partner must not be in charge of more than 5 consecutive audits for a full financial year, the first audit being for the financial year beginning on or after 1 January 1997, regardless of the date of listing. The audit partner may return after 2 years.

(2) If the listing of an issuer occurs after 5 consecutive audits by the same audit partner in charge, the same audit partner may complete the audit of the financial year in

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	and compliance with contracts, laws, rules and, regulations; (iv) The corporation should consistently comply with the financial reporting requirements of the Commission; (v) The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the corporation, should be changed with the same frequency. The Internal Auditor should submit to the Audit Committee and management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management. The Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards. B) The board, after consultations with the Audit Committee, shall recommend to the stockholders an external auditor duly accredited by the Securities and Exchange Commission who shall undertake an independent audit of the corporation, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The external auditor shall not, at the same time, provide internal audit services to the corporation. Non-audit work may be given to the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence. If the external auditor resigns, is dismissed or ceases to perform his	which the issuer lists.

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	services, the reason/s for and the date of effectivity of such action shall be reported in the corporation's annual and current reports. The report shall include a discussion of any disagreement between him and the corporation on accounting principles or practices, financial disclosures or audit procedures which the former auditor and the corporation failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the corporation to the external auditor before its submission. If the external auditor believes that any statement made in an annual report, information statement or any report filed with the Commission or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said reports.	
Public Float Requirement		
3.	**Section 3, Article XVIII, Continuing Listing Requirements of the Listing and Disclosure Rules** (a) Listed companies shall, at all times, maintain a minimum percentage of listed securities held by the public of ten percent (10%) of the listed companies' issued and outstanding shares, exclusive of any treasury shares, or as such percentage that may be prescribed by the Exchange. The Exchange may impose a higher percentage effective upon receipt by the Commission of written notice of such increase. The Exchange may decrease the percentage or suspend or remove the same only with prior approval from the Commission. xxx (c) A listed company shall immediately disclose to the Exchange if it becomes aware that the number of listed securities which are in the hands of the public has fallen below the prescribed minimum percentage. (d) Once the listed company becomes aware that the number of its listed securities in the hands of the public has fallen below the prescribed minimum percentage, the listed company shall take steps to ensure compliance at the earliest possible time, and shall immediately disclose to the Exchange such steps.	**Rule 723, SGX Listing Manual** An issuer must ensure that at least 10% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. **Rule 724, SGX Listing Manual** If the percentage of securities in public hands falls below 10%, the issuer must, as soon as practicable, make an announcement and the SGX-ST may suspend trading of the class, or all of the securities of the issuer. The SGX-ST may allow the issuer a period of 3 months, or such longer period as the SGX-ST may agree, to raise the percentage of securities in public hands to at least 10%. The issuer may be delisted if it fails to restore the percentage of securities in public hands to at least 10% after the period.

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	xxx (f) Listed companies shall disclose within fifteen (15) calendar days after the end of each quarter a public ownership report. (g) Companies which are non-compliant with the minimum public ownership ("**MPO**") as of December 31, 2011, may be allowed a grace period to comply with the MPO requirement. The grace period shall be reckoned from the date of effectivity of these amendments and shall not exceed twelve (12) months but not beyond December 31, 2012. (h) Listed companies other than those under paragraph (g) that are non-compliant with the MPO requirement may be allowed a grace period to comply with the MPO requirement to be reckoned from either: (i) the date when the listed company makes a disclosure that its public ownership level has fallen below the MPO requirement prescribed by the Exchange; or (ii) when the listed company submits its quarterly Public Ownership Report which shows that the listed company has not complied with the MPO requirement, whichever comes earlier, and such grace period shall not exceed twelve (12) months but not beyond December 31, 2012. (i) Immediately after the grace period, the Exchange shall impose a trading suspension for a period of not more than six (6) months. If after the lapse of the suspension period, a listed company remains non-compliant with the MPO requirement, it shall be automatically delisted. (j) Listed companies which become non-compliant with the MPO on or after January 1, 2013 shall be suspended from trading for a period of not more than six (6) months and shall be automatically delisted if it remains non-compliant with the MPO after the lapse of the suspension period.	
Shareholders' Reporting Obligations		
4.	**Section 13, PSE Rules on Disclosure: Disclosure on Transactions of Directors and Principal Officers in the Issuer's Securities** Notwithstanding Section 17.5 of the PSE Rules on Disclosure, Issuers must disclose to the PSE the direct and indirect ownership of its directors and principal officers in its securities within five (5) trading days after:	**Obligation to notify the Company of substantial shareholding and change in substantial shareholding** **Section 81 of the Singapore Companies Act** A person has a substantial shareholding in a company being a company the share capital of which is divided into 2 or more classes of

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	a. The Issuer's securities is first admitted in the Official Registry of the PSE; b. a Director is first elected or an Officer is appointed; c. any acquisition, disposal, or change in the shareholdings of the Directors and Officers. A Director or a Principal Officer of an Issuer must not deal in the Issuer's securities during the period within which a material non-public information is obtained and up to two full trading days after the price sensitive information is disclosed. **Section 17.5, PSE Rules on Disclosure: Reports on Beneficial Ownership** Any person who is directly or indirectly the beneficial owner of any equity security of a listed Issuer or is a director, officer or principal stockholder thereof shall submit the necessary reports in accordance with the requirements of Sections 18 and 23, as the case may be, of the Securities Regulation Code. **Section 18, Securities Regulation Code: Reports by Five per centum Holders of Equity Securities** **Section 18.1, Securities Regulation Code** In every case in which an issuer satisfies the requirements of Section 17.2 of the Securities Regulation Code, any person who acquires directly or indirectly the beneficial ownership of more than five per centum (5%) of such class or in excess of such lesser per centum as the Securities and Exchange Commission by rule may prescribe, shall, within ten (10) days after such acquisition or such reasonable time as fixed by the Securities and Exchange Commission, submit to the issuer of the security, to the exchange where the security is traded, and to the Securities and Exchange Commission a sworn statement containing the following information and such other information as the Securities and Exchange Commission may require in the public interest or for the protection of investors: a) The personal background, identity, residence, and citizenship of, and the nature of such beneficial ownership by, such person and all other persons by whom or on whose behalf the purchases are effected; in the event the beneficial owner is a juridical person, the lines of business of the beneficial owner shall	shares, if (a) he has an "interest" in or interests in one or more voting shares included in one of those classes; and (b) the total votes attached to that share, or those shares is not less than 5 per cent of the total votes attached to all the voting shares included in that class. "voting shares" exclude treasury shares and a person who has a substantial shareholding in a company is a substantial shareholder in that company. A person has a substantial shareholding in a company if he has an "interest" in one or more voting shares in the company, and the total votes attached to those shares is not less than 5 per cent of the total votes attached to all the voting shares in the company. **Section 82 of the Singapore Companies Act** A substantial shareholder of a company is required to notify the company in writing of his "interests" in the voting shares in the company within two business days after becoming a substantial shareholder, stating his name and address and full particulars (including unless the interest or interests cannot be related to a particular share or shares the name of the person who is registered as the holder) of the voting shares in the company in which he has an interest or interests and full particulars of each such interest and of the circumstances by reason of which he has that interest. The notice shall be so given notwithstanding that the person has ceased to be a substantial shareholder before the expiration of the two business days. **Sections 83 and 84 of the Singapore Companies Act** A substantial shareholder is required to notify the company in writing of changes in the "percentage level" of his shareholding or his ceasing to be a substantial shareholder, again within two business days after he is aware of such changes. The reference to changes in "percentage level" means the percentage figure ascertained by expressing the total votes attached to all the voting shares in which the substantial shareholder has an interest or interests immediately before or (as the case may be) immediately after the relevant time as a percentage of the total votes attached to:- (a) all the voting shares in the company; or (b) where the share capital of the company is

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	also be reported; b) If the purpose of the purchases or prospective purchases is to acquire control of the business of the issuer of the securities, any plans or proposals which such persons may have that will effect a major change in its business or corporate structure; c) The number of shares of such security which are beneficially owned, and the number of shares concerning which there is a right to acquire, directly or indirectly, by: (i) such person, and (ii) each associate of such person, giving the background, identity, residence, and citizenship of each such associate; and d) Information as to any contracts, arrangements, or understanding with any person with respect to any securities of the issuer including but not limited to transfer, joint ventures, loan or option arrangements, puts or calls, guarantees or division of losses or profits, or proxies naming the persons with whom such contracts, arrangements, or understanding have been entered into, and giving the details thereof. **Section 18.2, Securities Regulation Code** If any change occurs in the facts set forth in the statements, an amendment shall be transmitted to the issuer, the PSE and the Securities and Exchange Commission. **Section 18.3, Securities Regulation Code** The Securities and Exchange Commission, may permit any person to file in lieu of the statement required by Section 17.1, Securities Regulation Code, a notice stating the name of such person, the shares of any equity securities subject to Section 17.1 which are owned by him, the date of their acquisition and such other information as the Securities and Exchange Commission may specify, if it appears to the Securities and Exchange Commission that such securities were acquired by such person in the ordinary course of his business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the issuer nor in connection with any transaction having such purpose or effect. **Section 23, Securities Regulation Code: Transactions of Directors, Officers and Principal Stockholders**	divided into 2 or more classes of shares, all the voting shares included in the class concerned, and, if it is not a whole number, rounding that figure down to the next whole number. The notice must contain (a) the name and address of the substantial shareholder; (b) the date of the change and the circumstances leading to that change; and (c) such other particulars as may be prescribed. **Disclosure to Corporations by Substantial Shareholders** **Sections 135, 136 and 137, SFA** Any person who: (i) is or (if he has ceased to be one) had been a "substantial shareholder", (ii) has a change in the "percentage level" (within the meaning of the SFA) of his/its interest as a substantial shareholder, (iii) ceases to be a substantial shareholder of a corporation (generally refers to: (a) a Singapore-incorporated company any or all of the shares in which are listed on the SGX-ST; or (b) a foreign-incorporated company any or all of the shares in which are primarily listed for quotation on the SGX-ST) (the "**Corporation**"), is required to give written notice to the Corporation of: (i) the particulars of the voting shares in the Corporation and the nature and extent of the interests, (ii) the change in interests; or (iii) the cessation as substantial shareholder, as the case may be. The notice shall be given in such form and contain such information as the MAS may prescribe and shall be given 2 business days after the person becomes aware that (i) he is or had been a substantial shareholder, (ii) there is a change of interest; or (iii) he has ceased to be a substantial shareholder, as the case may be. **Notification by and to Beneficial Owners** **Sections 137A, SFA** Where a person authorises another person to hold, acquire or dispose of, on his behalf, voting shares or an interest or interest in voting shares in a Corporation, he shall take reasonable steps to ensure that the second-mentioned person notifies him as soon as practicable, and in any case, no later than 2 business days after any acquisition or disposal of any of those voting shares or interest or interests In voting shares affected by the

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	Section 23.1, Securities Regulation Code Every person who is directly or indirectly the beneficial owner of more than ten per centum (10%) of any class of any equity security which satisfies the requirements of Section 17.2, Securities Regulation Code, or who is a director or an officer of the issuer of such security, shall file, at the time either such requirement is first satisfied or within ten days after he becomes such a beneficial owner, director, or officer, a statement with the Securities and Exchange Commission and, if such security is listed for trading on an exchange, also with the exchange, of the amount of all equity securities of such issuer of which he is the beneficial owner, and within ten (10) days after the close of each calendar month thereafter, if there has been a change in such ownership during such month, shall file with the Securities and Exchange Commission, and if such security is listed for trading on an exchange, shall also file with the PSE, a statement indicating his ownership at the close of the calendar month and such changes in his ownership as have occurred during such calendar month. **Section 23.2, Securities Regulation Code** For the purpose of preventing the unfair use of information which may have been obtained by such beneficial owner, director, or officer by reason of his relationship to the issuer, any profit realized by him from any purchase and sale, or any sale and purchase, of any equity security of such issuer within any period of less than six (6) months, unless such security was acquired in good faith in connection with a debt previously contracted, shall inure to and be recoverable by the issuer, irrespective of any intention of holding the security purchased or of not repurchasing the security sold for a period exceeding six (6) months. Suit to recover such profit may be instituted before the Regional Trial Court by the issuer, or by the owner of any security of the issuer in the name and in behalf of the issuer if the issuer shall fail or refuse to bring such suit within sixty (60) days after request or shall fail diligently to prosecute the same thereafter, but no such suit shall be brought more than two (2) years after the date such profit was realized. This Section 23.2 shall not be construed to cover any transaction where such beneficial owner was not such both at the time of the purchase and sale, or the sale and purchase, of the security involved, or any transaction or transactions which the Securities and Exchange Commission by rules and regulations may exempt as not comprehended within the purpose of this section. **Section 23.3, Securities Regulation Code**	second-mentioned person on his behalf, which will or may give rise to any duty on the part of the first-mentioned person to give notice under the provisions of the SFA. **Sections 137B, SFA** Where a person holds voting shares in a Corporation, being voting shares in which another person has an interest, he shall give to the second-mentioned person a notice of an acquisition or disposal of any of those shares effected by him, in such form as the MAS may prescribe, as soon as practicable, and in any case, no later than 2 business days after acquiring or disposing of the shares.

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	It shall be unlawful for any such beneficial owner, director, or officer, directly or indirectly, to sell any equity security of such issuer if the person selling the security or his principal: (a) Does not own the security sold; or (b) If owning the security, does not deliver it against such sale within twenty (20) days thereafter, or does not within five (5) days after such sale deposit it in the mails or other usual channels of transportation; but no person shall be deemed to have violated this Section 23.2 if he proves that notwithstanding the exercise of good faith he was unable to make such delivery or deposit within such time, or that to do so would cause undue inconvenience or expense. **Section 23.4, Securities Regulation Code** The provisions of Section 23.2, Securities Regulation Code shall not apply to any purchase and sale, or sale and purchase, and the provisions of Section 23.3 shall not apply to any sale, of an equity security not then or thereafter held by him in an investment account, by a dealer in the ordinary course of his business and incident to the establishment or maintenance by him of a primary or secondary market, otherwise than on an exchange, for such security. The Securities and Exchange Commission may, by such rules and regulations as it deems necessary or appropriate in the public interest, define and prescribe terms and conditions with respect to securities held in an investment account and transactions made in the ordinary course of business and incident to the establishment or maintenance of a primary or secondary market.	

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws

Restrictions on Repurchase of Shares

5. **Section 9, PSE Rules on Disclosure: Disclosure of Acquisition of Outstanding Shares and Sale of Treasury Shares**

The Issuer must promptly disclose any planned acquisition of its shares or disposition of treasury shares. In addition, the Issuer must submit a disclosure regarding the actual number of shares and the transaction price for each acquisition or disposition of its own shares prior to the pre-open period of the next trading day after the transaction was executed. The planned acquisition or disposition must likewise be in accordance with the rules and regulations of the Securities and Exchange Commission.

Section 10, PSE Rules on Disclosure: Disclosure of Acquisition by the Issuer's Subsidiaries, Affiliates and Others

The Issuer must submit a disclosure to the PSE regarding the actual number of shares and the transaction price for each acquisition or disposal of the Issuer's shares by its subsidiaries, affiliates or entities controlled or managed by the Issuer prior to the pre-open period of the next trading day after the transaction was executed or such other related information that the PSE may require.

Section 41, Corporation Code of the Philippines

A stock corporation shall have the power to purchase or acquire its own shares for a legitimate corporate purpose or purposes, including but not limited to the following cases: Provided, That the corporation has unrestricted retained earnings in its books to cover the shares to be purchased or acquired:

1. To eliminate fractional shares arising out of stock dividends;

2. To collect or compromise an indebtedness to the corporation, arising out of unpaid subscription, in a delinquency sale, and to purchase delinquent shares sold during said sale; and

3. To pay dissenting or withdrawing stockholders entitled to payment for their shares under the provisions of the Corporation Code.

Share Buyback

(a) Shareholder Approval

Rule 881, SGX Listing Manual

An issuer may purchase its own shares ("**Share Buyback**") if it has obtained the prior specific approval of shareholders in general meeting.

Rule 882, SGX Listing Manual

A share buy-back may only be made on the SGX-ST or on another stock exchange on which the issuer's securities are listed ("**Market Purchases**") or by way of an off-market acquisition in accordance with an equal access scheme as defined in section 76C of the Singapore Companies Act.

Rule 883, SGX Listing Manual

For the purpose of obtaining shareholder approval, the issuer must provide at least the following information to shareholders:-

(1) the information required under the Singapore Companies Act;

(2) the reasons for the proposed share buyback;

(3) the consequences, if any, of share purchases by the issuer that will arise under the Singapore Takeover Code or other applicable takeover rules;

(4) whether the share buy-back, if made, could affect the listing of the issuer's equity securities on the SGX-ST;

(5) details of any share buy-back made by the issuer in the previous 12 months, giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(6) whether the shares purchased by the issuer will be cancelled or kept as treasury shares.

(b) Dealing Restrictions:

Rule 884, SGX Listing Manual

In the case of a Market Purchase, the purchase price must not exceed 105% of the average closing price ("**Average Closing Price**").

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
		"**Average Closing Price**" means the average of the closing market prices of a share over the last 5 market days preceding the day of the market purchase on which transactions in the shares were recorded and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period. **Rule 885, SGX Listing Manual** In the case of off market acquisition in accordance with an equal access scheme, an issuer must issue an offer document to all shareholders containing at least the following information:- (1) terms and conditions of offer; (2) period and procedures for acceptances; and (3) information in Rule 883(2), (3), (4), (5) and (6) of the SGX Listing Manual. *(c) Reporting Requirements* **Rule 886(1), SGX Listing Manual** Where an issuer purchases its shares by way of a market purchase, the issuer shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9:00 a.m. on the market day following the day of purchase of any of its shares. In a case of an off market purchase under an equal access scheme, an issuer must notify the SGX-ST by 9:00 a.m. on the second market day after the close of acceptances of the offer. **Rule 886(2), SGX Listing Manual** Notification of a purchase by the issuer of its shares must be in the form of Appendix 8.3.2 of the SGX Listing Manual (for an issuer with a dual listing on another stock exchange). Such notification would include, *inter alia*, the name of the overseas exchange on which the company's shares are also listed, the maximum number of shares authorized for purchase, details of the total number of shares authorized for purchase, the date of purchases, the total number of shares purchased, the purchase price per share, the highest and lowest prices paid for such shares, the total purchase consideration, the cumulative number of shares purchased to date and the number of issued shares after the purchase.

Solicitation for Proxy

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
6.	**Section 20, Securities Regulation Code: Proxy Solicitations** **Section 20.1, Securities Regulation Code** Proxies must be issued and proxy solicitation must be made in accordance with rules and regulations to be issued by the Securities and Exchange Commission **Section 20.2, Securities Regulation Code** Proxies must be in writing, signed by the stockholder or his duly authorized representative and file before the scheduled meeting with the corporate secretary. **Section 20.3, Securities Regulation Code** Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it is intended. No proxy shall be valid only for the meting for which it is intended. No proxy shall be valid and effective for a period longer than five (5) years at one time. **Section 20.4, Securities Regulation Code** No broker or dealer shall give any proxy, consent or any authorization, in respect of any security carried for the account of the customer, to a person other than the customer, without written authorization of such customer. **Section 20.5, Securities Regulation Code** A broker or dealer who holds or acquire the proxy for at least ten percent (10%) or such percentage as the commission may prescribe of the outstanding share of such issuer, shall submit a report identifying the beneficial owner of ten days after such acquisition, for its own account or customer, to the issuer of security, to the exchange where the security is traded and to the Securities and Exchange Commission.	Depositors who wish to attend and vote at the extraordinary general meeting, and whose names are shown in the records of the Central Depository (Pte) Limited ("**CDP**") as at a time not earlier than 48 hours prior to the time of the extraordinary general meeting supplied by CDP to the company, may attend the extraordinary general meeting in person. Such depositors who are individuals and who wish to attend the extraordinary general meeting in person need not take any further action and can attend and vote at the extraordinary general meeting.

Issuance of New Shares, Convertible Bonds or Bonds with Warrants

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
7.	**Additional Listing of Securities** **General** **Section 1, Part A, Article V, PSE Rules on Additional Listing: Rule on Additional Listing of Shares** This rule shall apply to transactions resulting in issuance by an issuer of new voting shares to any party or persons acting in concert ("**subscribers**") amounting to at least ten percent (10%) but not more than thirty-five percent	**Issue of Shares, Company Warrants and Convertible Securities For Cash (Other than Rights Issues)** **Rule 811, SGX Listing Manual** (1) An issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed. If trading in the issuer's shares is not available for a full

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	(35%) of the total issued and outstanding capital stock of the issuer through a single or creeping transactions within a period of twelve (12) months from the initial disclosure. Such transactions may include private placements, share swaps, property-for-share swaps, or conversion of securities into equity. As a general rule, the PSE shall not permit the listing of shares subscribed by related parties unless a rights or public offering is first undertaken. For the purposes of this rule, "related parties" shall mean affiliates of the listed issuer accounted for by the equity method of accounting; trusts for the benefit of employees such as pension and profit sharing plans that are managed by or under the trusteeship of the management; directors, major shareholders or principal owners of the listed issuer; and its management; members of the immediate families of major shareholders, principal owners and management of the listed issuer. **Section 4, Part A, Article V, PSE Rules on Additional Listing: Comprehensive Corporate Disclosure** The issuer shall submit within five (5) trading days from the initial disclosure the details of the transaction including but not limited to the following: a) copies of all agreements duly executed that are relevant to the transaction; b) description of the proposed transaction including the timetable for implementation, and related regulatory requirements; c) rationale for the transaction including the benefits which are expected to be accrued to the listed issuer as a result of the transaction; d) the aggregate value of the consideration, explaining how this is to be satisfied, including the terms of any arrangements for payment on a deferred basis; e) the basis upon which the consideration or the issue value was determined; f) detailed work program of the application of proceeds, the corresponding timetable of disbursements and status of each project included in the work program. For debt retirement application, state which projects were financed by debt	market day, the weighted average price must be based on the trades done on the preceding market day up to the time the placement agreement is signed. (2) An issue of company warrants or other convertible securities is subject to the following requirements:- (a) if the conversion price is fixed, the price must not be more than 10% discount to the prevailing market price of the underlying shares prior to the signing of the placement or subscription agreement; and (b) if the conversion price is based on a formula, any discount in the price-fixing formula must not be more than 10% of the prevailing market price of the underlying shares before conversion. (3) Rule 811 (1) and (2) is not applicable if specific shareholder approval is obtained for the issue of shares, company warrants or other convertible securities. (4) Where specific shareholders' approval is sought, the circular must include the following:- (a) information required under Rule 810 of the SGX Listing Manual; and (b) the basis upon which the discount was determined. **Issue of Company Warrants or other Convertible Securities, by way of a Rights Issue or Bought Deal or otherwise** **Rule 821, SGX Listing Manual** No date must be fixed for the closing of books until the issue has been approved by the SGX-ST. Please also refer to the paragraph "Books Closure Date" for further details. **Rule 824, SGX Listing Manual** Every issue of company warrants or other convertible securities not covered under a general mandate must be specifically approved by shareholders in general meeting. **Rule 825, SGX Listing Manual** In procuring the approval of shareholders in a general meeting, the circular to the shareholders must include the recommendations of the board of

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	being retired, the project cost, amount of project financed by debt and financing sources for the remaining cost of the project; g) identity of the beneficial owner(s) of the share subscribed (for corporations: date of incorporation and nature of business, major projects and investments, capital structure, audited financial statements for the last three (3) fiscal years, list of subsidiaries and affiliates, board of directors and principal officers; for individuals: list of shareholdings in other companies with the issuer, list of companies where the individual is an officer or a director, and relationships with the existing directors and stockholders of all parties to the transaction); h) for subscribers with no track record or with no operating history: the subscriber must present a statement of active business pursuits and objectives which details the steps undertaken and proposed to be undertaken by the issuer in order to advance its business. Projected financial statements shall only be required should there be references made in the statements to forecasts or targets; i) identities of controlling and substantial stockholders of the parties to the transaction, accompanied by a structural chart depicting the structure of the subscriber and the issuer and the interests of such stockholders, both before and after the implementation of the proposed transaction; j) the interest which directors of the parties to the transaction have in the proposed transaction; and k) statement as to the steps to be taken, if any, to safeguard the interests of any independent shareholders. **Section 5, Part A, Article V, PSE Revised Listing Rules: Stockholders Approval** The issuer must submit a sworn corporate secretary's certification confirming the following: a) that the stockholders in a regular or special meeting approved the transaction; b) for related party transactions, in addition	directors of the issuer on such an issue of company warrants or convertible securities and the basis for such recommendation(s). **Rule 826, SGX Listing Manual** If application is made for the listing of company warrants or other convertible securities, SGX-ST will normally require a sufficient spread of holdings to provide for an orderly market in the securities. As a guide, SGX-ST expects at least 100 warrantholders for a class of company warrants. **Rule 827, SGX Listing Manual** Company warrants or other convertible securities may be listed only if the underlying securities are (or will become at the same time) one of the following:- (1) a class of equity securities listed on the SGX-ST; or (2) a class of equity securities listed or dealt in on a stock market approved by the SGX-ST. **Rule 828, SGX Listing Manual** Each company warrant must:- (1) give the registered holder the right to subscribe for or buy one share in the total number of issued shares excluding treasury shares of the issuer; and (2) not be expressed in terms of dollar value. **Rule 829, SGX Listing Manual** The terms of the issue must provide for:- (1) adjustment to the exercise or conversion price and, where appropriate, the number of company warrants or other convertible securities, in the event of rights, bonus or other capitalization issues; (2) the expiry of the company warrants or other convertible securities to be announced, and notice of expiry to be sent to all holders of the company warrants or other convertible securities at least 1 month before the expiration date; and (3) any material alteration to the terms of company warrants or other convertible securities after issue to the advantage of the holders of such securities to be approved by shareholders, except where the alterations are made pursuant to the terms of the issue.

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws

PSE Rules and Philippines Laws

to the stockholders' approval of the transaction, the issuer must submit a sworn corporate secretary's certification confirming that a waiver of the requirement to conduct a rights or public offering of the shares subscribed has been granted by a majority vote representing the outstanding shares held by the minority stockholders present or represented in the meeting.

The foregoing sworn corporate secretary's certifications must be supported by a report on the tabulations of the votes of the stockholders indicating the number of shares and percentage to the total outstanding shares represented by the majority and minority stockholders in the meeting either in person or by proxy.

In addition to the items required under the Disclosure on Stockholders' Meeting, section 7 of the Listings & Disclosures Rules, the notice of the meeting shall include:

1) the number of voting shares to be issued to the subscriber(s);

2) a copy of the comprehensive corporate disclosure on the details of the transaction; and

the said notice must be published in the business sections of any two newspapers of general circulation.

Section 6, Part A, Article V, PSE Revised Listing Rules: Rights or Public Offering Requirement

Issuers who failed to obtain an approval from the stockholders as required under Section 5(b) of the PSE Rules on Additional Listing, must first file within 60 calendar days, unless extended by the issuer, an application for a rights or public offering, to be offered to all minority stockholders at an offer price equal to the agreed transaction price and at an offer ratio that would maintain the latter's ownership in the issuer prior to the implementation of the transaction. All major stockholders and directors must abstain from exercising their rights to the offer.

The subscriber in the transaction must take up all the shares left unsubscribed during the offer, provided that such shares to be taken up shall only amount to the number of shares subscribed in the transaction and such subscriptions must be fully paid.

Upon completion of the rights or public offering, the PSE shall proceed with the listing of the

SGX Listing Manual and Singapore Laws

Rule 830, SGX Listing Manual

An issuer must announce any adjustment made pursuant to Rule 829(1) of the SGX Listing Manual.

Rule 831, SGX Listing Manual

Except where the alterations are made pursuant to the terms of an issue, an issuer must not:-

(i) extend the exercise period of an existing company warrant;

(ii) issue a new company warrant to replace an existing company warrant;

(iii) change the exercise price of an existing company warrant; or

(iv) change the exercise ratio of an existing company warrant.

Rule 832, SGX Listing Manual

A circular or notice to be sent to shareholders in connection with a general meeting to approve the issue of company warrants or other convertible securities must include at least the following information:-

(1) the maximum number of the underlying securities which would be issued or transferred on exercise or conversion of the company warrants or other convertible securities;

(2) the period during which the company warrants or other convertible securities may be exercised and the dates when this right commences and expires;

(3) the amount payable on the exercise of the company warrants or other convertible securities;

(4) the arrangement for transfer or transmission of the company warrants or other convertible securities;

(5) the rights of the holders on the liquidation of the issuer;

(6) the arrangements for the variation in the subscription or purchase price and in the number of company warrants or other convertible securities in the event of alterations to the share capital of the issuer;

(7) the rights (if any) of the holders to participate

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	shares issued to the subscriber. **Section 7, Part A, Article V, PSE Rules on Additional Listing: Lock-up of Subscribed Shares by Related Parties** For related party transactions whereby the rights or public offering requirement has been waived by a majority vote of the minority stockholders, the subscriber must enter into an agreement with the PSE not to sell, assign, or in any manner dispose of their shares for a minimum period of one hundred eighty days after the listing of the shares subscribed in the transaction. **Section 8, Part A, Article V, PSE Rules on Additional Listing: Compliance with the Suitability Criteria and Continuing Listing Requirements** Prior to the approval of the listing application, the issuer must comply with the suitability criteria and continuing listing requirements under Section 3, Article III and XVIII, respectively, of the Listings and Disclosure Rules. **Section 9, Part A, Article V, PSE Rules on Additional Listing: Exceptions to the Rule** The PSE shall grant an exception to the rights or public offering requirement in the following cases: a) the transaction price for the shares subscribed is set at a premium over the prevailing market price. Market price shall mean the weighted average of the closing prices for a period of 30 trading days prior to the transaction; b) the requirement for a rights or public offer is waived by a majority vote representing the outstanding shares held by the minority stockholders present or represented in a special meeting of the transaction; c) issuers undergoing rehabilitation and bankruptcy shall be exempted from the application of this rule without prejudice to the provisions relating to delisting. **Rights Offering** **Section 1, Part B, Article V, PSE Rules on Additional Listing: Period to File Application** Within ninety days from the date of approval by the board of directors of the company of the rights offering, the application for listing of the shares to cover the rights offering and the	in any distributions and/or offers of further securities made by the issuer; (8) a summary of any other material terms of the company warrants or other convertible securities; (9) the purpose for and use of proceeds of the issue, including the use of future proceeds arising from the conversion/exercise of the company warrants or other convertible securities; and (10) the financial effects of the issue to the issuer. **Rule 833, SGX Listing Manual** The following additional requirements apply to an offer of company warrants or other convertible securities by way of a rights issue or bought deal:- (1) The issuer's announcement of the rights issue or bought deal must include either; (a) the exercise or conversion price of the company warrants or other convertible securities; or (b) a price-fixing formula to determine the exercise or conversion price. The price-fixing formula must not contain any discretionary element and the amount of premium or discount (in relation to the underlying share price) must be specified (2) Where a price-fixing formula is adopted; (a) if the issue is not underwritten, the issuer must fix and announce the exercise or conversion price before the close of the offer; or (b) if the issue is underwritten, the issuer must fix and announce the exercise or conversion price before the commencement of nil-paid rights trading (3) An offer of company warrants or convertible securities by way of a bought deal must comply with Chapter 8 Part V of the SGX Listing Manual. **Rule 834, SGX Listing Manual** For the purpose of this Part, a "bought deal" is an issue of company warrants or other convertible securities to a financial institution which will in turn offer them to the issuer's shareholders on a pro-rata basis, usually in conjunction with a loan

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	application for listing of the shares to cover the rights offering and the application for registration thereof shall be filed simultaneously. **Section 2, Part B, Article V, PSE Rules on Additional Listing: Limitation on Use of Funds** All funds received by the corporation from subscribers to an increase in authorised capital stock shall be properly receipted, deposited in escrow in an independent banking institution until the approval of the increase in authorised capital stock is obtained from the Securities and Exchange Commission and shall be utilised exclusively in accordance with the work program submitted in relation to its application for increase or registration or for the purposes for which the increase or registration was made; Provided that the proposed project shall be related to the corporation's principal business. No amount shall be granted as loans or advances to subscribers, officers/directors of the corporation or any of its affiliated companies. Approval of the registration statement is obtained only after approval of the increase in authorised capital stock. **Section 3, Part B, Article V, PSE Rules on Additional Listing: Offering of Unexercised Rights** The corporation shall engage the services of an underwriter who shall underwrite the entire issue or shares not taken up by the existing shareholders after the second round of offering. The unexercised rights after the first round should first be offered to those shareholders who had previously exercised their rights. **Section 5, Part B, Article V, PSE Rules on Additional Listing: Certification on Amount of Shares Subscribed** The applicant listed company and/or its underwriter shall submit to the PSE, after an exercise of rights offering, a certification stating whether the issue was fully subscribed, oversubscribed, or under-subscribed. a) If the issue is under-subscribed, the underwriter must disclose the amount of shares not subscribed, and with whom they were placed or how they were disposed of. b) In all cases, a new list of stockholders shall be submitted to the PSE within fifteen (15) days from the last day of the offering period.	facility provided by that financial institution to the issuer. **Rule 835, SGX Listing Manual** An issuer making a bonus issue of company warrants must also comply with Rules 836 and 837 of the SGX Listing Manual.

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	Section 6, Part B, Article V, PSE Rules on Additional Listing: Subscriptions Receivable Notwithstanding the existence of subscriptions receivable from a previous rights offering, the PSE may allow the listing of shares of a new rights offering, provided that the unpaid portion of the total subscription to the previous rights offer does not exceed 10% thereof. Provided further, that the listed company, in accordance with its by-laws and/or the relevant sections of the Corporation Code of the Philippines shall call for the payment of the subscriptions receivable from the previous rights offering referred to in the preceding paragraph and ensure that at least ninety percent (90%) has been paid. **Section 7, Part B, Article V, PSE Rules on Additional Listing: Instalment Payment Schemes** Rights shares declared by the listed company referred to in Section 6 hereof, may be allowed for listing in the PSE, provided that at least twenty-five percent (25%) of the total subscriptions are paid. The applicant listed company must disclose in the offering prospectus the schedule and terms of payment. Payment of the unpaid portion of the subscribed shares has to be received within a reasonable period of time for the completion of the work program. While listing is allowed, actual trading of the shares shall only be permitted once the said shares are fully paid. This shall be in accordance with the procedure relating to trading of rights shares. **Section 8, Part B, Article V, PSE Rules on Additional Listing: Record Date** The applicant listed company, subject to the approval of the PSE and the Securities and Exchange Commission, shall set the record date for any rights issue. Provided, that the proposed record date shall not be less than fifteen trading days from approval by the board of directors of the PSE. **Section 9, Part B, Article V, PSE Rules on Additional Listing: Offering Period** The offering period shall commence not more than thirty (30) calendar days from the record date. The applicant shall submit to the PSE for approval the final draft of its offering/information memorandum and subscription agreement at least	

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	seven (7) calendar days before the start of the offering period and prior to the printing of the final draft. **Underlying Shares of Convertible Securities** **Section 1, Part C, Article V, PSE Rules on Additional Listing: Listing of Shares of Stock** As a general rule, issuers may apply for listing of shares of stock arising from conversions (e.g. bond conversion). The listing approval of all remaining underlying shares shall be effective until the end of the conversion and/or exercise period of the convertible securities. **Section 2, Part C, Article V, PSE Rules on Additional Listing: Monitoring of Conversions** The issuer is required to submit a monthly report on the number of convertible securities converted and the corresponding issuance of the underlying shares and the remaining number of unconverted securities, inclusive of information contained in an interim report filed during the reportable month pursuant to the second paragraph of this section, within the first five (5) trading days of the proceeding month.	

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws

Share Option Schemes or Share Schemes

Section 1, Part D, Article V, PSE Rules on Additional Listing: Listing Approval of Stock Option / Stock Purchase Plan

An Issuer which has a newly approved stock option or stock purchase plan by its board or has an existing stock option or stock purchase plan to its employees should inform the PSE as soon as possible of such fact, outlining therein the details of the plan.

The listing approval of all remaining and unexercised option shares shall be effective until the end of the option and/or holding period. These shares shall be removed from the Official Registry of the PSE after the said period.

Section 2, Part D, Article V, PSE Rules on Additional Listing: Board of Directors' and Shareholders' Approval

The Issuer is required to get an approval from the board of directors on any subsequent stock option plan provided however that in the following cases:

(a) If the target beneficiaries are junior officers and employees of the company, the plan should be ratified by the majority of the stockholders;

(b) If the target beneficiaries are the senior officers and directors and persons other than an employee, officer, and director (i.e. other stakeholders), the plan should be endorsed by the Remuneration Committees and ratified by 2/3 of the stockholders.

(c) In instances wherein,

(i) The plan shall be used to induce first time employees;

(ii) The plan is the result of an existing and earlier approved plan due to merger and acquisition;

(iii) The plan is pursuant to a BIR-approved pension plan; and

(iv) Other such similar plan,

the subject plan shall only require approval of the company's Remuneration Committee and of the board of directors.

Rule 844, SGX Listing Manual

Participation in a scheme must be restricted to directors and employees of the issuer and its subsidiaries, except that:-

(1) directors and employees of an associated company of the issuer may participate in the scheme if the issuer has control over the associated company; and

(2) directors and employees of the issuer's parent company and its subsidiaries who have contributed to the success and development of the issuer may participate in the scheme.

Rule 845, SGX Listing Manual

A limit on the size of each scheme, the maximum entitlement for each class or category of participant (where applicable), and the maximum entitlement for anyone participant (where applicable) must be stated.

For SGX main board issuers, the following limits must not be exceeded:-

(1) the aggregate number of shares available under all schemes must not exceed 15% of the total number of issued shares excluding treasury shares from time to time;

(2) the aggregate number of shares available to controlling shareholders and their associates must not exceed 25% of the shares available under a scheme;

(3) the number of shares available to each controlling shareholder or his associate must not exceed 10% of the shares available under a scheme;

(4) the aggregate number of shares available to directors and employees of the issuer's parent company and its subsidiaries must not exceed 20% of the shares available under a scheme; and

(5) the maximum discount under the scheme must not exceed 20%. The discount must have been approved by shareholders in a separate resolution.

Offering of Securities in Singapore

Section 240(1), SFA

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	Section 3, Part D, Article V, PSE Rules on Additional Listing: Approval of Material Revision Any alteration or revision to the terms and conditions of a scheme, which are of material nature, must be approved in accordance with Section 2, PSE Rules on Additional Listing, except where the alterations take effect automatically under the previously approved and existing terms of the scheme. Following are instances, among others, that are considered as alteration or revision of material nature: (a) Increase in the number of shares made available under the scheme which is not a result of a previously approved formula; (b) Material expansion in the types of situation that qualifies under the scheme; (c) Material expansion in the class of employees, officers or directors or persons other than being an employee, officer, or director; (d) Material extension of the term; (e) Material change in the method of determining the exercise price. **Section 4, Part D, Article V, PSE Rules on Additional Listing: Filing of Stock Option Plan / Scheme** A detailed statement of the plan or scheme by which the option over the shares or securities shall be exercised must be filed with the PSE simultaneous with the filing of an application for approval of such plan or scheme with the Securities and Exchange Commission or other government agency, when applicable. **Section 5, Part D, Article V, PSE Rules on Additional Listing: Monitoring of Exercise of Stock Option** The issuer is required to submit a monthly report of the number of stock options exercised and the corresponding issuance of shares and the remaining number of unexercised stock option with the first five (5) trading days of the proceeding month.	No person shall make an offer of securities in Singapore unless that offer is accompanied by a prospectus or falls within any of the exemptions provided under the SFA.

Power of Directors to Allot and Issue Shares

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	Please refer to the sections under Part A, Article V, PSE Rules on Additional Listing at paragraph "Issuance of New Shares, Convertible Bonds or Bonds with Warrants" for further details.	**Power of Directors to Allot and Issue Shares** The power to issue shares in a company is usually vested with the directors of that company subject to any restrictions in the articles of association of that company. However, notwithstanding anything to the contrary in the articles of association of a company, prior approval of the company at a general meeting is required to authorize the directors to exercise any power of the company to issue shares. Such approval need not be specific but may be general. **Rule 805, SGX Listing Manual** Except as provided in Rule 806 of the SGX Listing Manual, an issuer must obtain the prior approval of shareholders in general meeting for the following:- (1) the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer; or (2) if a principal subsidiary of an issuer issues shares or convertible securities or options that will or may result in:- (a) the principal subsidiary ceasing to be a subsidiary of the issuer; or (b) a percentage reduction of 20% or more of the issuer's equity interest in the principal subsidiary. **Rule 806(1), SGX Listing Manual** A company need not obtain the prior approval of shareholders in a general meeting for the issue of securities if the shareholders had by ordinary resolution in a general meeting, given a general mandate to the directors of the issuer to issue: (i) shares; or (ii) convertible securities; or (iii) additional convertible securities issued pursuant to Rule 829 of the SGX Listing Manual, notwithstanding that the general mandate may have ceased to be in force at the time the securities are issued, provided that the adjustment does not give the holder a benefit that a shareholder does not receive; or (iv) shares arising from the conversion of the securities in (ii) and (iii) notwithstanding that the general mandate may have ceased to be in force at the time the shares are to be issued. **Rule 806(2), SGX Listing Manual**

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
		A general mandate must limit the aggregate number of shares and convertible securities that may be issued. The limit must be not more than 50% of the total number of issued shares excluding treasury shares, of which the aggregate number of shares and convertible securities issued other than on a pro rata basis to existing shareholders must be not more than 20% of the total number of issued shares excluding treasury shares. Unless prior shareholder approval is required under the SGX Listing Manual, an issue of treasury shares will not require further shareholder approval, and will not be included in the aforementioned limits. **Rule 806(6), SGX Listing Manual** A general mandate may remain in force until the earlier of the following:- (a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution. By an ordinary resolution passed at that meeting, the mandate may be renewed, either unconditionally or subject to conditions; or (b) it is revoked or varied by ordinary resolution of the shareholders in general meeting.
Specific Mandate		
	Checklist of Documentary Requirements for Listing of Warrants / Underlying Shares of Warrants, No. 6 The PSE requires the submission of a certification that the board of directors and the stockholders of the issuer have approved the issuance of the warrants and the underlying shares.	**Rule 824, SGX Listing Manual** Every issue of company warrants or other convertible securities not covered under a general mandate must be specifically approved by shareholders in general meeting.
Prohibition of Unfair Trading Activities		
8.	**Section 27.1, Securities Regulation Code** It shall be unlawful for an insider to sell or buy a security of the issuer, while in possession of material information with respect to the issuer or the security that is not generally available to the public, unless: (a) The insider proves that the information was not gained from such relationship; or	**Sections 218 and 219, SFA** Sections 218 and 219 of the SFA prohibit persons from dealing in securities of a corporation if any such person knows or reasonably ought to know that he is in possession of information that is not generally available, which is expected to have a material effect on the price or value of securities of that corporation.

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	(b) If the other party selling to or buying from the insider (or his agent) is identified, the insider proves: (i) that he disclosed the information to the other party, or (ii) that he had reason to believe that the other party otherwise is also in possession of the information. A purchase or sale of a security of the issuer made by an insider, or such insider's spouse or relatives by affinity or consanguinity within the second degree, legitimate or common-law, shall be presumed to have been effected while in possession of material non-public information if transacted after such information came into existence but prior to dissemination of such information to the public and the lapse of a reasonable time for market to absorb such information: Provided, however, That this presumption shall be rebutted upon a showing by the purchaser or seller that he was aware of the material non-public information at the time of the purchase or sale. **Section 27.2, Securities Regulation Code** Information is "material nonpublic" if: (a) It has not been generally disclosed to the public and would likely affect the market price of the security after being disseminated to the public and the lapse of a reasonable time for the market to absorb the information; or (b) would be considered by a reasonable person important under the circumstances in determining his course of action whether to buy, sell or hold a security. **Section 27.3, Securities Regulation Code** It shall be unlawful for any insider to communicate material nonpublic information about the issuer or the security to any person who, by virtue of the communication, becomes an insider, where the insider communicating the information knows or has reason to believe that such person will likely buy or sell a security of the issuer whole in possession of such information. **Section 27.4, Securities Regulation Code** (a) It shall be unlawful where a tender offer has commenced or is about to commence for: (i) Any person (other than the tender offeror) who is in possession of material nonpublic information relating	

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	to such tender offer, to buy or sell the securities of the issuer that are sought or to be sought by such tender offer if such person knows or has reason to believe that the information is nonpublic and has been acquired directly or indirectly from the tender offeror, those acting on its behalf, the issuer of the securities sought or to be sought by such tender offer, or any insider of such issuer; and (ii) Any tender offeror, those acting on its behalf, the issuer of the securities sought or to be sought by such tender offer, and any insider of such issuer to communicate material nonpublic information relating to the tender offer to any other person where such communication is likely to result in a violation of Section 27.4 (a)(I). (b) For purposes of this Section 27, the term "securities of the issuer sought or to be sought by such tender offer" shall include any securities convertible or exchangeable into such securities or any options or rights in any of the foregoing securities. **Section 3.8, Securities Regulation Code** “Insider" means (a) the issuer; (b) a director or officer (or any person performing similar functions) of, or a person controlling the issuer; gives or gave him access to material information about the issuer or the security that is not generally available to the public; (d) A government employee, director, or officer of an exchange, clearing agency and/or self-regulatory organization who has access to material information about an issuer or a security that is not generally available to the public; or (e) a person who learns such information by a communication from any forgoing insiders.	

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
Securities Market Manipulation		
9.	**Section 24.1, Securities Regulation Code** It shall be unlawful for any person acting for himself or through a dealer or broker, directly or indirectly: (a) To create a false or misleading appearance of active trading in any listed security traded in an exchange of any other trading market: (i) By effecting any transaction in such security which involves no change in the beneficial ownership thereof; (ii) By entering an order or orders for the purchase or sale of such security with the knowledge that a simultaneous order or orders of substantially the same size, time and price, for the sale or purchase of any such security, has or will be entered by or for the same or different parties; or (iii) By performing similar act where there is no change in beneficial ownership. (b) To affect, alone or with others, a securities or transactions in securities that: (i) Raises their price to induce the purchase of a security, whether of the same or a different class of the same issuer or of controlling, controlled, or commonly controlled company by others; or (ii) Creates active trading to induce such a purchase or sale through manipulative devices such as marking the close, painting the tape, squeezing the float, hype and dump, boiler room operations and such other similar devices. (c) To circulate or disseminate information that the price of any security listed in an exchange will or is likely to rise or fall because of manipulative market operations of any one or more persons conducted for the purpose of raising or depressing the price of the security for the purpose of inducing the purpose of sale of such security. (d) To make false or misleading statement with respect to any material fact, which he knew or had reasonable ground to believe was so false or misleading, for the purpose of inducing the purchase or sale of any security listed or traded in an exchange. (e) To effect, either alone or others, any	**Section 198(1), SFA** No person shall effect, take part in, be concerned in or carry out, directly or indirectly, 2 or more transactions in securities of a corporation, being transactions that have, or are likely to have, the effect of raising, lowering, maintaining or stabilising the price of securities of the corporation on a securities market, with intent to induce other persons to subscribe for, purchase or sell securities of the corporation or of a related corporation.

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	series of transactions for the purchase and/or sale of any security traded in an exchange for the purpose of pegging, fixing or stabilizing the price of such security; unless otherwise allowed by the Securities Regulation Code or by rules of the Securities and Exchange Commission.	

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
Board Governance		
10.	**Article 3A, SEC Memorandum Circular No. 6 Series of 2009, Revised Code of Corporate Governance ("Revised Code of Corporate Governance")** **Composition of Board** The board shall be composed of at least five (5), but not more than fifteen (15), members who are elected by the stockholders. All companies covered by the Revised Code of Corporate Governance shall have at least two (2) independent directors or such number of independent directors that constitutes twenty percent (20%) of the members of the board, whichever is lesser, but in no case less than two (2). All other companies are encouraged to have independent directors in their boards. The membership of the board may be a combination of executive and non-executive directors (which include independent directors) in order that no director or small group of directors can dominate the decision-making process. The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the board. Please also refer to the paragraph on "Reporting Requirements" for further details.	**Rule 720 (read with Rule 221) SGX Listing Manual** (1) An issuer must comply with Rule 210(5) and Rule 221 (if applicable) on a continuing basis. (2) Without limiting the generality of the foregoing, where a director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds, he must immediately resign from the board of directors of the issuer. An announcement containing the details in Appendix 7.4.2 of the Listing Manual must be made. (3) (a) The SGX-ST may require an issuer to obtain the approval of the SGX-ST for the appointment of a director, a chief executive officer and chief financial officer (or its equivalent rank). (b) The circumstances under which the SGX-ST may effect Rules 720(3)(a) include but are not limited to:- (i) where the issuer is the subject of an investigation into the affairs of the issuer by a special auditor appointed under Rule 704(12), or a regulatory or enforcement agency; (ii) where the integrity of the market may be adversely affected; (iii) where the SGX-ST thinks it necessary in the interests of the public or for the protection of investors; and (iv) where the issuer refused to extend cooperation to the SGX-ST on regulatory matters. (4) Where the SGX-ST is of the opinion that a director or key executive officer of an issuer

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
		has: (a) wilfully contravened or wilfully caused the issuer to breach the Listing Rules; (b) wilfully contravened any relevant laws, rules and regulations; or (c) refused to extend cooperation to the SGX-ST or other regulatory agencies in an investigation of wrongdoing related to the issuer such that doubts are cast on the directors' ability to discharge their duties as directors, the SGX-ST may take the necessary actions including but not limited to: (i) Publishing the names of the individual directors or key executive officers with relevant information about the contravention or failure to extend cooperation; and (ii) Objecting to appointments of the individual directors or key executive officers to the board of directors of other issuers. **Rule 21(5)(c), SGX Listing Manual** The issuer's board must have at least two non-executive directors who are independent and free of any material business or financial connection with the issuer. **Rule 221, SGX Listing Manual** Foreign issuers are required to have at least two independent directors who are Singapore residents on the board of directors on a continuing basis, and not just on listing.

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
Audit Committee		
11.	**Article 3F(2)(i), SEC Memorandum Circular No. 6 Series of 2009, Revised Code of Corporate Governance** To ensure a high standard of best practice for the corporation and its stockholders, the board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions: i) Constitute an audit committee and such other committees it deems necessary to assist the board in the performance of its duties and responsibilities. **Article 3K(i), SEC Memorandum Circular No. 6 Series of 2009, Revised Code of Corporate Governance** The audit committee shall consist of at least three (3) directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The chair of the audit committee should be an independent director.	**Rule 11 of the Code of Corporate Governance ("COCG")** The board of directors should establish an audit committee ("**AC**") with written terms of reference which clearly set out its authority and duties. **Rule 11.1, COCG** The AC should comprise at least three directors, all non-executive, the majority of whom including the chairman should be independent. **Rule 11.2, COCG** The board of directors should ensure that the members of the AC are appropriately qualified to discharge their responsibilities. At least 2 members of the AC should have accounting or related financial management expertise or experience, as the board of directors interprets such qualification in its business judgment.
Remuneration Committee		
12.	**Article 3K(ii)(b), SEC Memorandum Circular No. 6 Series of 2009, Revised Code of Corporate Governance** The Board may organise: b) A compensation or remuneration committee, which may be composed of at least three (3) members and one of whom should be an independent director, to establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the corporation's culture, strategy and the business environment in which it operates.	**Rule 7.1, COCG** The board of directors should set up a remuneration committee ("**RC**") comprising a entirely of non-executive directors, the majority of whom, including the chairman should be independent
Nominating Committee		
13.	**Article 3K(ii)(a), SEC Memorandum Circular No. 6 Series of 2009, Revised Code of Corporate Governance** The Board may organise:	**Rule 4.1, COCG** Companies should establish a nominating committee ("**NC**") to make recommendations to

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	a) A nomination committee, which may be composed of at least three (3) members and one of whom should be an independent director, to review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.	the board on all board appointments. The NC should comprise at least 3 directors, a majority of whom, including the chairman should be independent.

Interested Person Transactions or Connected Transactions

14.

Section 32, Corporation Code of the Philippines

Dealings of directors, trustees or officers with the corporation

A contract of the corporation with one or more of its directors or trustees or officers is voidable, at the option of such corporation, unless all the following conditions are present:

1. That the presence of such director or trustee in the board meeting in which the contract was approved was not necessary to constitute a quorum for such meeting;

2. That the vote of such director or trustee was nor necessary for the approval of the contract;

3. That the contract is fair and reasonable under the circumstances; and

4. That in case of an officer, the contract has been previously authorized by the board of directors.

Where any of the first two conditions set forth in the preceding paragraph is absent, in the case of a contract with a director or trustee, such contract may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock or of at least two-thirds (2/3) of the members in a meeting called for the purpose: Provided, That full disclosure of the adverse interest of the directors or trustees involved is made at such meeting: Provided, however, That the contract is fair and reasonable under the circumstances.

Section 33, Corporation Code of the Philippines

Contracts between corporations with interlocking directors

Except in cases of fraud, and provided the contract

Chapter 9, SGX Listing Manual

Chapter 9 of the SGX Listing Manual, which applies to the Company, prescribes situations in which transactions between entities at risk (as defined in the SGX Listing Manual) and interested persons (as defined in the SGX Listing Manual) are required to be disclosed or are subject to the prior approval of shareholders.

Rule 904, SGX Listing Manual

For the purposes of Chapter 9, the following definitions apply:-

(1) "approved exchange" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9;

(2) "entity at risk" means:-

(a) the issuer;

(b) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or

(c) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company.

(3) "financial assistance" includes:-

(a) the lending or borrowing of money, the guaranteeing or providing security for a debt incurred or the indemnifying of a guarantor for guaranteeing or providing security; and

(b) the forgiving of a debt, the releasing of or neglect in enforcing an obligation of

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
	is fair and reasonable under the circumstances, a contract between two or more corporations having interlocking directors shall not be invalidated on that ground alone: Provided, That if the interest of the interlocking director in one corporation is substantial and his interest in the other corporation or corporations is merely nominal, he shall be subject to the provisions of the preceding section (Dealings of directors, trustees or officers with the corporation) insofar as the latter corporation or corporations are concerned. Stockholdings exceeding twenty (20%) percent of the outstanding capital stock shall be considered substantial for purposes of interlocking directors. Please also refer to the paragraph "Issuance of New Shares, Convertible Bonds or Bonds with Warrants" for further details.	another, or the assuming of the obligations of another. (4) "interested person" means:- (a) a director, chief executive officer, or controlling shareholder of the issuer; or (b) an associate of any such director, chief executive officer, or controlling shareholder. (5) "interested person transaction" means a transaction between an entity at risk and an interested person. (6) "transaction" includes:- (a) the provision or receipt of financial assistance; (b) the acquisition, disposal or leasing of assets; (c) the provision or receipt of services; (d) the issuance or subscription of securities; (e) the granting of or being granted options; and (f) the establishment of joint ventures or joint investments; whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities). **When Announcement Required** **Rule 905, SGX Listing Manual** (1) An issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, 3% of the group's latest audited net tangible assets. (2) If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group's latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
		(3) Rule 905(1) and (2) does not apply to any transaction below S$100,000. **When Shareholder Approval Required** **Rule 906, SGX Listing Manual** (1) An issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:- (a) 5% of the group's latest audited net tangible assets; or (b) 5% of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation. (2) Rule 906(1) does not apply to any transaction below S$100,000. **Rule 907, SGX Listing Manual** An issuer must disclose the aggregate value of interested person transactions entered into during the financial year under review in its annual report. The name of the interested person and the corresponding aggregate value of the interested person transactions entered into with the same interested person must be presented in the prescribed format as set out in Rule 907 of the SGX Listing Manual. **Rule 908, SGX Listing Manual** In interpreting the term "same interested person" for the purpose of aggregation in Rules 905 and 906, the following applies: (1) Transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person. (2) If an interested person, (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
		the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit committees whose members are completely different. **Rule 918, SGX Listing Manual** If a transaction requires shareholder approval, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction. **Exceptions** **Rule 915, SGX Listing Manual** The following transactions are not required to comply with Rules 905, 906 and 907: (1) A payment of dividends, a subdivision of shares, an issue of securities by way of a bonus issue, a preferential offer, or an off-market acquisition of the issuer's shares, made to all shareholders on a pro-rata basis, including the exercise of rights, options or company warrants granted under the preferential offer. (2) The grant of options, and the issue of securities pursuant to the exercise of options, under an employees' share option scheme approved by the SGX-ST. (3) A transaction between an entity at risk and an investee company, where the interested person's interest in the investee company, other than that held through the issuer, is less than 5%. (4) A transaction in marketable securities carried out in the open market where the counterparty's identity is unknown to the issuer at the time of the transaction. (5) A transaction between an entity at risk and an interested person for the provision of goods or services if: (a) the goods or services are sold or rendered based on a fixed or graduated scale, which is publicly quoted; and (b) the sale prices are applied consistently to all customers or class of customers. Such transactions include telecommunication and postal services, public utility services, and sale of fixed price goods at retail outlets. (6) The provision of financial assistance or services by a financial institution that is licensed or approved by the Monetary

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
		Authority of Singapore, on normal commercial terms and in the ordinary course of business. (7) The receipt of financial assistance or services from a financial institution that is licensed or approved by the Monetary Authority of Singapore, on normal commercial terms and in the ordinary course of business. (8) Director's fees and remuneration, and employment remuneration (excluding "golden parachute" payments. **Rule 916, SGX Listing Manual** The following transactions are not required to comply with Rule 906:- (1) the entering into, or renewal of a lease or tenancy of real property of not more than 3 years if the terms are supported by independent valuation; (2) investment in a joint venture with an interested person if:- (a) the risks and rewards are in proportion to the equity of each joint venture partner; (b) the issuer confirms by an announcement that its audit committee is of the view that the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders; and (c) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture. (3) The provision of a loan to a joint venture with an interested person if:- (a) the loan is extended by all joint venture partners in proportion to their equity and on the same terms; (b) the interested person does not have an existing equity interest in the joint venture prior to the participation of the entity at risk in the joint venture; and (c) the issuer confirms by an announcement that its audit committee is of the view that:- (i) the provision of the loan is not prejudicial to the interests of the

NO.	PSE Rules and Philippines Laws	SGX Listing Manual and Singapore Laws
		issuer and its minority shareholders; and (ii) the risks and rewards of the joint venture are in proportion to the equity of each joint venture partner and the terms of the joint venture are not prejudicial to the interests of the issuer and its minority shareholders. (4) the award of a contract by way of public tender to an interested person if:- (a) the awarder entity at risk announces the following information:- (i) the prices of all bids submitted; (ii) an explanation of the basis for selection of the winning bid; and (b) both the listed bidder (or if the bidder is unlisted, its listed parent company) and listed awarder (or if the awarder is unlisted, its listed parent company) have boards, the majority of whose directors are different and are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different. (5) the receipt of a contract which was awarded by way of public tender, by an interested person if:- (a) the bidder entity at risk announces the prices of all bids submitted; and (b) both the listed bidder (or if the bidder is unlisted, its listed parent company) and listed awarder (or if the awarder is unlisted, its listed parent company) have boards, the majority of whose directors are different and are not accustomed to act on the instructions of the interested person or its associates and have audit committees whose members are completely different.

TAKEOVER OBLIGATIONS

The Singapore Code

The Singapore Code regulates the acquisition of ordinary shares of public companies and contains certain provisions that may delay, deter or prevent a future takeover or change in control of the Company. Any person acquiring an interest, either on his own or together with parties acting in concert with him, in 30.0% or more of our voting Shares, or, if such person holds, either on his own or together with parties acting in concert with him, between 30.0% and 50.0% (both inclusive) of our voting Shares, and if he (or parties acting in concert with him) acquires additional voting Shares representing more than 1.0% of our voting Shares in any six-month period, must, except with the consent of the Securities Industry Council in Singapore, extend a takeover offer for the remaining voting Shares in accordance with the provisions of the Singapore Code.

"Parties acting in concert" comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of Shares in a company, to obtain or consolidate effective control of that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. They are as follows:

- a company and its related companies, the associated companies of any of the company and its related companies, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- a company and its directors (including their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts);
- a company and its pension funds and employee share schemes;
- a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis;
- a financial or other professional adviser and its clients in respect of Shares held by the adviser and persons controlling, controlled by or under the same control as the adviser and all the funds managed by the adviser on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client's equity share capital;
- directors of a company (including their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for the company may be imminent;
- partners; and
- an individual and his close relatives, related trusts, any person who is accustomed to act in accordance with his instructions and companies controlled by the individual, his close relatives, his related trusts or any person who is accustomed to act in accordance with his instructions and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights.

A mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror within the six months preceding the acquisition of Shares that triggered the mandatory offer obligation.

Under the Singapore Code, where effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required. An offeror must treat all shareholders of the same class in an offeree company equally. A fundamental requirement is that shareholders in the company subject to the takeover offer must be given sufficient information, advice and time to consider and decide on the offer.

The Securities Regulation Code

The Philippines has no similar code regulating takeovers specifically, although Section 19 of its Securities Regulation Code sets out the law on tender offers. Under Section 19, any person or group of persons acting in concert who intends to acquire at least 15% of any class of any equity security of a listed corporation of any class of any equity security of a corporation with assets of at least ₱50,000,000 and having 200 or more stockholders at least one hundred shares each or who intends to acquire at least 30% of such equity over a period of 12 months shall make a tender offer to stockholders.

The thresholds of 15% or more for a single acquisition or 30% for creeping acquisition as provided for in Section 19 of the Securities Regulation Code have been increased to 35% under Rule 19 of the Amended Implementing Rules and Regulations of the Securities Regulation Code. Hence:

- any person or group of persons acting in concert who intends to acquire 35% or more of equity stakes in a public company shall disclose such intention and contemporaneously make a tender offer for the percent sought to all holders of such class. In the event that the tender offer is oversubscribed, the aggregate amount of securities to be acquired at the close of such tender offer shall be proportionately distributed across both selling shareholder with whom the acquirer may have been in private negotiations and minority shareholders; and

- any person or group of persons acting in concert, who intends to acquire 35% or more of equity shares in a public company in one or more transactions within a period of 12 months, shall be required to make a tender offer to all holders of such class for the number of shares so acquired within the said period.

If any acquisition of even less than 35% would result in ownership of over 51% of the total outstanding equity securities of a public company, the acquirer shall be required to make a tender offer for all the outstanding equity securities to all remaining stockholders of the company at a price supported by a fairness opinion provided by an independent financial advisor or equivalent third party. The acquirer in such a tender offer shall be required to accept any and all securities thus tendered. If a transaction is covered by Rule 19, the sale of the shares pursuant to the private transaction shall not be completed prior to the closing and completion of the tender offer. Transactions with any of the seller(s) of significant blocks of shares with whom the acquirers may have been in private negotiations shall close at the same time and upon the same terms as the tender offer made to the public under Rule 19.

However, the mandatory tender offer requirement shall not apply to the following:

- any purchase of shares from the unissued capital stock provided that the acquisition will not result to a 50% or more ownership of shares by the purchaser;

- any purchase of shares from an increase in authorised capital stock;

- purchase in connection with foreclosure proceedings involving a duly constituted pledge or security arrangement where the acquisition is made by the debtor or creditor;
- purchases in connection with privatisation undertaken by the government of the Philippines;
- purchases in connection with corporate rehabilitation under court supervision;
- purchases through an open market at the prevailing market price; and
- merger or consolidation.

When a mandatory tender offer is required, the bidder is compelled to offer the highest price paid by him for such shares during the past six months. Where the offer involves payment by transfer or allotment of securities, such securities must be valued on an equitable basis.

The mandatory tender offer requirement has been judicially interpreted to apply both to direct and indirect acquisitions.

ANNEXES

Statement of Management's Responsibility for Financial Statements signed by the Chief Executive Officer and the Chief Financial Officer

Statement of Management's Responsibility for Financial Statements signed by the Chairman of the Board

Audited Consolidated Financial Statements as of 31 December 2012

Audited Consolidated Financial Statements as of 31 December 2011

Audited Consolidated Financial Statements as of 31 December 2010

Reconciliation of Retained Earnings

Map of the Del Monte Pacific Limited Group

Del Monte Worldwide History and Map

Financial Soundness Indicators in Two Comparative Periods and Schedule of Accounting Standards

Share Transfer Process: From Singapore to Philippines

Share Transfer Process: From Philippines to Singapore

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of Del Monte Pacific Limited is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended 31 December 2012, 2011, and 2010, including the additional components attached therein, in accordance with International Financial Reporting Standards. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the consolidated financial statements and submits the same to the stockholders of the Company.

KPMG LLP, the independent auditor appointed by the stockholders, has examined the consolidated financial statements of the Company in accordance with International Financial Reporting Standards on auditing and has expressed its opinion on the fairness of presentation upon completion of such examination.

Joselito D. Campos, Jr.
Chief Executive Officer

Ignacio C. O. Sison
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this 23rd of May 2013 at Makati City, affiants exhibiting to me their respective valid identifications with details below, and which identifications bear their photographs and signatures:

Name	Passport No.	Date / Place Issued
Joselito D. Campos, Jr.	EB0264609	25 May 2010 / Manila, Phils.
Ignacio C. O. Sison	EB5161687	17 April 2012 / Manila, Phils.

ATTY. KATHRYN PAZ CONSUELO M. MANALOTO
Commission No. M-250
Notary Public for Makati City
Until December 31, 2014
21st Flr. Philamlife Tower,
8767 Paseo De Roxas, Makati City
Roll No. 61123
PTR No. 3672950 / 01-03-2013 / Makati
IBP No. 908379 / 01-03-2013 / Negros Occidental

Doc. No: 084;
Page No: 018;
Book No: III;
Series of 2013.

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The Board of Directors reviews and approves the consolidated financial statements and submits the same to the stockholders of the Company.

KPMG LLP, the independent auditor appointed by the stockholders, has examined the consolidated financial statements of the Company in accordance with International Financial Reporting Standards on auditing and has expressed its opinion on the fairness of presentation upon completion of such examination.

Rolando C. Gapud
Chairman of the Board

Del Monte Pacific Limited
and its Subsidiaries
Registration Number: 326349

Annual Report
Year ended 31 December 2012

Directors' Report

(Amounts in United States Dollar unless otherwise stated)

The Directors are pleased to present their report to the members together with the audited financial statements of Del Monte Pacific Limited (the "Company") and its subsidiaries (collectively, the "Group") comprising the statements of financial position, income statements, statements of comprehensive income and statements of changes in equity of the Company and the Group and the cash flow statements of the Group and Company for the financial year ended 31 December 2012.

Directors

The Directors in office at the date of this report are as follows:

Mr Rolando C Gapud
Mr Joselito D Campos, Jr
Mr Edgardo M Cruz, Jr
Mr Patrick L Go
Dr Emil Q Javier
Mr Benedict Kwek Gim Song
Mr Godfrey E Scotchbrook

Arrangements to enable Directors to acquire shares or debentures

Except as disclosed under the "Share Option and Incentive Plans" section of this report, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company, its subsidiaries or any other body corporate.

Directors' interests

According to the register kept by the Company, particulars of interests of Directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares in the Company are as follows:

	Direct interest			Deemed interest		
	At 1 January 2012	**At 31 December 2012**	**At 21 January 2013**	**At 1 January 2012**	**At 31 December 2012**	**At 21 January 2013**
<u>**The Company**</u>						
Ordinary shares of US$0.01 each						
Mr Joselito D Campos, Jr	966,600	3,196,800	3,196,800	849,429,372	849,429,372	849,429,372
Dr Emil Q Javier	67,700	67,700	67,700	–	–	–

	Direct interest			Deemed interest		
	At 1 January 2012	**At 31 December 2012**	**At 21 January 2013**	**At 1 January 2012**	**At 31 December 2012**	**At 21 January 2013**
Options to subscribe for ordinary shares at S$0.627 per share between 07/03/2010 to 06/03/2018*						
Mr Rolando C Gapud**	400,000	400,000	400,000	–	–	–
Mr Edgardo M Cruz, Jr**	200,000	200,000	200,000	–	–	–
Mr Patrick L Go	200,000	200,000	200,000	–	–	–
Dr Emil Q Javier**	200,000	200,000	200,000	–	–	–
Mr Benedict Kwek Gim Song	250,000	250,000	250,000	–	–	–
Mr Godfrey E Scotchbrook	300,000	300,000	300,000	–	–	–

* *Up to 60% of options granted may be exercised from 7 March 2010 onwards. Remaining 40% of options granted may be exercised from 7 March 2011 onwards.*

** *Mr Edgardo M Cruz, Jr had and Dr Emil Q Javier had exercised the 200,000 options they each held, on 12 March 2013 and 20 March 2013 respectively, at a consideration of S$125,400/- each. Mr Rolando C Gapud had excercised the 400,000 options he held on 28 March 2013, at a consideration of S$250,800.*

	Direct interest			Deemed interest		
	At 1 January 2012	**At 31 December 2012**	**At 21 January 2013**	**At 1 January 2012**	**At 31 December 2012**	**At 21 January 2013**
Grant of 1,611,000 share awards at S$0.680 per share with vesting period from 20/05/2010 onwards***						
Mr Joselito D Campos, Jr	966,600	644,400	1,611,000	–	–	–

*** *Up to 60% of share awards granted (i.e. 966,600 shares) was released on 20 May 2011. Remaining 40% of share awards granted (i.e. 644,400 shares) was released in 2012.*

	Direct interest			Deemed interest		
	At 1 January 2012	**At 31 December 2012**	**At 21 January 2013**	**At 1 January 2012**	**At 31 December 2012**	**At 21 January 2013**
Grant of 2,643,000 share awards at S$0.485 per share with vesting period from 12/05/2011 onwards****						
Mr Joselito D Campos, Jr	–	1,585,800	1,585,800	–	–	–

**** *Up to 60% of share awards granted (i.e. 1,585,800 shares) was released on 12 May 2012. Remaining 40% of share awards granted (i.e. 1,057,200 shares) would be released after 11 May 2013.*

	Direct interest			Deemed interest		
	At 1 January 2012	**At 31 December 2012**	**At 21 January 2013**	**At 1 January 2012**	**At 31 December 2012**	**At 21 January 2013**
Grant of 67,700 share awards at S$0.455 per share with no vesting period imposed*****						
Dr Emil Q Javier	67,700	67,700	67,700	–	–	–

***** *100% of share awards granted (i.e. 67,700 shares) was released to the grantee on 12 December 2011.*

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

Directors' contractual benefits

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in notes 28 and 33 to the financial statements, since the end of the last financial year, no Director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share option and incentive plans

The Del Monte Pacific Executive Stock Option Plan 1999 ("ESOP") 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 as it had expired on 24 July 2009. Any options granted by the Company prior to 24 July 2009 would continue to be valid for a period of 10 years from the date of the grant of options.

The Company's shareholders also approved the adoption of two share plans, Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP") and Del Monte Pacific Performance Share Plan ("Del Monte Pacific PSP") (collectively the "Share Plans"), at a general meeting held on 26 April 2005. The Share Plans seek to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, and are currently targeted at executives in key positions, to excel in their performance.

The ESOP and Share Plans are administered by the Remuneration and Share Option Committee ("RSOC") comprising of the following members:

Mr Godfrey E Scotchbrook	(Chairman and Independent Director)
Mr Edgardo M Cruz, Jr	(Executive Director)
Mr Rolando C Gapud	(Non-Executive Director)
Mr Patrick L Go	(Independent Director)
Mr Benedict Kwek Gim Song	(Independent Director)

Other information regarding the ESOP is set out below:

Under the ESOP, 2 types of options were granted:

- Initial Public Offering Options ("IPO Options")
- Market Price Options

<u>IPO Options</u>

At the time of the Company's initial public offering in July 1999, a total of 11,428,571 IPO Options were granted at an exercise price of US$0.504 each. None of the IPO Options granted were exercised and all IPO Options granted have since lapsed.

Market Price Options

(a) A Market Price Option confers the right to subscribe for shares granted under the ESOP one year after the Listing Date.

(b) A Market Price Option may be granted only after the lapse of one year from the Listing Date.

(c) The period for the exercise of a Market Price Option commences after the second anniversary of the date of grant of the option and expires on the 10th anniversary of such date of grant.

(d) The exercise price of a Market Price Option may be set at a discount not exceeding 20% of the market price at the date of grant.

In March 2001, a total of 14,050,000 Market Price Options were granted at an exercise price of S$0.490 each. All of the 14,050,000 Market Price Options have either been exercised or have lapsed following the mandatory conditional cash offer by NutriAsia Pacific Ltd in January 2006.

On 7 March 2008, a total of 1,550,000 Market Price Options were granted at an exercise price of S$0.627 each being the average last done price of the Company's share for the last three market days preceding the date of grant. The options are valid for 10 years from 7 March 2008.

Other information regarding the Del Monte Pacific RSP is set out below:

(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 7 March 2008, three employees of related companies were granted an aggregate of 1,725,000 share awards at the market price of S$0.615 per share.

On 20 May 2008, 1,611,000 shares were awarded at the market price of S$0.680 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 28 April 2008.

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of S$0.540 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 21 November 2011, 67,700 shares were awarded to a Non-Executive Director of the Company at the market price of S$0.455 per share.

As at the date of this report, no share awards had been granted to Directors or employees of related companies.

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.

At the end of the financial year, details of the options granted under the ESOP on the unissued ordinary shares of the Company, are as follows:

Date of Grant	Exercise Price S$	Number of options outstanding at 1 January2012	Options granted	Options exercised	Options forfeited/ exercised	Number of options outstanding at 31 December 2012	Number of option holders at 31 December 2012	Exercise period
07/03/2008	0.627	1,550,000	–	–	–	1,550,000	6	Up to 60%: 07/03/2010 – 06/03/2011 40%: 07/03/2011 – 06/03/2018

At the end of the financial year, details of share awards granted under the Del Monte Pacific RSP are as follows:

Date of grant	Market price on date of grant S$	Number of share awards granted as at 31 December 2012	Number of share award holders at 31 December 2012	Vesting period
07/03/2008	0.615	1,725,000	3	Up to 60%: 07/03/2010 – 06/03/2011 40%: 07/03/2011 onwards
20/05/2008	0.680	1,611,000	1	Up to 60%: 20/05/2010 – 19/05/2011 40%: 20/05/2011 onwards
12/05/2009	0.540	3,749,000	9	Up to 60%: 12/05/2011 – 11/05/2012 40%: 12/05/2012 onwards
29/04/2011	0.485	2,643,000	1	Up to 60%: 12/05/2011 – 11/05/2012 40%: 12/05/2012 onwards
21/11/2011	0.455	67,700	1	No vesting period imposed, shares were released to the grantee on 12 December 2012
		9,795,700		

Details of options granted to Directors of the Company under the ESOP are as follows:

Name of Director	Options granted in financial year ended 31 December 2012	*Aggregate options granted since commencement of ESOP to 31 December 2012	*Aggregate options exercised since commencement of ESOP to 31 December 2012	Aggregate options outstanding as at 31 December 2012
Mr Rolando C Gapud**	–	400,000	–	400,000
Mr Edgardo M Cruz, Jr**	–	200,000	–	200,000
Mr Patrick L Go	–	200,000	–	200,000
Dr Emil Q Javier**	–	200,000	–	200,000
Mr Benedict Kwek Gim Song	–	250,000	–	250,000
Mr Godfrey E Scotchbrook	–	300,000	–	300,000
	–	1,550,000	–	1,550,000

* *Excludes options granted prior to the mandatory conditional cash offer by NutriAsia Pacific Ltd in January 2006, all of which have either been exercised or have lapsed.*

** *Mr Edgardo M Cruz, Jr had and Dr Emil Q Javier had exercised the 200,000 options they each held, on 12 March 2013 and 20 March 2013 respectively, at a consideration of S$125,400/- each. Mr Rolando C Gapud had excercised the 400,000 options he held on 28 March 2013, at a consideration of S$250,800.*

Accordingly, as at the date of this Directors' report, a total of 750,000 options remains outstanding.

Details of share awards granted to Directors of the Company under the Del Monte Pacific RSP are as follows:

Name of Director	Share awards granted for financial year ended 31 December 2012	Aggregate share awards granted since commencement of Del Monte Pacific RSP	Aggregate share awards outstanding as at 31 December 2012
Mr Joselito D Campos, Jr	–	4,254,000	1,057,200
Dr Emil Q Javier	–	67,700	–

Except as disclosed above, no options or share awards have been granted to the controlling shareholders of the Company or their associates and no participant under the ESOP and Del Monte Pacific RSP has been granted 5% or more of the total options available under the ESOP and Del Monte Pacific RSP.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

No options or share awards have been granted to other employees of the holding company or its related companies under the ESOP and Del Monte Pacific RSP, except for the 6 employees of related companies, who were granted an aggregate of 5,474,000 on 7 March 2008 and 12 May 2009. 306,000 share awards lapsed in February 2012 following the resignation of an employee, pursuant to the rules of the Del Monte Pacific RSP. The balance of share awards was reduced to 5,168,000.

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries at the end of the financial year.

Audit Committee

The Audit Committee ("AC") comprises five board members, four of whom are Non-Executive Directors. A majority of members, including the chairman, are independent. Members of the AC in the financial year and at the date of this report are:

Mr Benedict Kwek Gim Song	(Chairman and Independent Director)
Mr Edgardo M Cruz, Jr	(Executive Director)
Mr Rolando C Gapud	(Non-Executive Director)
Mr Patrick L Go	(Independent Director)
Mr Godfrey E Scotchbrook	(Independent Director)

The AC held four meetings since the last Directors' report. The AC reviews the effectiveness of the systems of internal controls in the Group, its accounting policies, annual financial statements and quarterly reports, the effectiveness of the internal audit function, and the findings of both the external and internal auditors. The AC may also examine whatever aspects it deems appropriate regarding the Group's financial affairs, its internal and external audits and its exposure to risks of a regulatory or legal nature. Furthermore, all interested person transactions are subject to regular periodic reviews by the AC to ensure that they are carried out on arm's length commercial terms consistent with the Group's usual business practices and policies and are not be prejudicial to the Company's minority shareholders.

In performing its functions, the AC reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. The AC met with the internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company and the Group's system of internal controls. The AC also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2012 as well as the external auditors' report thereon.

The AC has full access to and cooperation of Management and the internal auditors. It also has full discretion to invite any Director or executive officer to attend its meetings. The Chief Financial Officer attends meetings of the AC. The auditors have unrestricted access to the AC. The AC has reasonable resources to enable it to discharge its functions properly.

Internal controls

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the Audit Committee and the Board are of the opinion that the Group's internal controls, addressing financial, operational and compliance risks, were adequate as at 31 December 2012.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Mr Rolando C Gapud
Director

Mr Joselito D Campos, Jr
Director

5 April 2013

Statement by Directors

In our opinion:

(a) the financial statements set out on pages FS1 to FS66 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2012 and of the results, changes in equity and cash flows of the Group and the Company for the year then ended in accordance with International Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Mr Rolando C Gapud
Director

Mr Joselito D Campos, Jr
Director

5 April 2013

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Independent auditors' report

Members of the Company
Del Monte Pacific Limited

Report on the financial statements

We have audited the accompanying financial statements of Del Monte Pacific Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2012, the income statements, the statements of comprehensive income, changes in equity and statements of cash flows of the Group and the Company for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS66.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at 31 December 2012 and of the financial performance and the cash flows of the Group and of the Company for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
5 April 2013

Statements of financial position
As at 31 December 2012

	Note	Group 2012 US$'000	Group 2011 US$'000	Company 2012 US$'000	Company 2011 US$'000
Non-current assets					
Property, plant and equipment	4	93,350	85,412	–	–
Subsidiaries	5	–	–	85,442	85,442
Joint venture	6	21,507	24,022	–	–
Intangible assets	7	15,433	16,004	–	–
Deferred tax assets	8	698	1,259	–	–
Other assets	9	14,466	12,219	–	–
		145,454	138,916	85,442	85,442
Current assets					
Inventories	10	113,458	89,381	–	–
Biological assets	11	109,665	91,791	–	–
Trade and other receivables	12	102,388	82,926	80,159	45,048
Cash and cash equivalents	15	24,555	20,877	232	211
		350,066	284,975	80,391	45,259
Total assets		495,520	423,891	165,833	130,701
Equity					
Share capital	16	10,818	10,818	10,818	10,818
Reserves	17	244,422	219,698	100,432	93,540
Equity attributable to owners of the Company		255,240	230,516	111,250	104,358
Non-controlling interests		(1,939)	(1,474)	–	–
Total equity		253,301	229,042	111,250	104,358
Non-current liabilities					
Financial liabilities	18	15,679	5,916	–	–
		15,679	5,916	–	–
Current liabilities					
Trade and other payables	19	95,459	81,332	54,583	26,343
Financial liabilities	18	125,907	105,006	–	–
Current tax liabilities		5,174	2,595	–	–
		226,540	188,933	54,583	26,343
Total liabilities		242,219	194,849	54,583	26,343
Total equity and liabilities		495,520	423,891	165,833	130,701

The accompanying notes form an integral part of these financial statements.

Income statements
Year ended 31 December 2012

	Note	Group 2012 US$'000	Group 2011 US$'000	Company 2012 US$'000	Company 2011 US$'000
Revenue	21	459,711	425,235	35,000	25,000
Cost of sales		(346,912)	(323,810)	–	–
Gross profit		112,799	101,425	35,000	25,000
Distribution and selling expenses		(31,537)	(25,113)	–	–
General and administrative expenses		(28,017)	(26,627)	(4,794)	(5,505)
Other expenses		(3,383)	(5,400)	(550)	(633)
Results from operating activities		49,862	44,285	29,656	18,862
Finance income		824	1,460	–	–
Finance expense		(3,883)	(3,057)	–	–
Net finance expense	23	(3,059)	(1,597)	–	–
Share of loss of joint venture, net of tax		(6,090)	(10,589)	–	–
Profit before taxation		40,713	32,099	29,656	18,862
Tax	24	(9,088)	(5,508)	–	–
Profit for the year	22	31,625	26,591	29,656	18,862
Profit attributable to:					
Non-controlling interests		(465)	(850)	–	–
Owners of the Company		32,090	27,441	29,656	18,862
Earnings per share					
Basic earnings per share (US cents)	25	2.97	2.54		
Diluted earnings per share (US cents)	25	2.97	2.53		

The accompanying notes form an integral part of these financial statements.

Statements of comprehensive income
Year ended 31 December 2012

	Group		Company	
	2012	**2011**	**2012**	**2011**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Profit for the year	31,625	26,591	29,656	18,862
Other comprehensive income				
Currency translation differences	15,398	(1,670)	–	–
Net loss on revaluation of property, plant and equipment, net of tax	–	226	–	–
Other comprehensive income/(loss) for the year, net of tax	15,398	(1,444)	–	–
Total comprehensive income for the year	47,023	25,147	29,656	18,862
Total comprehensive income attributable to:				
Non-controlling interests	(465)	(850)	–	–
Owners of the Company	47,488	25,997	29,656	18,862

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity
Year ended 31 December 2012

Group	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
		<------------------------------------ Attributable to owners of the Company							------------------------------------>		
2011											
At 1 January 2011		10,818	68,687	(38,693)	3,368	2,076	(824)	176,486	221,918	(624)	221,294
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	27,441	27,441	(850)	26,591
Other comprehensive income											
Currency translation differences		–	–	(1,670)	–	–	–	–	(1,670)	–	(1,670)
Net loss on revaluation of property, plant and equipment, net of tax		–	–	–	226	–	–	–	226	–	226
Total other comprehensive income		–	–	(1,670)	226	–	–	–	(1,444)	–	(1,444)
Total comprehensive income for the year		–	–	(1,670)	226	–	–	27,441	25,997	(850)	25,147
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Dividends to owners of the Company	26	–	–	–	–	–	–	(16,846)	(16,846)	–	(16,846)
Acquisition of treasury shares		–	–	–	–	–	(1,797)	–	(1,797)	–	(1,797)
Share-based payment transactions		–	386	–	–	(953)	567	–	–	–	–
Value of employee services received for issue of share options	28	–	–	–	–	1,244	–	–	1,244	–	1,244
Total contributions by and distributions to owners		–	386	–	–	291	(1,230)	(16,846)	(17,399)	–	(17,399)
At 31 December 2011		10,818	69,073	(40,363)	3,594	2,367	(2,054)	187,081	230,516	(1,474)	229,042

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (continued)
Year ended 31 December 2012

Group	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
		<---------- Attributable to owners of the Company							---------->		
2012											
At 1 January 2012		10,818	69,073	(40,363)	3,594	2,367	(2,054)	187,081	230,516	(1,474)	229,042
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	32,090	32,090	(465)	31,625
Other comprehensive income											
Currency translation differences		–	–	15,398	–	–	–	–	15,398	–	15,398
Total other comprehensive income		–	–	15,398	–	–	–	–	15,398	–	15,398
Total comprehensive income for the year		–	–	15,398	–	–	–	32,090	47,488	(465)	47,023
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Dividends to owners of the Company	26	–	–	–	–	–	–	(23,370)	(23,370)	–	(23,370)
Share-based payment transactions		–	470	–	–	(2,020)	1,550	–	–	–	–
Value of employee services received for issue of share options	28	–	–	–	–	606	–	–	606	–	606
Total contributions by and distributions to owners		–	470	–	–	(1,414)	1,550	(23,370)	(22,764)	–	(22,764)
At 31 December 2012		10,818	69,543	(24,965)	3,594	953	(504)	195,801	255,240	(1,939)	253,301

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 December 2012

	Share capital US$'000	Share premium US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total equity US$'000
Company						
2011						
At 1 January 2011	10,818	68,826	2,076	(824)	21,999	102,895
Profit for the year/Total comprehensive income for the year	–	–	–	–	18,862	18,862
Transactions with owners of the Company recognised directly in equity						
Contributions by and distributions to owners						
Value of employee services received for issue of share options (note 28)	–	–	1,244	–	–	1,244
Acquisition of treasury shares	–	–	–	(1,797)	–	(1,797)
Share-based payment transactions	–	386	(953)	567	–	–
Dividends (note 26)	–	–	–	–	(16,846)	(16,846)
Total contributions by and distributions to owners of the Company	–	386	291	(1,230)	(16,846)	(17,399)
At 31 December 2011	10,818	69,212	2,367	(2,054)	24,015	104,358
2012						
At 1 January 2012	10,818	69,212	2,367	(2,054)	24,015	104,358
Profit for the year/Total comprehensive income for the year	–	–	–	–	29,656	29,656
Transactions with owners of the Company recognised directly in equity						
Contributions by and distributions to owners						
Value of employee services received for issue of share options (note 28)	–	–	606	–	–	606
Share-based payment transactions	–	470	(2,020)	1,550	–	–
Dividends (note 26)	–	–	–	–	(23,370)	(23,370)
Total contributions by and distributions to owners of the Company	–	470	(1,414)	1,550	(23,370)	(22,764)
At 31 December 2012	10,818	69,682	953	(504)	30,301	111,250

The accompanying notes form an integral part of these financial statements.

Statements of cash flows
Year ended 31 December 2012

	Group		Company	
	2012	2011	2012	2011
	US$'000	US$'000	US$'000	US$'000
Cash flows from operating activities				
Profit for the year	31,625	26,591	29,656	18,862
Adjustments for:				
Amortisation of intangible assets	571	571	–	–
Depreciation of property, plant and equipment	15,081	12,957	–	–
Recognition/(reversal) of impairment loss on trade receivables	1,626	(35)	–	–
Recognition of impairment loss on inventory	4,066	5,134	–	–
Impairment loss/(reversal) on property, plant and equipment	267	(283)	–	–
(Gain)/loss on disposal of property, plant and equipment	(136)	26	–	–
Equity-settled share-based payment transactions	606	1,244	606	677
Share of profit of joint venture, net of tax	6,090	10,589	–	–
Dividend income	–	–	(35,000)	(25,000)
Finance income	(824)	(1,460)	–	–
Finance expense	3,883	3,057	–	–
Tax expense	9,088	5,508	–	–
	71,943	63,899	(4,738)	(5,461)
Changes in:				
Other assets	(3,130)	(118)	–	–
Inventories	(22,145)	(17,080)	–	–
Biological assets	(11,537)	(10,145)	–	–
Trade and other receivables	(17,398)	(3,527)	(2)	13
Trade and other payables	7,967	12,260	(112)	–
Amounts due to subsidiaries (non-trade)	–	–	28,352	23,739
Amounts due from subsidiaries (non-trade)	–	–	(109)	(215)
Operating cash flows	25,700	45,289	23,391	18,076
Taxes paid	(6,180)	(7,189)	–	–
Net cash flows from operating activities	19,520	38,100	23,391	18,076
Cash flows from investing activities				
Interest received	578	498	–	–
Proceeds from disposal of property, plant and equipment	192	72	–	–
Purchase of property, plant and equipment	(17,322)	(18,478)	–	–
Additional investment in joint venture	(3,575)	(1,116)	–	–
Net cash flows used in investing activities	(20,127)	(19,024)	–	–
Cash flows from financing activities				
Interest paid	(4,096)	(4,077)	–	–
Proceeds from borrowings	1,268,396	533,567	–	–
Repayment of borrowings	(1,245,912)	(526,511)	–	–
Acquisition of treasury shares	–	(1,797)	–	(1,230)
Dividends paid	(23,370)	(16,846)	(23,370)	(16,846)
Net cash flows used in financing activities	(4,982)	(15,664)	(23,370)	(18,076)
Net (decrease)/increase in cash and cash equivalents	(5,589)	3,412	21	–
Cash and cash equivalents at beginning of year	20,877	17,506	211	211
Effect of exchange rate changes on balances held in foreign currency	9,267	(41)	–	–
Cash and cash equivalents at end of year (note 15)	24,555	20,877	232	211

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 5 April 2013.

1. Domicile and activities

Del Monte Pacific Limited (the "Company") was incorporated in the British Virgin Islands on 27 May 1999 under the International Business Companies Ordinance, Chapter 291 of the laws of the British Virgin Islands, as an international business company. On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). 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 concentrate, tropical mixed fruit, tomato-based products, and certain other food products mainly under the brand names of "Del Monte" and "S&W". The details of the Company's subsidiaries and their principal activities are set out in note 5.

The immediate holding company is NutriAsia Pacific Limited whose ultimate shareholders are NutriAsia Inc and Well Grounded Limited which at 31 December 2012 hold 57.8% and 42.2% (2011: 57.8% and 42.2%), respectively, through their intermediary companies. NutriAsia Pacific Limited, NutriAsia Inc and Well Grounded Limited are incorporated in the British Virgin Islands.

The financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in joint ventures.

2. Basis of preparation

2.1 Statement of compliance

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

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- biological assets (livestock) are measured at fair value less estimated point of sale costs
- freehold land are measured at valuation
- certain financial assets and financial liabilities are measured at fair value

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Note 4 – Recoverability of property, plant and equipment
Note 6 – Recoverability of investment in joint venture
Note 7 – Recoverability of intangible assets
Note 10 – Net realisable values of inventories
Note 11 – Measurement of biological assets
Note 13 – Recoverability of trade receivables
Note 20 – Measurement of retirement benefit obligations
Note 24 – Measurement of tax
Note 28 – Measurement of share option and incentive plans

3. Significant accounting policies

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

3.1 Basis of consolidation

(i) Business combination

Business combinations are accounted for using the acquisition method in accordance with FRS 103 *Business Combination* as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

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

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 profit or loss.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

For 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, the Group elects on a transaction-by-transaction basis whether to measure them 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. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in 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.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(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) Other acquisitions

Other acquisitions are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, representing negative goodwill, is credited to the profit or loss in the period of the acquisition.

(v) Jointly controlled operations

A jointly controlled operation is a joint venture carried on by each venture using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation, and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

(vi) 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 consolidated 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.

3.2 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.

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 profit or loss.

(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 at exchange rates at the dates of the transactions.

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, significant influence 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 on 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 profit or loss.

When the settlement of a monetary item 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.

3.3 Financial instruments

(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 (including assets designated at fair value through profit or loss) 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. 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 has the following non-derivative financial assets as 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 (see note 12) and cash and cash equivalents (see note 15).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(ii) Non-derivative financial liabilities

The Group initially recognises financial liabilities 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 liability when its contractual obligations are discharged, cancelled or expire.

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) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

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.

3.4 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.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(ii) Non-derivative financial liabilities

The Group initially recognises financial liabilities 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 liability when its contractual obligations are discharged, cancelled or expire.

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) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

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.

3.4 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.

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 profit or loss. A decrease in value is recognised in profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from other comprehensive income to revenue reserves 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 asset to a working condition for its intended use, the cost 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.

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 property, plant and equipment, and is recognised net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

(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 part 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 profit or loss as incurred.

(iii) Depreciation

Construction-in-progress represents plant and properties under construction and is not depreciated until such time as the relevant assets are completed and become available for use.

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 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.

Depreciation is recognised in profit or loss on a straight-line basis over their estimated useful lives of each component of an item of property, plant and equipment. 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.

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

Buildings on freehold land	-	15 to 45 years
Buildings, land improvements and leasehold improvements	-	3 to 45 years
Machinery and equipment	-	3 to 30 years
Dairy and breeding herd	-	3½ years to 6 years
Motor vehicles	-	5 to 10 years

Dairy and breeding herd relates to livestock (cattle) being reared for milking and breeding purposes.

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

3.5 Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses, and tested for impairment. Negative goodwill is recognised immediately in profit or loss.

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets and is measured at cost less accumulated impairment losses. Goodwill arising on the acquisition of joint ventures is presented together with investments in joint venture. Goodwill is tested for impairment as described in note 3(i)(ii).

(ii) 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.

(iii) 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 profit or loss as incurred.

(iv) Amortisation

Amortisation is based on the cost of an asset less its residual value.

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

Trademarks	-	40 years
Distribution network	-	5 years
Label development costs	-	10 years

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

3.6 Biological assets

Biological assets comprise growing crops and livestock.

Biological assets (growing crops), for which fair values cannot be measured reliably, are measured at cost less accumulated impairment losses. Expenditure on growing crops includes land preparation expenses and other direct expenses incurred during the cultivation period of the primary and ratoon crops. These expenditures on growing crops are deferred and taken into inventories based on the estimated total yield during the estimated growth cycle of three years.

The cost method of valuation was used since fair value cannot be measured reliably. The growing crops 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. Growing crops are classified as current assets in the balance sheets.

At the point of harvest, the fair value of the agricultural produce that are used in processed products can be estimated using a cost plus margin basis. The margin is the estimated average margin of the processed products (which comprise concentrates, sliced pineapples, etc.). The fair value of the remaining agricultural produce can be determined and the harvest crop are measured at fair value less cost to sell. The difference between estimated cost of the harvested agricultural produce and fair value less cost to sell is recorded in profit or loss in the period in which they arise. The fair value of the harvested agricultural produce is determined based on the market value of the agricultural produce at the point of harvest.

Biological assets (livestock) are measured at fair value less costs to sell, with any changes therein recognised in profit or loss. Costs to sell include all costs that would be necessary to sell the assets. Gains and losses arising from such measurement are included in profit or loss in the period in which they arise.

3.7 Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

3.8 Inventories

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

Cost of finished goods is based on the weighted average method, while the cost of production materials and storeroom items is based on the weighted moving average 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.

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

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.9 Impairment

(i) Non-derivative financial assets

A financial asset not classified at fair value through the 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 has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) 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, economic conditions that correlate with defaults or the disappearance of an active market for a security.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant 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. Receivables that are not individually significant are collectively assessed for impairment by grouping together 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 judgment 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 profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, investment property, 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 and its fair value less costs to sell. In assessing value in use, 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. 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.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

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 (group of CGUs) on a *pro rata* basis.

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 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.

3.10 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss 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 cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense when the net cumulative unrecognised actuarial gains and losses for the plan at the end of the previous reporting period exceeds 10% of the higher of the present value of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plan.

The past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognised immediately in profit or loss.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognised reduced by past service cost not yet recognised and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

If the asset is measured at the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan, net actuarial losses of the current period and past service cost of the current period are recognised immediately to the extent that they exceed any reduction in the present value of those economic benefits. If there is no change or an increase in the present value of the economic benefits, the entire net actuarial losses of the current period and past service cost of the current period are recognised immediately. Similarly, net actuarial gains of the current period after the deduction of past service cost of the current period exceeding any increase in the present value of the economic benefits stated above are recognised immediately if the asset is measured at the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains of the current period after the deduction of past service cost of the current period are recognised immediately.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, 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 for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iv) 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.

(v) Share-based payment transactions

The Group grants share awards and share options for the shares of the Company to employees of the Group. The fair value of incentives granted is recognised as an employee 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 spread over the period during which the employees become unconditionally entitled to the shares.

Share options

The fair value, measured at grant date, is spread over the vesting period during which the employees become unconditionally entitled to the options. At each balance sheet date, the Company 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 expense and in a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transactions costs are credited to share capital when the options are exercised.

3.11 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.

3.12 Revenue recognition

(i) Goods sold

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 measure 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 shareholder's right to receive payment is established.

3.13 Lease payments

Payments made under operating leases are recognised in profit or loss 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.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so at to produce a constant periodic rate of interest on the remaining balance of the liability.

3.14 Finance income and finance costs

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expense comprises interest expense on borrowings and foreign currency losses. All borrowing costs are recognised in the 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.

3.15 Tax

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 jointly controlled entities 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.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

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

3.16 Dividends

A liability to make dividend payments is recognised when the Group declares dividend payments to the shareholders. The proposed dividends are disclosed if the Group declares the dividends to the shareholders after balance sheet date.

3.17 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 restricted share plan and share options granted to employees.

3.18 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.

3.19 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2013, and have not been applied in preparing these financial statements. The Group is currently assessing the impact of the new standards and interpretations on the financial statements.

4. Property, plant and equipment

	Cost					Valuation	
	Buildings on freehold land US$'000	Buildings, land improvements and leasehold improvements US$'000	Machinery and equipment US$'000	Dairy and breeding herd US$'000	Construction -in-progress US$'000	Freehold land US$'000	Total US$'000
Group							
Cost/Valuation							
At 1 January 2011	16,484	7,416	123,373	233	12,014	7,944	167,464
Additions	271	472	3,196	–	14,539	–	18,478
Disposals	–	–	(434)	–	–	–	(434)
Reclassifications	2,297	1,019	7,348	–	(10,664)	–	–
Currency realignment	(40)	(44)	(291)	–	(32)	346	(61)
At 31 December 2011	19,012	8,863	133,192	233	15,857	8,290	185,447
At 1 January 2012	19,012	8,863	133,192	233	15,857	8,290	185,447
Additions	161	95	4,148	–	12,918	–	17,322
Disposals	–	–	(2,202)	–	–	–	(2,202)
Reclassifications	427	938	8,060	–	(9,425)	–	–
Currency realignment	994	1,235	9,508	16	1,209	314	13,276
At 31 December 2012	20,594	11,131	152,706	249	20,559	8,604	213,843

	<------ Cost				------>	Valuation	
	Buildings on freehold land US$'000	**Buildings, land improvements and leasehold improvements US$'000**	**Machinery and equipment US$'000**	**Dairy and breeding herd US$'000**	**Construction -in-progress US$'000**	**Freehold land US$'000**	**Total US$'000**
Accumulated depreciation and impairment losses							
At 1 January 2011	4,631	3,190	80,098	203	–	–	88,122
Charge for the year	748	695	11,483	31	–	–	12,957
Impairment loss	–	(23)	(260)	–	–	–	(283)
Disposals	–	–	(336)	–	–	–	(336)
Currency realignment	(23)	(19)	(382)	(1)	–	–	(425)
At 31 December 2011	5,356	3,843	90,603	233	–	–	100,035
At 1 January 2012	5,356	3,843	90,603	233	–	–	100,035
Charge for the year	945	1,044	13,092	–	–	–	15,081
Impairment loss	(2)	(73)	342	–	–	–	267
Disposals	–	–	(2,146)	–	–	–	(2,146)
Currency realignment	281	133	6,826	16	–	–	7,256
At 31 December 2012	6,580	4,947	108,717	249	–	–	120,493
Carrying amount							
At 1 January 2011	11,853	4,226	43,275	30	12,014	7,944	79,342
At 31 December 2011	13,656	5,020	42,589	–	15,857	8,290	85,412
At 31 December 2012	14,014	6,184	43,989	–	20,559	8,604	93,350

As at 31 December 2012, the net carrying amount of leased property, plant and equipment was US$353,000 (2011: US$432,000).

Impairment loss relating to machinery and equipment are recognised/(reversed) in "Other expenses" in the income statement.

At 31 December 2012, the Group has no 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 of the Group located in the Philippines at 31 December 2012 is stated at fair value of US$5,941,000 (2011: US$5,558,000) based on prior year independent valuation by LCH Philippines Inc, Manila, Philippines, on an existing use basis. Management has assessed that the fair value of the freehold land is not significantly different from its carrying value as at 31 December 2012.

Freehold land of the Group located in Singapore at 31 December 2012 is stated at fair value of US$3,781,000 (2011: US$3,537,000) based on prior year independent valuation by CB Richard Ellis, Singapore, on an existing use basis. Management has assessed that the fair value of the freehold land is not significantly different from its carrying value as at 31 December 2012.

The carrying amount of the freehold land would have been US$2,282,000 (2011: US$2,282,000) had the freehold land been carried at cost less impairment losses.

Source of estimation uncertainty

The costs of property, plant and equipment, except for freehold land, are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment to be between 3 to 45 years. The Group reviews annually the estimated useful lives of property, plant and equipment based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase depreciation expense and decrease non-current assets.

5. Subsidiaries

	Company	
	2012	**2011**
	US$'000	**US$'000**
Unquoted equity shares, at cost	10,199	10,199
Amounts due from subsidiaries (non-trade)	75,243	75,243
	85,442	85,442

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 investment in the subsidiaries. Accordingly, they are stated at cost less accumulated impairment losses.

Details of the Group's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 2012 %	2011 %
Held by the Company				
Del Monte Pacific Resources Limited ("DMPRL") [1]	Investment holding	British Virgin Islands	100.00	100.00
DMPL India Pte Ltd ("DMPLI") [1]	Investment holding	Singapore	100.00	100.00
DMPL Management Services Pte Ltd ("DMS") [1]	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00
GTL Limited ("GTL") [1]	Trading food products mainly under the brand names, "Del Monte" and buyer's own label	Federal Territory of Labuan, Malaysia	100.00	100.00
S&W Fine Foods International Limited ("S&W") [1]	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
Held by DMPRL				
Central American Resources, Inc ("CARI") [1]	Investment holding	Panama	100.00	100.00
Held by CARI				
Del Monte Philippines, Inc ("DMPI") [2]	Growing, processing and distribution of food products mainly under the brand names "Del Monte".	Philippines	100.00	100.00
Dewey Limited ("Dewey") [4]	Owner of trademarks in various countries; investment holding	Bermuda	100.00	100.00
Pacific Brands Philippines, Inc [4]	Inactive	State of Delaware, USA	100.00	100.00
Held by DMPLI				
Del Monte Foods India Private Limited ("DMFI") [a] [3]	Manufacturing, processing and distributing food, beverages and other related products	Mumbai, India	100.00	100.00
DMPL India Limited [3]	Investment holding	Mauritius	92.80	92.00

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 2012 %	2011 %
Held by DMPI				
Philippines Packing Management Services Corporation [2]	Management, logistics and support services	Philippines	100.00	100.00
Held by Dewey				
Dewey Sdn. Bhd. [2]	Owner of the "Del Monte" and "Today's" trademarks in the Philippines	Malaysia	100.00	100.00

(a) 0.1% held by DMPRL.
[1] Audited by KPMG LLP Singapore.
[2] Audited by member firm of KPMG International.
[3] Audited by other certified public accountants. Subsidiary is not significant under rule 718 of the SGX-ST Listing Manual.
[4] Not required to be audited in the country of incorporation.

A subsidiary is considered significant as defined under the SGX-ST Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

6. Joint venture

Details of the joint venture that is held by DMPL India Limited are as follows:

Name of company	:	FieldFresh Foods Private Limited *
Principal activities	:	Production and sale of fresh and processed fruits and vegetables food products
Country of incorporation/business	:	India
Effective equity held by the Group	:	46.40% (2011: 46.00%)

* Audited by Deloitte Haskins & Sells, Gurgaon, India.

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

	2012 US$'000	2011 US$'000
Assets and liabilities		
Non-current assets	26,744	29,302
Current assets	16,283	12,694
Total assets	43,027	41,996
Current liabilities	17,504	7,326
Non-current liabilities	23,011	26,538
Total liabilities	40,515	33,864
Net assets	2,512	8,132

	2012 US$'000	2011 US$'000
Results		
Revenue	39,360	37,959
Expenses	(51,539)	(59,137)
Loss after taxation	(12,179)	(21,178)

Deferred tax assets have not been recognised by the Joint Venture in respect of the following items:

	2012 US$'000	2011 US$'000
Deductible temporary differences	(2,766)	(909)
Tax losses	70,086	61,010
	67,320	60,101

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Management has not recognised the deferred tax assets because a trend of profitable growth in the joint venture is not yet established. Once profitable growth can be clearly determined, the unrecognised deferred tax asset will be recognised by the Group, resulting in the Group's share of tax income of US$10,401,000 (2011: US$9,286,000).

The joint venture has commitments of US$2,426,000 (2011: US$3,162,000). As at 31 December 2012, the joint venture has outstanding contingent liability in respect of a claim from Dole Fresh Fruit Europe OHG ("Dole") amounting to US$489,000 (2011: US$478,000) due to price variance arising from declines in market price of grapes in Europe. The joint venture is confident that this claim is without merit.

Source of estimation uncertainty

When the joint venture has suffered operating losses, a test is made to assess whether the investment in joint venture has suffered any impairment by determining the recoverable amount. This determination requires significant judgment. 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.

	2012 US$'000	2011 US$'000
Results		
Revenue	39,360	37,959
Expenses	(51,539)	(59,137)
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Source of estimation uncertainty

When the joint venture has suffered operating losses, a test is made to assess whether the investment in joint venture has suffered any impairment by determining the recoverable amount. This determination requires significant judgment. 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.

The recoverable amount of the joint venture and India sub-continuent trademark (Note 7) was determined using the aggregate of the fair value of the manufacturing business cash generating unit ("Manufacturing CGU") based on independent valuations performed by Deshpande & Associates and R. K. Aggarwal & Associates. The cash generating unit ("Trading CGU") of the trading business was estimated using the value-in-use method, based on six-year cashflows projections approved by the joint venture's Board of Directors. Key assumptions applied in the value-in-use computations are:

- Revenue growth rate of 30% - 40%
- Discount rate of 9.98%
- Terminal value growth rate of 1.00%

Sensitivity analysis

The cash flow projections are particularly sensitive in the following areas:

- A 10% decrease in forecast revenue would decrease the recoverable amount by 22% (2011: 26%).
- A one percentage point increase in discount rate would decrease the recoverable amount by 15% (2011: 16%).

This analysis assumes that all other variables remain constant.

7. Intangible assets

	Trademarks US$'000
Cost	
At 1 January 2011	22,310
At 31 December 2011	22,310
At 1 January 2012	22,310
At 31 December 2012	22,310
Accumulated Amortisation	
At 1 January 2011	5,735
Amortisation	571
At 31 December 2011	6,306
At 1 January 2012	6,306
Amortisation	571
At 31 December 2012	6,877
Carrying Amount	
At 1 January 2011	16,575
At 31 December 2011	16,004
At 31 December 2012	15,433

The amortisation is recognised under "Other expenses" in the income statements.

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 the joint venture, FieldFresh Foods Private Limited ("FFPL") in 2007 and the grant of trademarks to FFPL to market the company's product under the "Del Monte" brand name.

Under the terms of the agreement, a total consideration of US$10 million would be payable by DMPRL to the affiliated company for the right to use the trademark. The first sum of US$1 million was paid in 1996 and the remaining US$9 million was settled in November 2006. The licenced trademarks were recorded at the net present value of the estimated future cash payments to be made as at 31 December 1996. The difference between the cash price equivalent of the intangible asset and the total payment was capitalised and has been offset against the payable to the affiliated company. In arriving at the net present value of the future cash payments, a discount rate that approximated the cost of funds to the Company was used. The net carrying amount and the remaining amortisation period of the Indian sub-continent trademark as at 31 December 2012 are US$4,554,000 and 24 years (2011: US$4,743,000 and 25 years) respectively.

Since its acquisition, the Indian sub-continent trademark and the investment in FFPL were allocated to the Indian sub-continent cash-generating unit ("Indian sub-continent CGU") which comprised of two sub-CGUs as follows:

- Manufacturing business cash generating unit ("Manufacturing CGU")
- Trading business cash generating unit ("Trading CGU")

The recoverable amount of the Manufacturing CGU is determined using the fair value less cost to sell method. The valuations for the land and plant and machinery are performed by the external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of assets being valued.

The recoverable amount of the Trading CGU is determined based on a value-in-use calculation using cash flow projections approved by the Board of Directors covering a six-year period. The cash flow projection for the first year is based on financial budgets prepared by management while the following five years are based on strategic business plan. A terminal value, which is the present value of all future cash flows, assuming a perpetual constant growth rate of 1%, is also applied in the sixth year. The pre-tax discount rate of 9.98% (2011: 11.09%) per annum was applied to the cash flow projections, which is derived from the bank's prime lending rate, the expected rate of return and various risks.

Philippines trademarks

A subsidiary, Dewey, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines ("Philippines trademarks"). The net carrying amount and the remaining amortisation period of the Philippines trademarks as at 31 December 2012 are US$2,037,000 and 18 years (2011: US$2,151,000 and 19 years) respectively.

Management has reviewed for indicators of impairment for the Philippines trademarks and concluded that no indication of impairment exist at the balance sheet date.

S&W trademark

In November 2007, a subsidiary, S&W Fine Foods International Limited, 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$10,000,000. The net carrying amount and the remaining amortisation period of the "S&W" trademark as at 31 December 2012 are US$8,743,000 and 35 years (2011: US$8,994,000 and 36 years) respectively.

Management has reviewed for indicators of impairment for the "S&W" trademark and concluded that no indication of impairment exist at the balance sheet date.

Source of estimation uncertainty

The trademarks and label development costs are assessed for impairment whenever there is an indication that the trademarks and label development costs may be impaired. The impairment assessment requires an estimation of the value-in-use of the cash-generating units to which the trademarks and label development costs are allocated.

Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and apply an appropriate suitable 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.

8. Deferred tax assets

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.

Movements in deferred tax assets and liabilities of the Group during the year are as follows:

Group	At 1 January US$'000	Charged/ (credited) to profit or loss US$'000	Charged/ (credited) to other comprehensive income US$'000	Currency realignment US$'000	At 31 December US$'000
2012					
Deferred tax assets					
Provisions	4,467	445	111	370	5,393
Impairment loss made on property, plant and equipment	141	(51)	–	2	92
Foreign exchange differences	1,172	(1,000)	–	(58)	114
	5,780	(606)	111	314	5,599
Deferred tax liabilities					
Revaluation of freehold land	(1,563)	–	(111)	(108)	(1,782)
Accelerated depreciation allowance	(764)	86	–	(41)	(719)
Growing crops	(2,194)	(48)	–	(158)	(2,400)
	(4,521)	38	(111)	(307)	(4,901)
Net deferred tax assets	1,259	(568)	–	7	698
2011					
Deferred tax assets					
Provisions	3,736	875	(105)	(39)	4,467
Impairment loss made on property, plant and equipment	189	(49)	–	1	141
Foreign exchange differences	650	542	–	(20)	1,172
	4,575	1,368	(105)	(58)	5,780
Deferred tax liabilities					
Revaluation of freehold land	(1,568)	(18)	–	23	(1,563)
Accelerated depreciation allowance	(782)	17	–	1	(764)
Growing crops	(1,899)	(310)	–	15	(2,194)
	(4,249)	(311)	–	39	(4,521)
Net deferred tax assets	326	1,057	(105)	(19)	1,259

The total amount of potential income tax consequences that would arise from the payment of dividends to the shareholders of the Company, resulting from a withholding tax of 15% on the total revenue reserve as at 31 December 2012 of a subsidiary based in the Philippines, is approximately US$13,719,000 (2011: US$12,865,000). No provision has been made in respect of this potential income tax as it is the Company's intention to permanently reinvest these reserves in the Philippines and not to distribute them as dividends.

9. Other assets

	Group 2012 US$'000	Group 2011 US$'000
Advances to growers	8,456	7,507
Security deposits	1,129	1,164
Land expansion (development costs of acquired leased areas)	3,817	2,974
Others	1,064	574
	14,466	12,219

The advances to growers may be applied against the minimum guaranteed profits to growers.

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 (2011: 10 years).

Others comprise of land development costs incurred on leased land used for the cultivation of growing crops. These costs are amortised over a period of 10 years (2011: 10 years).

10. Inventories

	Group 2012 US$'000	Group 2011 US$'000
Finished goods		
- at cost	24,172	23,051
- at net realisable value	5,725	26
Semi-finished goods		
- at cost	20,912	14,258
- at net realisable value	234	3,269
Raw materials and packaging supplies		
- at cost	62,415	48,777
	113,458	89,381

In 2012, raw materials, consumables and changes in finished goods and semi-finished goods recognised as cost of sales amounted to US$256,097,000 (2011: US$252,957,000).

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

	Group 2012 US$'000	Group 2011 US$'000
At 1 January	8,788	6,520
Allowance for the year (note 22)	4,066	5,134
Write-off against allowance	(1,331)	(2,803)
Currency realignment	633	(63)
At 31 December	12,156	8,788

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.

11. Biological assets

	Group	
	2012	**2011**
	US$'000	**US$'000**
Growing crops (at cost)		
At 1 January	90,529	80,048
Additions	83,910	75,203
Harvested	(72,614)	(64,512)
Currency realignment	6,242	(210)
At 31 December	108,067	90,529
Livestock (at fair value)		
At 1 January	1,262	1,812
Purchases of livestock	1,022	1,492
Changes in fair value attributable to price changes (note 22)	(9)	(57)
Sales of livestock	(772)	(1,981)
Currency realignment	95	(4)
At 31 December	1,598	1,262
Total biological assets	109,665	91,791

The fair value of agricultural produce harvested during the year amounted to US$82,630,000 (2011: US$72,218,000).

Growing crops

Estimated hectares planted with growing crops are as follows:

	Group	
	2012	**2011**
Pineapples	14,968	14,236
Papaya	154	346
Passion fruit	–	5

Estimated fruits harvested, in metric tons, from the growing crops are as follows:

	Group	
	2012	**2011**
Pineapples	721,088	727,039
Papaya	7,274	14,885
Passion fruit	–	22

Source of estimation uncertainty

Growing crops is stated at cost which comprises actual costs incurred in nurturing the crops reduced by the estimated cost of fruits harvested. The cost of fruits harvested from the Group's plant crops and subsequently used in production is the estimated 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. Increases in cost of harvested fruits increases the value of inventories in the balance sheet and reduces the carrying amount of growing costs reflected as biological assets.

Livestock

Livestock comprises growing herd and cattle for slaughter and is stated at fair value. The fair value is determined based on the actual selling prices approximating those at year end less estimated point-of-sale costs.

Source of estimation uncertainty

The fair value of cattle for slaughter is based on the market prices from the various relevant markets. Fair value of the cattle for slaughter is measured on initial recognition and at each balance sheet date, with changes in fair value recognised in profit or loss. The fair value is based on market prices of mature cattle ready for slaughter. Since market prices used as the basis for fair value refer to mature cattle, the market price for immature cattle already identified for slaughter is adjusted to account for the growing cost to be incurred for the immature cattle for slaughter to mature.

12. Trade and other receivables

	Note	Group 2012 US$'000	Group 2011 US$'000	Company 2012 US$'000	Company 2011 US$'000
Trade receivables	13	83,403	66,892	–	–
Deposits, prepayments and other receivables	14	18,985	16,034	4	2
Amounts due from subsidiaries (non-trade)		–	–	80,155	45,046
Trade and other receivables		102,388	82,926	80,159	45,048
Prepayments		(8,898)	(7,907)	–	–
Downpayment to contractors		(6,359)	(5,356)	–	–
Loans and receivables		87,131	69,663	80,159	45,048

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

The increase in amounts due from subsidiaries of $35,000,000 (2011: $25,000,000) relates to dividends declared by a subsidiary and constitutes a non-cash transaction.

The ageing of loans and receivables at the reporting date is:

	Group 2012 Gross US$'000	Group 2012 Impairment losses US$'000	Group 2011 Gross US$'000	Group 2011 Impairment losses US$'000
Not past due	70,946	(129)	54,576	–
Past due 0 - 60 days	10,925	–	9,124	–
Past due 61 - 90 days	1,854	–	788	–
Past due 91 - 120 days	168	–	559	–
More than 120 days	7,221	(3,854)	6,487	(1,871)
	91,114	(3,983)	71,534	(1,871)

The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

13. Trade receivables

	Group 2012 US$'000	Group 2011 US$'000
Trade receivables	87,386	68,763
Less: Allowance for doubtful receivables (trade)	(3,983)	(1,871)
	83,403	66,892

Source of estimation uncertainty

Under the supply contract with Del Monte Corporation, the Group is entitled to price adjustments arising from the difference between the actual and initial billing prices. Since the actual billing price cannot be determined at each balance sheet date, a probable price is estimated based on factors which include, but are not limited to, known market factors and preliminary discussions and negotiations.

The maximum exposure to credit risk for trade receivables at the reporting date (by geographical region) is:

	Group	
	2012	**2011**
	US$'000	**US$'000**
Asia Pacific	63,309	47,059
Europe and North America	20,094	19,833
	83,403	66,892

Movements in allowance for doubtful receivables (trade) during the financial year are as follows:

	Group	
	2012	**2011**
	US$'000	**US$'000**
At 1 January	1,871	2,479
Allowance recognised/(reversed) for the year (trade) (note 22)	1,626	(35)
Write-off against allowance	(60)	(26)
Currency realignment	546	(547)
At 31 December	3,983	1,871

Source of estimation uncertainty

The Group maintains allowance for doubtful accounts 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 judgment or utilised different estimates. An increase in the Group's allowance for doubtful accounts would increase the Group's recorded operating expenses and decrease current assets.

14. Deposits, prepayments and other receivables

	Group		Company	
	2012	2011	2012	2011
	US$'000	US$'000	US$'000	US$'000
Prepayments	8,898	7,907	–	–
Downpayment to contractors	6,359	5,356	–	–
Other receivables	2,996	2,067	4	2
Deposits	732	704	–	–
	18,985	16,034	4	2

15. Cash and cash equivalents

	Group		Company	
	2012	2011	2012	2011
	US$'000	US$'000	US$'000	US$'000
Cash and bank balances	24,555	19,374	232	211
Short-term deposits	–	1,503	–	–
Cash and cash equivalents	24,555	20,877	232	211

Certain of the cash and bank balances earn interest at floating rates based on daily bank deposit rates ranging from 1.0% to 2.5% (2011: 0.10% to 3.95%) per annum. Short-term deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates. The weighted average effective interest rate of short-term deposits during the financial year was 1.7% (2011: 3.4%) per annum.

16. Share capital

	2012		2011	
	No. of shares	US$'000	No. of shares	US$'000
Authorised:				
Ordinary shares of US$0.01 each	2,000,000,000	20,000	2,000,000,000	20,000
Issued and fully paid:				
Ordinary shares of US$0.01 each	1,081,781,194	10,818	1,081,781,194	10,818

The Group has also issued share awards under the Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP") and Del Monte Pacific Performance Share Plan ("Del Monte Pacific PSP") (note 28) during the current financial year.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group. All shares rank equally with regard to the Group's residual assets.

Capital management

The Board's policy is to maintain a strong 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 and reserves. The Board of Directors monitors the return on capital, which the Group defines as profit for the year divided by total shareholders' equity. The Board also monitors the level of dividends paid to ordinary shareholders.

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

The Company and its subsidiaries are not subject to externally imposed capital requirements.

17. Reserves

	Group		Company	
	2012	2011	2012	2011
	US$'000	US$'000	US$'000	US$'000
Revaluation reserve	3,594	3,594	–	–
Retained earnings	195,801	187,081	30,301	24,015
Reserve for own shares	(504)	(2,054)	(504)	(2,054)
Share premium	69,543	69,073	69,682	69,212
Share option reserve	953	2,367	953	2,367
Translation reserve	(24,965)	(40,363)	–	–
	244,422	219,698	100,432	93,540

The revaluation reserve relates to surplus on the revaluation of freehold land of the Group.

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 December 2012, the Group held 1,559,000 of the Company's shares (2011: 6,545,000).

Under the British Virgin Islands law in whose jurisdiction the Company operates, the Company's share premium and revenue reserve 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$139,000, which arose from the acquisition of a subsidiary, Del Monte Pacific Resources Limited, under common control in 1999.

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

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities.

18. Financial liabilities

	Group 2012 US$'000	Group 2011 US$'000
Current liabilities		
Unsecured short-term borrowings	125,907	93,621
Current portion of unsecured long-term borrowings	–	11,385
Accrued lease liabilities	–	–
	125,907	105,006
Non-current liabilities		
Unsecured long-term borrowings	14,604	5,019
Accrued lease liabilities	688	409
Other payables	387	488
	15,679	5,916
	141,586	110,922

Unsecured short-term borrowings

The amounts are unsecured with weighted average effective interest rates of 1.05% to 4.0% (2011: 0.9% to 3.5%) per annum which are fixed throughout the term of the loans.

Unsecured long-term borrowings

The amounts are unsecured with weighted average effective interest rates of 1.6% to 5.7% (2011: 1.2% to 5.7%) per annum which reprice at intervals of 1 to 3 months.

Terms and debt repayment schedule

Terms and conditions of outstanding short-term loans and borrowings are as follows:

Group	Currency	Nominal interest rate %	Year of maturity	2012 Face value US$'000	2012 Carrying amount US$'000	2011 Face value US$'000	2011 Carrying amount US$'000
Unsecured bank loan	PHP	1.56 – 3.45	2013	31,731	31,731	–	–
Unsecured bank loan	USD	1.05 – 2.00	2013	94,176	94,176	–	–
Unsecured bank loan	PHP	1.56 – 3.50	2012	–	–	33,076	33,076
Unsecured bank loan	USD	1.05 – 2.00	2012	–	–	60,545	60,545
				125,907	125,907	93,621	93,621

Terms and conditions of outstanding long-term loans and borrowings are as follows:

				2012		2011	
Group	**Currency**	**Nominal interest rate %**	**Year of maturity**	**Face value US$'000**	**Carrying amount US$'000**	**Face value US$'000**	**Carrying amount US$'000**
Unsecured bank loan	PHP	3-Mos PDSTF + 1.5 / .95 (GRT)	2012	–	–	6,831	6,831
Unsecured bank loan	PHP	3-Mos PDSTF + 1 / .95 (GRT)	2014	–	–	4,554	4,554
Unsecured bank loan	PHP	3-Y PDSTF + .95 / .25 (GRT)	2014	2,434	2,434	2,277	2,277
Unsecured bank loan	USD	3-Mos Libor + 0.7 / .9 (On-Shore Tax)	2013	–	–	2,742	2,742
Unsecured bank loan	PHP	3-Mos PDSTF + 1 / .95 (GRT)	2015	12,170	12,170	–	–
				14,604	14,604	16,404	16,404

PDSTF – Philippine Dealing System Treasury Fixing Rate
GRT – Gross Receipt Tax

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group	**Carrying amount US$'000**	**Contractual cash flows US$'000**	**Less than 1 year US$'000**	**1-2 years US$'000**	**2-5 years US$'000**
2012					
Non-derivative financial liabilities					
Unsecured bank loans					
- Short-term	125,907	126,095	126,095	–	–
- Long-term	14,604	15,871	571	2,913	12,387
Accrued lease liabilities	688	688	–	3	685
Other payables	387	387	–	150	237
Trade and other payables	95,459	95,459	95,459	–	–
	237,045	238,500	222,125	3,066	13,309
2011					
Non-derivative financial liabilities					
Unsecured bank loans					
- Short-term	93,621	93,762	93,762	–	–
- Long-term	16,404	16,879	11,668	2,891	2,320
Accrued lease liabilities	409	409	–	–	409
Other payables	488	488	–	126	362
Trade and other payables	81,332	81,332	81,332	–	–
	192,254	192,870	186,762	3,017	3,091

Company	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-2 years US$'000	2-5 years US$'000
2012					
Non-derivative financial liabilities					
Trade and other payables	54,583	54,583	54,583	–	–
	54,583	54,583	54,583	–	–
2011					
Non-derivative financial liabilities					
Trade and other payables	26,343	26,343	26,343	–	–
	26,343	26,343	26,343	–	–

Fair values

Estimation of fair values

Other financial assets and liabilities

The carrying amounts of other financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and short term borrowings) are assumed to approximate their fair values because of the short period to maturity.

19. Trade and other payables

	Group 2012 US$'000	Group 2011 US$'000	Company 2012 US$'000	Company 2011 US$'000
Trade payables	47,774	49,660	–	–
Accrued operating expenses	42,548	27,381	655	762
Accrued payroll expenses	3,997	2,961	–	–
Value-added tax payables	(25)	127	–	–
Withheld from employees (taxes and social security cost)	1,165	1,198	–	–
Other payables	–	5	–	5
Amounts due to subsidiaries (non-trade)	–	–	53,928	25,576
	95,459	81,332	54,583	26,343

The accrued payroll expenses of the Group includes retirement benefit obligations of US$1,430,000 (2011: US$1,032,000) (note 20).

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

20. Retirement benefit obligations

A subsidiary, DMPI, has a funded, non-contributory defined benefit retirement plan covering substantially all of its officers and regular full-time employees. The benefits are based on a percentage of latest monthly salary and credited years of service.

At 31 December, the amount recognised in the balance sheet is as follows:

	Group	
	2012	**2011**
	US$'000	**US$'000**
Present value of funded obligations	43,297	39,147
Fair value of plan assets	(38,089)	(32,864)
	5,208	6,283
Unrecognised past service costs	(1,824)	(1,969)
Unrecognised actuarial loss	(1,954)	(3,282)
Net liability recorded under accrued payroll expenses (note 19)	1,430	1,032

Present value of funded obligations

Liability at 1 January	39,147	38,215
Benefits paid by the plan	(3,061)	(3,770)
Current service costs and interests	5,882	5,560
Actuarial gain	(1,414)	(765)
Currency realignment	2,743	(93)
Liability at 31 December	43,297	39,147

Fair value of plan assets

Government bonds and foreign currencies	34,128	28,903
Property occupied by a lessee	3,931	3,931
Property occupied by the Group	30	30
	38,089	32,864

Movement in plan assets:

Fair value of plan assets at 1 January	32,864	29,423
Contributions paid into the plan	2,681	4,907
Benefits paid by the plan	(3,061)	(3,770)
Expected return on plan assets	3,155	2,721
Actuarial loss	94	(346)
Currency realignment	2,356	(71)
Fair value of plan assets at 31 December	38,089	32,864

Expenses recognised in the profit or loss

	Group	
	2012	**2011**
	US$'000	**US$'000**
Current service cost	2,456	2,303
Interest cost	3,426	3,411
Expected return on plan assets	(3,155)	(2,797)
Amortisation for past service cost	272	271
Total pension expense	2,999	3,188
Recognised in:		
Cost of sales	2,052	2,171
Distribution and selling expenses	349	422
General and administrative expenses	598	595
	2,999	3,188

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. The Group expects to pay US$2,869,000 in contributions to the pension plan in 2013.

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 2012 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 31 December 2012.

The principal actuarial assumptions used for accounting purposes were:

	Group	
	2012	**2011**
Discount rate (per annum)	5%	6%
Expected return on plan assets (per annum)	9%	9%
Future salary increases (per annum)	6%	6%
Expected service life for the pension plan	10 years	10 years

Historical information

	2012	**2011**	**2010**	**2009**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Present value of the defined benefit obligation	43,297	39,147	38,215	36,367
Fair value of plan assets	(38,089)	(32,864)	(29,423)	(27,055)
Deficit in the plan	5,208	6,283	8,792	9,312
Experience adjustments arising on plan liabilities	(1,742)	(1,258)	(2,695)	651
Experience adjustments arising on plan assets	94	(346)	(306)	528

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, and 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.

21. Revenue

	Group		Company	
	2012	**2011**	**2012**	**2011**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Sale of goods	459,711	425,235	–	–
Dividend income received and receivable from subsidiaries	–	–	35,000	25,000
	459,711	425,235	35,000	25,000

Revenue of the Group comprises gross invoiced sales, 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.

22. Profit for the year

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

		Group		Company	
	Note	**2012**	**2011**	**2012**	**2011**
		US$'000	**US$'000**	**US$'000**	**US$'000**
Allowance for inventory obsolescence	10	4,066	5,134	–	–
Allowance recognised/(reversed) for doubtful receivables (trade)	13	1,626	(35)	–	–
Amortisation of intangible assets	7	571	571	–	–
Audit fees					
- paid to the auditors of the Company		202	209	181	180
- paid to other auditors		128	124	–	–
Changes in fair value attributable to price changes of biological assets	11	(9)	(57)	–	–
Changes in fair value of agricultural produce harvested		10,016	7,706	–	–
Depreciation of property, plant and equipment	4	15,081	12,957	–	–

	Note	Group 2012 US$'000	Group 2011 US$'000	Company 2012 US$'000	Company 2011 US$'000
Impairment loss made/(reversed) on property, plant and equipment	4	267	(283)	–	–
Legal expenses		101	3,967	–	–
(Gain)/Loss on disposal of property, plant and equipment		(136)	26	–	–
Non-audit fees					
- paid to the auditors of the Company		53	49	47	49
- paid to other auditors		25	20	2	–
Operating lease rentals		6,182	4,513	–	–
Research and development expenditure		3,808	2,963	–	–
Staff costs					
Pension costs – defined benefit pension plan	20	2,999	3,188	–	–
Pension costs – provident fund		659	559	–	–
Social security costs		1,583	1,552	–	–
Value of employee services received under share-based incentive plans		606	1,244	606	1,244
Wages and salaries		75,827	80,521	2,719	2,106
		81,674	87,064	3,325	3,350

23. Finance income/(expense)

Recognised in profit or loss	Group 2012 US$'000	Group 2011 US$'000
Finance income		
Interest income from		
- bank deposits	552	531
- others	5	15
Foreign exchange gains	267	914
	824	1,460
Finance expense		
Interest expenses on		
- bills payable	(3,883)	(2,993)
- factoring	–	(64)
	(3,883)	(3,057)
Net finance expense	(3,059)	(1,597)

The above finance income and finance costs included in the following interest income and expenses in respect of assets/(liabilities) not at fair value through profit or loss:

	Group	
	2012	**2011**
Recognised in profit or loss	**US$'000**	**US$'000**
Total interest income on financial assets	557	546
Total interest expense on financial liabilities	(3,883)	(3,057)

Recognised in other comprehensive income

	Group	
	2012	**2011**
	US$'000	**US$'000**
Foreign currency translation differences for foreign operations	15,398	(1,670)

24. Tax

The 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.

The Group

Group tax has been calculated on the estimated assessable profit for the year at the rates prevailing in the respective foreign tax jurisdictions. Details of provision for Group foreign income tax are as follows:

	Group	
	2012	**2011**
	US$'000	**US$'000**
Current tax		
- current year	8,520	6,575
Deferred tax		
- current year	568	(1,067)
	9,088	5,508
Reconciliation of effective tax rate		
Profit before tax	40,713	32,099
Taxation on profit at weighted average of the applicable tax rates	7,567	2,873
Non-deductible expenses	1,521	2,635
	9,088	5,508

	Group	
	2012	**2011**
Standard tax rates		
- Philippines (non-PEZA)	30%	30%
- Philippines (PEZA)*	5%	5%
- India	31%	31%
- Singapore	17%	17%

* *based on gross profit for the year*

On 22 November 2007, DMPI's core production operations in Cagayan de Oro City, Philippines were approved as a Philippine Packing Agricultural Export Processing Zone. This new zone has been established in accordance with the policies of the Philippine Economic Zone Authority ("PEZA"). With this approval, DMPI enjoys certain fiscal and non-fiscal incentives including a 5% tax on gross profit in lieu of the current 30% (2011: 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 PEZA's requirements which include exporting 70% of its production. DMPI has received PEZA approval for a second zone, the Bukidnon Agro-Resources Export Zone, for agri-development projects. This zone was granted Presidential approval on 8 September 2008 and renewed on 17 December 2012.

Sources of estimation uncertainty

The Group has exposure to income taxes in several foreign jurisdictions. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group 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.

25. Earnings per share

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

	Group	
	2012	**2011**
Basic earnings per share is based on:		
Profit for the year (US$'000)	32,090	27,441
Basic weighted average number of ordinary shares ('000):		
Issued ordinary shares at 1 January	1,081,781	1,081,781
Effect of own shares held	(8,614)	(4,871)
Effect of share options execised	5,508	1,512
Weighted average number of ordinary shares at 31 December (basic)	1,078,675	1,078,422
Basic earnings per share (in US cents)	2.97	2.54

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 ESOP and Del Monte Pacific RSP, with the potential ordinary shares weighted for the period outstanding.

The effect of ESOP and Del Monte Pacific RSP on the weighted average number of ordinary shares in issue is as follows:

	Group	
	2012	**2011**
Diluted earnings per share is based on:		
Profit for the year (US$'000)	32,090	27,441
Diluted weighted average number of shares ('000):		
Weighted average number of ordinary shares at 31 December (basic)	1,078,675	1,078,422
Potential ordinary shares issuable under share options	2,434	7,726
Weighted average number of ordinary issued and potential shares assuming full conversion	1,081,109	1,086,148
Diluted earnings per share (in US cents)	2.97	2.53

26. Dividends

	Group and Company	
	2012	**2011**
	US$'000	**US$'000**
Tax-exempt final dividend paid in respect of the previous financial year of 1.45 US cents (2011: 1.10 US cents)	15,599	11,878
Tax-exempt interim dividend paid in respect of the current financial year of 0.72 US cents (2011: 0.46 US cents)	7,771	4,968
	23,370	16,846

Subsequent to the financial year, the Directors declared a tax-exempt final dividend of 1.51 US cents per share (2011: 1.45 US cents per share), amounting to US$16,297,000 (2011: US$15,599,000) in respect of the financial year ended 31 December 2012. These dividends have not been provided for in these financial statements.

27. Operating segments

The Group has two reportable segments, as described below, which are the Group's strategic business units. The strategic business units are based on whether the products are sold as branded or non branded. They are managed separately because they require different business development and growth strategies due to the differing market dynamics. For each of the strategic business units, the Group's Executive Committee (the chief operating decision maker) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's Executive Committee. Segment profit before income tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. The segment assets reviewed by the Group's Executive Committee relate to the trade receivables arising from the operations of the segment business.

-Branded Business

- Includes sales of Del Monte and S&W branded products.

-Non Branded Business

- Non-supply contract
  a. Asia Pacific – Includes sales of private label and non branded processed fruits, beverages and other processed products, fresh fruit and cattle in the Asia Pacific region and sales of private label processed fruits, beverages and other processed products, fresh fruit and cattle to a non-affiliated Del Monte company at market price in the Asia Pacific region.

  b. Europe and North America – Includes sales of private label and non branded processed fruits, beverages and other processed products in Europe and North America and sales of private label processed fruits, beverages and other processed products to a non-affiliated Del Monte company at market price in Europe and North America.

- Supply contract – Includes sales of processed fruits, beverages and fresh fruit to non-affiliated Del Monte companies under the long term supply contracts.

In the current year, the operating segments were revised according to the changes made to the internal management reports prescribed to the Group's Executive Committee. The corresponding items of segment information for the prior period were restated accordingly.

Information about reportable segments

			<---------- Non Branded									
			<---------- Non Supply Contract		---------->				---------->			
	Branded		**Asia Pacific**		**Europe and North America**		**Supply Contract**		**Total Non Branded**		**Total**	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
External revenues	320,868	274,649	21,747	21,775	56,073	66,549	61,023	62,262	138,843	150,586	459,711	425,235
Depreciation and amortisation	9,040	6,611	730	805	2,791	3,176	3,091	2,936	6,612	6,917	15,652	13,528
Reportable segment profit before income tax	36,223	17,145	3,078	3,748	1,914	11,115	(502)	91	4,490	14,954	40,713	32,099
Other material non-cash items:												
- Impairment loss made/(reversed) on property, plant and equipment	147	(135)	32	(59)	40	(42)	48	(47)	120	(148)	267	(283)
- Allowance for inventory obsolescence	2,482	2,708	655	462	822	1,373	107	591	1,584	2,426	4,066	5,134
- Allowance made/(reversed) for doubtful trade receivables	1,322	(160)	185	91	119	34	–	–	304	125	1,626	(35)
Reportable segment assets	80,234	64,016	3,096	3,443	13,635	13,974	7,945	9,481	24,676	26,898	104,910	90,914
Capital expenditure	9,719	8,808	1,160	1,926	3,022	3,943	3,421	3,801	7,603	9,670	17,322	18,478

Reconciliations of reportable segment revenues, profit or loss, assets and other material items

	2012 US$'000	2011 US$'000
Revenue		
Total revenue for reportable segments/consolidated revenue	459,711	425,235
Assets		
Total assets for reportable segments	104,910	90,914
Other unallocated amounts	390,610	332,977
Consolidated total assets	495,520	423,891

Other material items 2012

	Reportable segment totals	Adjustments	Consolidated totals
Allowance for inventory obsolescence	4,066	–	4,066
Allowance for doubtful receivables	1,626	–	1,626
Capital expenditure	17,322	–	17,322
Depreciation and amortisation	15,652	–	15,652
Impairment loss made on property, plant and equipment and intangible assets	267	–	267

Other material items 2011

	Reportable segment totals	Adjustments	Consolidated totals
Allowance for inventory obsolescence	5,134	–	5,134
Reversal of allowance for doubtful receivables	(35)	–	(35)
Capital expenditure	18,478	–	18,478
Depreciation and amortisation	13,528	–	13,528
Impairment loss reversed on property, plant and equipment and intangible assets	(283)	–	(283)

Geographical information

The Group's segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices primarily in Philippines, Singapore and India.

In presenting information on the basis of geographical segments, segment assets are based on the geographical location of the assets.

Non-current assets

	2012 US$'000	2011 US$'000
Philippines	101,916	91,830
Singapore	16,779	17,062
India	26,061	28,765
	144,756	137,657

Non-current assets presented consist of property, plant and equipment, intangible assets, joint venture and other assets.

Major customer

Revenue from one customer of the Group's Non Branded segment amounted to approximately US$61,721,000 (2011: US$63,907,000), representing 13% (2011: 15%) of the Group's total revenue.

28. Share option and incentive plans

The ESOP of the Company was approved and amended by its members at general meetings held on 30 July 1999 and 21 February 2002 respectively. No further options could be granted pursuant to the ESOP as it had expired on 24 July 2009. Any options granted by the Company prior to 24 July 2009 would continue to be valid for a period of 10 years from the date of the grant of options.

The Company's shareholders also approved the adoption of two share plans, Del Monte Pacific RSP and Del Monte Pacific PSP (collectively the "Share Plans"), at a general meeting held on 26 April 2005. The Share Plans seek to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, and are currently targeted at executives in key positions, to excel in their performance.

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 7 March 2008, three employees of related companies were granted an aggregate of 1,725,000 share awards at the market price of S$0.615 per share.

On 20 May 2008, 1,611,000 shares were awarded at the market price of S$0.680 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 28 April 2008.

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of S$0.540 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 21 November 2011, 67,700 shares were awarded to a Non-Executive Director of the Company at the market price of S$0.455 per share.

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 ESOP and the share plans.

Details of the outstanding options granted to the Company's directors and employees under the ESOP and Del Monte Pacific RSP on unissued ordinary shares of Del Monte Pacific Limited at the end of the year, are as follows:

ESOP

Date of grant of options	**Exercise period**	**Exercise price S$**	***Options outstanding 2012**	**2011**
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2011 40%: 7 March 2011 – 6 March 2018	0.627	1,550,000	1,550,000

* *Mr Edgardo M Cruz, Jr had and Dr Emil Q Javier had exercised the 200,000 options they each held, on 12 March 2013 and 20 March 2013 respectively, at a consideration of S$125,400 each. Mr Rolando C Gapud had excercised the 400,000 options he held on 28 March 2013, at a consideration of S$250,800.*

Accordingly, as at the date of this report, a total of 750,000 options remains 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
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2011 40%: 7 March 2011 onwards	0.615	1,725,000	–
20 May 2008	Up to 60%: 20 May 2010 – 19 May 2011 40%: 20 May 2011 onwards	0.680	1,611,000	–
12 May 2009	Up to 60%: 12 May 2011 – 11 May 2012 40%: 12 May 2012 onwards	0.540	3,749,000	1,377,200
29 April 2011	Up to 60%: 12 May 2011 – 11 May 2012 40%: 12 May 2012 onwards	0.485	2,643,000	1,057,200
21 November 2011	No vesting period imposed, shares were released to the grantee on 12 December 2012	0.455	67,700	–
			9,795,700	2,434,400

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 a 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 and assumptions

Date of grant of options	7 Mar 2008	7 Mar 2008	20 May 2008	12 May 2009	29 Apr 2011	21Nov 2011
	ESOP	*<—— Del Monte Pacific RSP ——>*				
Fair value at measurement date	US$0.12	US$0.44	US$0.50	US$0.37	US$0.40	US$0.35
Share price (Singapore dollars) at grant date	0.615	0.615	0.680	0.540	0.485	0.455
Exercise price (Singapore dollars)	0.627	–	–	–	–	–
Expected volatility	5.00%	5.00%	5.00%	2.00%	2.00%	–
Time to maturity	8 years	1 year	1 year	2 years	2 years	–
Risk-free interest rate	3.31%	3.31%	3.31%	2.30%	2.19%	–

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.

Sources of estimation uncertainty

The fair value of share options granted is estimated using the Black-Scholes Model, which requires the Group to estimate the expected volatility of the Company's shares and expected life of the share options. The Group assesses the estimates whenever there is an indication of a significant change in these conditions. An increase in the fair value of share options granted will increase share option expense and share option reserve.

29. Financial risk management

The Group has exposure to the following risks:

- credit risk
- interest rate risk
- liquidity risk
- market risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit Committee is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities. 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 Audit Committee 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 Audit Committee 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 Audit Committee.

Financial risk management objectives and policies

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Board continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

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 country in which customers operate, as these factors may have an influence on credit risk. Approximately 13% (2011: 15%) of the Group's revenue is attributable to sales transactions with a single international customer. However, geographically, there is no concentration of credit risk.

The Audit Committee 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 external ratings, when 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 creditworthiness may transact with the Group only on a prepayment or Letters of Credit basis.

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables (excluding prepayments) at the reporting date by geographic region was:

	Group	
	2012	**2011**
	US$'000	**US$'000**
North America	9,054	9,239
Europe	11,220	10,539
Asia Pacific	73,216	55,241
	93,490	75,019

Impairment losses

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The ageing of trade and other receivables (excluding prepayments) that were impaired at the reporting date was:

	Group	
	2012	**2011**
	US$'000	**US$'000**
Not past due	77,176	59,932
Past due 0 - 60 days	10,925	9,123
Past due 61 - 90 days	1,854	788
Past due 91 - 120 days	168	559
More than 120 days	3,367	4,617
	93,490	75,019

Interest rate risk

The Group's cash balances are placed with reputable global and major Philippine banks and financial institutions. The Group manages its interest income by placing the cash balances with varying maturities and interest rate terms. This includes investing the Company'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.

Sensitivity analysis

A 1% general increase in interest rates at the reporting date would increase/(decrease) profit or loss by the amounts shown below. There is no effect on equity. This analysis assumes that all other variables, in particular, foreign currency rates, remain constant.

	Group Profit or Loss	
	2012	**2011**
	US$'000	**US$'000**
Short-term deposits	–	15
Unsecured short-term and long-term borrowings	(1,405)	(1,100)
	(1,405)	(1,085)

A 1% general decrease in interest rates would have the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

Liquidity risk

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. Currently, the Group is entitled to a total of US$364 million (2011: US$287 million) in credit lines, of which only 38% (2011: 38%) is availed. The lines are mostly for short term financing requirements, with US$19 million (2011: US$19 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.

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 Philippine Peso.

The Company and its subsidiaries 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, especially between the Philippine peso and US dollar. To a certain extent, the Group has a natural hedge between the latter two currencies due to its revenue and cost mix. It is the Group's policy to optimise its natural hedge.

At 31 December, the Group's exposure to US dollar is as follows:

	Group	
	2012	**2011**
	US$'000	**US$'000**
Trade and other receivables	1,778	3,270
Cash and cash equivalents	7,550	(4,373)
Financial liabilities	(92,412)	(72,717)
Trade and other payables	(10,580)	(9,598)
	(93,664)	(83,418)

Sensitivity analysis

A 10% strengthening of the subsidiaries' foreign currency against the US dollar at the reporting date would increase profit or loss by US$9,366,000 (2011: US$8,342,000). This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% weakening of the subsidiaries' foreign currency against the US dollar would have the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

Credit risk

The Group sells its products through major distributors and buyers in various geographical regions. For the year ended 31 December 2012, the Group's major customers collectively accounted for 16% (2011: 19%) of its total revenue. 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.

The percentages of cash and bank balances held in the following regions are:

	Group	
	2012	**2011**
	%	**%**
Philippines	72	67
Hong Kong	24	32
Mauritius	4	1

Apart from the above, the Company and the Group have no significant concentration of credit risk with any single counterparty or group counterparties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheets.

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. There are no outstanding purchase contracts as at 31 December 2011 and 2012.

The Group also purchases large volumes of papaya fruits for production and is significantly exposed to commodity price risk related to papaya. The Group ensures long-term supply of papaya at stable prices by executing papaya supply agreements with farmers. The Group also subsidises some of the farmers' costs related to papaya to ensure long-term relationships with them.

Risk related to agricultural activities

The output of the plantation is subject to certain risk factors relating to weather conditions, crop yields, outgrowers and service providers' performance, and leasehold arrangements. To manage any impact from heavy rainfall and floods, plantings are done in various locations to minimise tonnage loss, and towing units have been augmented to ensure continuity of harvest during wet conditions. The Group is PhilGAP and GLOBALGAP certified and complies with proven agricultural practices in the pineapple growing operations. Long-term land leases with staggered terms are also secured.

International business risk

The Group's overall earnings from its trading activities with international customers are primarily affected by movements in the worldwide supply, demand and prices of its products. Prices for pineapple juice concentrate are largely affected by the supply situation in Thailand and the demand situation in the international markets. Given that this is an industrial commodity product, prices are quite volatile. The Group is shifting production towards more branded ready-to-drink beverage to decommoditise its concentrate product.

Branded business risk

The Group's branded business in the Philippines and the Indian subcontinent through Del Monte, and in Asia and the Middle East through S&W, is affected by a number of factors, including, but not limited to competition, acceptance of new products, industry trends, distribution expansion, penetration and business partners' risks. The Group's exposure to these risks is managed through the following processes, among others:

- Focus on consumption-driven marketing strategies
- Shift to branded value-added, packaged products with emphasis on innovation, health and wellness, quality, competitiveness and consumer appeal
- Market and customer diversification
- Increased penetration of high-growth distribution channels and markets
- Building on closer working relationships with business partners

Operational risk

As an integrated producer of processed 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, production efficiencies, input costs and availability, litigious counterparties, communist rebel 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 contingency plan and risk management measures. It also pursues productivity-enhancing and efficiency-generating work practices and capital projects. To manage insurgency risks in its operating units in the Philippines, the Group has strengthened security measures.

Compliance

The Group closely monitors changes in legislation and government regulations affecting the Group's business. It has a compliance programme that aims to monitor and ensure the Group's compliance with laws and regulations. Compliance is a regular board agenda item.

30. 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 balance sheets, are as follows:

	Note	Loans and receivables $'000	Other financial liabilities within scope of IAS 39 $'000	Total carrying amount $'000	Fair value $'000
Group					
31 December 2012					
Cash and cash equivalents	15	24,555	–	24,555	24,555
Loans and receivables	12	87,131	–	87,131	87,131
		111,686	–	111,686	111,686
Financial liabilities		–	140,898	140,898	140,898
Trade and other payables	19	–	95,459	95,459	95,459
		–	236,357	236,357	236,357
31 December 2011					
Cash and cash equivalents	15	20,877	–	20,877	20,877
Loans and receivables	12	69,663	–	69,663	69,663
		90,540	–	90,540	90,540
Financial liabilities		–	110,513	110,513	110,513
Trade and other payables	19	–	81,332	81,332	81,332
		–	191,845	191,845	191,845

	Note	Loans and receivables $'000	Other financial liabilities within scope of IAS 39 $'000	Total carrying amount $'000	Fair value $'000
Company					
31 December 2012					
Cash and cash equivalents	15	232	–	232	232
Loans and receivables	12	80,159	–	80,159	80,159
		80,391	–	80,391	80,391
Trade and other payables	19	–	54,583	54,583	54,583
31 December 2011					
Cash and cash equivalents	15	211	–	211	211
Loans and receivables	12	45,048	–	45,048	45,048
		45,259	–	45,259	45,259
Trade and other payables	19	–	26,343	26,343	26,343

31. Commitments

Operating lease commitments

Based on the existing agreements, the future minimum rental commitments as at 31 December for all non-cancellable long-term leases of real property, offices and equipment and grower agreements (including the estimated rental on lands previously owned by National Development Corporation (NDC) and submitted for land distribution in compliance with the Comprehensive Agrarian Reform Law (CARL)) are as follows:

	Group 2012 US$'000	Group 2011 US$'000
Within one year	8,732	6,993
Between one to five years	34,403	30,327
More than five years	61,218	58,865
	104,353	96,185

Included in the above are commitments denominated in Philippine Peso of PHP4,055 million, equivalent to US$98,705,000 (2011: PHP4,155 million, equivalent to US$94,606,000).

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.

Future capital expenditure

	Group	
	2012	**2011**
	US$'000	**US$'000**
Capital expenditure not provided for in the financial statements		
- approved by Directors and contracted for	6,955	4,580
- approved by Directors but not contracted for	28,388	24,826
	35,343	29,406

Supply contracts

The Group currently has international supply contracts with entities, which have exclusive rights to the Del Monte trademarks in their respective territories or product categories. The Group has such agreements in respect of processed foods with Del Monte Corporation (three-year notice of termination was served by the Group in November 2011) in North America (except Canada), Mexico and the Caribbean, and Del Monte Asia Pte Ltd in certain Asia Pacific countries (excluding the Philippines, the Indian subcontinent, Myanmar and Japan). The Group also has a supply contract for fresh pineapples with Del Monte Fresh Produce International Inc which will expire on 31 December 2017. These supply contracts are generally terminable by prior written notice with periods ranging between 18 to 36 months (from certain pre-agreed dates onwards).

32. Contingencies

As at 31 December 2012, a subsidiary, DMPL India Limited has a contingent liability amounting to INR 619 million (US$11.1 million) in the form of a letter of undertaking securing 50% of the obligations of FieldFresh Foods Private Limited under its Loan Agreement with Infrastructure Development Finance Company Limited, in proportion to its equity interest.

33. Related parties

Related party transactions

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

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

	Group		Company	
	2012	**2011**	**2012**	**2011**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Expenses				
Management fees to a subsidiary, DMS	–	–	570	581
Purchases from Nutri-Asia, Inc	–	28	–	–
Management fees from DMPI Retirement Fund	(5)	(5)	–	–
Shared IT Services from Nutri-Asia, Inc	(65)	–	–	–
	(70)	23	570	581

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 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 the authority and responsibility for planning, directing and controlling the activities of the entity. The Directors of the Company are considered as key management personnel of the Group.

The key management personnel compensation is as follows:

	Group		Company	
	2012	**2011**	**2012**	**2011**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Directors:				
Fees and remuneration	3,207	2,904	2,138	1,942
Share-based payments	462	725	462	725
Key executive officers (excluding Directors):				
Short-term employee benefits	2,565	2,379	–	–
Post-employment benefits	237	235	–	–
Share-based payments	144	518	144	518

Certain management personnel of the Group are entitled to post-employment benefits as defined under a subsidiary's defined benefit plan. The benefits are based on a percentage of latest monthly salary and credited years of service (note 20).

34. Subsequent events

On 27 February 2013, the Board of Directors of the Company announced a proposed bonus issue of up to 216,044,498 new ordinary shares each in the capital of the Company ("Bonus Shares") on the basis of two (2) Bonus Shares credited as fully paid for every ten (10) existing ordinary shares held in the capital of the Company (the "Proposed Bonus Issue"). The Bonus Shares will be issued pursuant to a general mandate obtained at the Annual General Meeting of the Company held on 30 April 2012 which allows the Company's Directors to issue shares in the capital of the Company aggregating up to fifty (50) per cent of the Company's issued share capital for the time being (on a pro-rata basis).

The Company has obtained an in-principle approval from the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 28 March 2013 in respect of the Company's application for the listing of and quotation of up to 215,869,298 Bonus Shares, subject to compliance with the SGX-ST's listing requirements. The earnings per share and diluted earnings per share in Note 25 have not been adjusted to reflect the additional shares to be issued. The earnings per share and diluted earnings per share would decrease had the additional shares to be issued been adjusted for.

The Directors' report

(Amounts in United States Dollar unless otherwise stated)

The directors are pleased to present their report to the members together with the audited financial statements of Del Monte Pacific Limited (the "Company") and its subsidiaries (collectively, the "Group") comprising the statements of financial position, income statements, statements of comprehensive income and statements of changes in equity of the Company and the Group and the cash flow statements of the Group and Company for the financial year ended 31 December 2011.

Directors

The directors in office at the date of this report are as follows:

Mr Rolando C Gapud
Mr Joselito D Campos, Jr
Mr Edgardo M Cruz, Jr
Mr Patrick L Go
Dr Emil Quinto Javier
Mr Benedict Kwek Gim Song
Mr Godfrey E Scotchbrook

Arrangements to enable directors to acquire shares or debentures

Except as disclosed under the "Share Option and Incentive Plans" section of this report, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company, its subsidiaries or any other body corporate.

Directors' interests

According to the register kept by the Company, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares in the Company are as follows:

	Direct interest			Deemed interest		
	At 1 January 2011	At 31 December 2011	At 21 January 2012	At 1 January 2011	At 31 December 2011	At 21 January 2012
<u>The Company</u>						
Ordinary shares of US$0.01 each						
Mr Joselito D Campos, Jr	-	-	-	849,429,372	849,429,372	849,429,372

	Direct interest			Deemed interest		
	At 1 January 2011	At 31 December 2011	At 21 January 2012	At 1 January 2011	At 31 December 2011	At 21 January 2012
Options to subscribe for ordinary shares at S$0.627 per share between 07/03/2010 to 06/03/2018*						
Mr Rolando C Gapud	400,000	400,000	400,000	-	-	-
Mr Edgardo M Cruz, Jr	200,000	200,000	200,000	-	-	-
Mr Patrick L Go	200,000	200,000	200,000	-	-	-
Dr Emil Quinto Javier	200,000	200,000	200,000	-	-	-
Mr Benedict Kwek Gim Song	250,000	250,000	250,000	-	-	-
Mr Godfrey E Scotchbrook	300,000	300,000	300,000	-	-	-

* *Up to 60% of options granted may be exercised from 7 March 2010 onwards.*
Remaining 40% of options granted may be exercised from 7 March 2011 onwards.

Grant of share awards at S$0.680 per share with vesting period from 20/05/2010 onwards**						
Mr Joselito D Campos, Jr	1,611,000	644,400	644,400	-	-	-

** *Up to 60% of share awards granted was released on 20 May 2011.*
Remaining 40% of share awards granted would be released after 19 May 2012.

Grant of share awards at S$0.485 per share with vesting period from 12/05/2011 onwards***						
Mr Joselito D Campos, Jr	-	2,643,000	2,643,000	-	-	-

*** *Up to 60% of share awards granted would be released after 11 May 2012.*
Remaining 40% of share awards granted would be released after 11 May 2013.

Grant of share awards at S$0.455 per share with no vesting period imposed****						
Dr Emil Quinto Javier	-	67,700	67,700	-	-	-

**** *Shares were released to the grantee on 12 December 2011.*

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants, share options or share-based incentives of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Directors' contractual benefits

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in notes 28 and 33 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share option and incentive plans

The Del Monte Pacific Executive Stock Option Plan 1999 ("ESOP") 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 as it had expired on 24 July 2009. Any options granted by the Company prior to 24 July 2009 would continue to be valid for a period of 10 years from the date of the grant of options.

The Company's shareholders also approved the adoption of two share plans, Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP") and Del Monte Pacific Performance Share Plan ("Del Monte Pacific PSP") (collectively the "Share Plans"), at a general meeting held on 26 April 2005. The Share Plans seek to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, and are currently targeted at executives in key positions, to excel in their performance.

The ESOP and Share Plans are administered by the Remuneration and Share Option Committee ("RSOC") comprising of the following members:

Mr Godfrey E Scotchbrook	(Chairman and Independent Director)
Mr Edgardo M Cruz, Jr	(Executive Director)
Mr Rolando C Gapud	(Non-Executive Director)
Mr Patrick L Go	(Independent Director)
Mr Benedict Kwek Gim Song	(Independent Director)

Other information regarding the ESOP is set out below:

Under the ESOP, 2 types of options were granted:

- Initial Public Offering Options ("IPO Options")
- Market Price Options

IPO Options

At the time of the Company's initial public offering in July 1999, a total of 11,428,571 IPO Options were granted at an exercise price of US$0.504 each. None of the IPO Options granted were exercised and all IPO Options granted have since lapsed.

Market Price Options

(a) A Market Price Option confers the right to subscribe for shares granted under the ESOP one year after the Listing Date.

(b) A Market Price Option may be granted only after the lapse of one year from the Listing Date.

(c) The period for the exercise of a Market Price Option commences after the second anniversary of the date of grant of the option and expires on the 10th anniversary of such date of grant.

(d) The exercise price of a Market Price Option may be set at a discount not exceeding 20% of the market price at the date of grant.

In March 2001, a total of 14,050,000 Market Price Options were granted at an exercise price of S$0.490 each. All of the 14,050,000 Market Price Options have either been exercised or have lapsed following the mandatory conditional cash offer by NutriAsia Pacific Ltd in January 2006.

On 7 March 2008, a total of 1,550,000 Market Price Options were granted at an exercise price of S$0.627 each being the average last done price of the Company's share for the last three market days preceding the date of grant. The options are valid for 10 years from 7 March 2008.

Other information regarding the Del Monte Pacific RSP is set out below:

(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 7 March 2008, three employees of related companies were granted an aggregate of 1,725,000 share awards at the market price of S$0.615 per share.

On 20 May 2008, 1,611,000 shares were awarded at the market price of S$0.680 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 28 April 2008.

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of S$0.540 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 21 November 2011, 67,700 shares were awarded to a Non-Executive Director of the Company at the market price of S$0.455 per share.

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.

At the end of the financial year, details of the options granted under the ESOP on the unissued ordinary shares of the Company, are as follows:

Date of Grant	Exercise Price S$	Number of options outstanding at 1 January2011	Options granted	Options exercised	Options forfeited/ exercised	Number of options outstanding at 31 December 2011	Number of option holders at 31 December 2011	Exercise period
07/03/2008	0.627	1,550,000	-	-	-	1,550,000	6	Up to 60%: 07/03/2010 – 06/03/2011 40%: 07/03/2011 – 06/03/2018

At the end of the financial year, details of share awards granted under the Del Monte Pacific RSP are as follows:

Date of grant	Market price on date of grant S$	Number of share awards granted as at 31 December 2011	Number of share award holders at 31 December 2011	Vesting period
07/03/2008	0.615	1,725,000	3	Up to 60%: 07/03/2010 – 06/03/2011 40%: 07/03/2011 onwards
20/05/2008	0.680	1,611,000	1	Up to 60%: 20/05/2010 – 19/05/2011 40%: 20/05/2011 onwards
12/05/2009	0.540	3,749,000	9	Up to 60%: 12/05/2011 – 11/05/2012 40%: 12/05/2012 onwards
29/04/2011	0.485	2,643,000	1	Up to 60%: 12/05/2011 – 11/05/2012 40%: 12/05/2012 onwards
21/11/2011	0.455	67,700	1	No vesting period imposed, shares were released to the grantee on 12 December 2012
		9,795,700		

Details of options granted to directors of the Company under the ESOP are as follows:

Name of director	Options granted in financial year ended 31 December 2011	*Aggregate options granted since commencement of ESOP to 31 December 2011	*Aggregate options exercised since commencement of ESOP to 31 December 2011	Aggregate options outstanding as at 31 December 2011
Mr Rolando C Gapud	-	400,000	-	400,000
Mr Edgardo M Cruz, Jr	-	200,000	-	200,000
Mr Patrick L Go	-	200,000	-	200,000
Dr Emil Quinto Javier	-	200,000	-	200,000
Mr Benedict Kwek Gim Song	-	250,000	-	250,000
Mr Godfrey E Scotchbrook	-	300,000	-	300,000
	-	1,550,000	-	1,550,000

* Excludes options granted prior to the mandatory conditional cash offer by NutriAsia Pacific Ltd in January 2006, all of which have either been exercised or have lapsed.

Details of share awards granted to directors of the Company under the Del Monte Pacific RSP are as follows:

Name of director	Share awards granted for financial year ended 31 December 2011	Aggregate share awards granted since commencement of Del Monte Pacific RSP	Aggregate share awards outstanding as at 31 December 2011
Mr Joselito D Campos, Jr	2,643,000	4,254,000	3,287,400
Dr Emil Quinto Javier	67,700	67,700	-

Except as disclosed above, no options or share awards have been granted to the controlling shareholders of the Company or their associates and no participant under the ESOP and Del Monte Pacific RSP has been granted 5% or more of the total options available under the ESOP and Del Monte Pacific RSP.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

No options or share awards have been granted to other employees of the holding company or its related companies under the ESOP and Del Monte Pacific RSP, except for the 6 employees of related companies, who were granted an aggregate of 5,474,000 on 7 March 2008 and 12 May 2009.

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries at the end of the financial year.

Audit Committee

The Audit Committee ("AC") comprises five board members, four of whom are non-executive directors. A majority of members, including the chairman, are independent. Members of the AC in the financial year and at the date of this report are:

Mr Benedict Kwek Gim Song	(Chairman and Independent Director)
Mr Edgardo M Cruz, Jr	(Executive Director)
Mr Rolando C Gapud	(Non-Executive Director)
Mr Patrick L Go	(Independent Director)
Mr Godfrey E Scotchbrook	(Independent Director)

The AC held four meetings since the last directors' report. The AC reviews the effectiveness of the systems of internal controls in the Group, its accounting policies, annual financial statements and quarterly reports, the effectiveness of the internal audit function, and the findings of both the external and internal auditors. The AC may also examine whatever aspects it deems appropriate regarding the Group's financial affairs, its internal and external audits and its exposure to risks of a regulatory or legal nature. Furthermore, all interested person transactions are subject to regular periodic reviews by the AC to ensure that they are carried out on arm's length commercial terms consistent with the Group's usual business practices and policies and are not be prejudicial to the Company's minority shareholders.

In performing its functions, the AC reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. The AC met with the internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company and the Group's system of internal controls. The AC also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2011 as well as the external auditors' report thereon.

The AC has full access to and cooperation of Management and the internal auditors. It also has full discretion to invite any director or executive officer to attend its meetings. The Chief Financial Officer attends meetings of the AC. The auditors have unrestricted access to the AC. The AC has reasonable resources to enable it to discharge its functions properly.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Mr Rolando C Gapud
Director

Mr Joselito D Campos, Jr
Director

3 April 2012

Statement by Directors

In our opinion:

(a) the financial statements set out on pages FS1 to FS65 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2011 and of the results, changes in equity and cash flows of the Group and the Company for the year then ended in accordance with International Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Mr Rolando C Gapud
Director

Mr Joselito D Campos, Jr
Director

3 April 2012

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Independent auditors' report

Members of the Company
Del Monte Pacific Limited

Report on the financial statements

We have audited the accompanying financial statements of Del Monte Pacific Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2011, the income statements, the statements of comprehensive income, changes in equity and cash flows of the Group and the Company for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS65.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at 31 December 2011 and of the financial performance and the cash flows of the Group and of the Company for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
3 April 2012

Statements of financial position
As at 31 December 2011

	Note	Group 2011 US$'000	Group 2010 US$'000	Company 2011 US$'000	Company 2010 US$'000
Non-current assets					
Property, plant and equipment	4	85,412	79,342	-	-
Subsidiaries	5	-	-	85,442	85,442
Joint venture	6	24,022	33,495	-	-
Intangible assets	7	16,004	16,575	-	-
Deferred tax assets	8	1,259	326	-	-
Other assets	9	12,219	12,069	-	-
		138,916	141,807	85,442	85,442
Current assets					
Inventories	10	89,381	77,498	-	-
Biological assets	11	91,791	81,860	-	-
Trade and other receivables	12	82,926	79,953	45,048	19,846
Cash and cash equivalents	15	20,877	17,506	211	211
		284,975	256,817	45,259	20,057
Total assets		423,891	398,624	130,701	105,499
Equity					
Share capital	16	10,818	10,818	10,818	10,818
Reserves	17	219,698	211,100	93,540	92,077
Equity attributable to owners of the Company		230,516	221,918	104,358	102,895
Non-controlling interest		(1,474)	(624)	-	-
Total equity		229,042	221,294	104,358	102,895
Non-current liabilities					
Financial liabilities	18	5,916	18,016	-	-
		5,916	18,016	-	-
Current liabilities					
Trade and other payables	19	81,332	70,091	26,343	2,604
Financial liabilities	18	105,006	85,787	-	-
Current tax liabilities		2,595	3,436	-	-
		188,933	159,314	26,343	2,604
Total liabilities		194,849	177,330	26,343	2,604
Total equity and liabilities		423,891	398,624	130,701	105,499

The accompanying notes form an integral part of these financial statements.

Income statements
Year ended 31 December 2011

	Note	Group 2011 US$'000	Group 2010 US$'000	Company 2011 US$'000	Company 2010 US$'000
Revenue	21	425,235	378,623	25,000	25,000
Cost of sales		(323,810)	(296,862)	-	-
Gross profit		101,425	81,761	25,000	25,000
Distribution and selling expenses		(25,113)	(23,147)		-
General and administrative expenses		(26,627)	(23,842)	(5,505)	(4,387)
Other expenses		(5,400)	(4,454)	(633)	(581)
Results from operating activities		44,285	30,318	18,862	20,032
Finance income		1,460	636	-	-
Finance expenses		(3,057)	(5,152)	-	-
Net finance expenses	23	(1,597)	(4,516)	-	-
Share of loss of joint venture, net of tax		(10,589)	(6,634)	-	-
Profit before taxation		32,099	19,168	18,862	20,032
Income tax	24	(5,508)	(3,983)	-	-
Profit for the year	22	26,591	15,185	18,862	20,032
Profit attributable to:					
Non-controlling interests		(850)	(624)	-	-
Owners of the Company		27,441	15,809	18,862	20,032
Earnings per share					
Basic earnings per share (US cents)	25	2.54	1.46		
Diluted earnings per share (US cents)	25	2.53	1.45		

The accompanying notes form an integral part of these financial statements.

Statements of comprehensive income
Year ended 31 December 2011

	Group		Company	
	2011	**2010**	**2011**	**2010**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Profit for the year	26,591	15,185	18,862	20,032
Other comprehensive income				
Currency translation differences	(1,670)	10,834	-	-
Net loss on revaluation of property, plant and equipment, net of tax	226	-	-	-
Other comprehensive income/ (loss) for the year, net of tax	(1,444)	10,834	-	-
Total comprehensive income for the year	25,147	26,019	18,862	20,032
Total comprehensive income attributable to:				
Non-controlling interests	(850)	(624)	-	-
Owners of the Company	25,997	26,643	18,862	20,032

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity
Year ended 31 December 2011

Group	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
		<---- Attributable to owners of the Company ---->									
2010											
At 1 January 2010		10,818	68,687	(49,527)	3,368	1,337	-	162,408	197,091	-	197,091
Total comprehensive income for the year											
Profit for the year		-	-	-	-	-	-	15,809	15,809	(624)	15,185
Other comprehensive income											
Currency translation differences		-	-	10,834	-	-	-	-	10,834	-	10,834
Total other comprehensive income		-	-	10,834	-	-	-	-	10,834	-	10,834
Total comprehensive income for the year		-	-	10,834	-	-	-	15,809	26,643	(624)	26,019
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Dividends to owners of the Company	26	-	-	-	-	-	-	(1,731)	(1,731)	-	(1,731)
Acquisition of treasury shares		-	-	-	-	-	(824)	-	(824)	-	(824)
Value of employee services received for issue of share options	28	-	-	-	-	739	-	-	739	-	739
Total contributions by and distributions to owners		-	-	-	-	739	(824)	(1,731)	(1,816)	-	(1,816)
At 31 December 2010		10,818	68,687	(38,693)	3,368	2,076	(824)	176,486	221,918	(624)	221,294

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (continued)
Year ended 31 December 2011

Group	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
		<— Attributable to owners of the Company							—>		
2011											
At 1 January 2011		10,818	68,687	(38,693)	3,368	2,076	(824)	176,486	221,918	(624)	221,294
Total comprehensive income for the year											
Profit for the year		-	-	-	-	-	-	27,441	27,441	(850)	26,591
Other comprehensive income											
Currency translation differences		-	-	(1,670)	-	-	-	-	(1,670)	-	(1,670)
Net loss on revaluation of property, plant and equipment, net of tax		-	-	-	226	-	-	-	226	-	226
Total other comprehensive income		-	-	(1,670)	226	-	-	-	(1,444)	-	(1,444)
Total comprehensive income for the year		-	-	(1,670)	226	-	-	27,441	25,997	(850)	25,147
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Dividends to owners of the Company	26	-	-	-	-	-	-	(16,846)	(16,846)	-	(16,846)
Acquisition of treasury shares		-	-	-	-	-	(1,797)	-	(1,797)	-	(1,797)
Share-based payment transactions		-	386	-	-	(953)	567	-	-	-	-
Value of employee services received for issue of share options	28	-	-	-	-	1,244	-	-	1,244	-	1,244
Total contributions by and distributions to owners		-	386	-	-	291	(1,230)	(16,846)	(17,399)	-	(17,399)
At 31 December 2011		10,818	69,073	(40,363)	3,594	2,367	(2,054)	187,081	230,516	(1,474)	229,042

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 December 2011

Company	Share capital US$'000	Share premium US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total equity US$'000
2010						
At 1 January 2010	10,818	68,826	1,337	-	3,698	84,679
Profit for the year/Total comprehensive income for the year	-	-	-	-	20,032	20,032
Transactions with owners of the Company recognised directly in equity						
Contributions by and distributions to owners						
Value of employee services received for issue of share options (note 28)	-	-	739	-	-	739
Acquisition of treasury shares	-	-	-	(824)		(824)
Dividends (note 26)	-	-	-	-	(1,731)	(1,731)
Total contributions by and distributions to owners of the Company	-	-	739	(824)	(1,731)	(1,816)
At 31 December 2010	10,818	68,826	2,076	(824)	21,999	102,895
2011						
At 1 January 2011	10,818	68,826	2,076	(824)	21,999	102,895
Profit for the year/Total comprehensive income for the year	-	-	-	-	18,862	18,862
Transactions with owners of the Company recognised directly in equity						
Contributions by and distributions to owners						
Value of employee services received for issue of share options (note 28)	-	-	1,244	-	-	1,244
Acquisition of treasury shares	-	-	-	(1,797)	-	(1,797)
Share-based payment transactions	-	386	(953)	567	-	-
Dividends (note 26)	-	-	-	-	(16,846)	(16,846)
Total contributions by and distributions to owners of the Company	-	386	291	(1,230)	(16,846)	(17,399)
At 31 December 2011	10,818	69,212	2,367	(2,054)	24,015	104,358

The accompanying notes form an integral part of these financial statements.

Cash flow statements
Year ended 31 December 2011

	Group		Company	
	2011	2010	2011	2010
	US$'000	US$'000	US$'000	US$'000
Cash flows from operating activities				
Profit for the year	26,591	15,185	18,862	20,032
Adjustments for:				
Amortisation of intangible assets	571	570	-	-
Depreciation of property, plant and equipment	12,957	11,073	-	-
Allowance for doubtful receivables	(35)	453	-	-
Allowance for inventory obsolescence	5,134	6,973	-	-
(Reversal of)/ impairment loss on property, plant and equipment	(283)	1,062	-	-
Loss on disposal of property, plant and equipment	26	63	-	-
Equity-settled share-based payment transactions	677	739	677	739
Share of profit of joint venture, net of tax	10,589	6,634	-	-
Finance income	(1,460)	(636)	-	-
Finance expense	3,057	5,152	-	-
Income tax expense	5,508	3,983	-	-
	63,332	51,251	19,539	20,771
Changes in:				
Other assets	(118)	(938)	-	-
Inventories	(17,080)	(12,133)	-	-
Biological assets	(10,145)	(6,932)	-	-
Trade and other receivables	(3,527)	(50,992)	13	37
Trade and other payables	12,260	7,746	-	215
Operating cash flows	44,722	(11,998)	19,552	21,023
Income taxes paid	(7,189)	(5,023)	-	-
Net cash flows from/(used in) operating activities	37,533	(17,021)	19,552	21,023
Cash flows from investing activities				
Amounts due from subsidiaries (non-trade)	-	-	(25,215)	13,909
Interest received	498	565	-	-
Proceeds from disposal of property, plant and equipment	72	355	-	-
Purchase of property, plant and equipment	(18,478)	(14,659)	-	-
Additional investment in joint venture	(1,116)	(9,925)	-	-
Net cash flows used in investing activities	(19,024)	(23,664)	(25,215)	13,909
Cash flows from financing activities				
Amounts due to subsidiaries (non-trade)	-	-	23,739	(32,175)
Interest paid	(4,077)	(3,122)	-	-
Repayment of finance lease liabilities	-	(20)	-	-
Proceeds from borrowings	533,567	446,687	-	-
Repayment of borrowings	(526,511)	(444,028)	-	-
Acquisition of treasury shares	(1,230)	(824)	(1,230)	(824)
Dividends paid	(16,846)	(1,731)	(16,846)	(1,731)
Net cash flows used in financing activities	(15,097)	(3,038)	5,663	(34,730)
Net increase/(decrease) in cash and cash equivalents	3,412	(43,723)	-	202
Cash and cash equivalents at beginning of year	17,506	59,162	211	9
Effect of exchange rate changes on balances held in foreign currency	(41)	2,067	-	-
Cash and cash equivalents at end of year (note 14)	20,877	17,506	211	211

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 3 April 2012.

1. Domicile and activities

Del Monte Pacific Limited (the "Company") was incorporated in the British Virgin Islands on 27 May 1999 under the International Business Companies Ordinance, Chapter 291 of the laws of the British Virgin Islands, as an international business company. On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). 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 concentrate, tropical mixed fruit, tomato-based products, and certain other food products mainly under the brand names of "Del Monte", "Today's" and "S&W". The details of the Company's subsidiaries and their principal activities are set out in note 5.

The immediate holding company is NutriAsia Pacific Limited whose ultimate shareholders are NutriAsia Inc. and Well Grounded Limited which at 31 December 2011 hold 57.8% and 42.2%, respectively, through their intermediary companies. NutriAsia Pacific Limited, NutriAsia Inc. and Well Grounded Limited are incorporated in the British Virgin Islands.

The financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in joint ventures.

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- biological assets are measured at fair value less estimated point of sale costs
- freehold land are measured at valuation
- certain financial assets and financial liabilities are measured at fair value

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 4 – Recoverability of property, plant and equipment
- Note 6 – Recoverability of investment in joint venture
- Note 7 – Recoverability of intangible assets
- Note 10 – Net realisable values of inventories
- Note 11 – Measurement of biological assets
- Note 12 – Recoverability of trade receivables
- Note 20 – Measurement of retirement benefit obligations
- Note 24 – Measurement of income tax
- Note 28 – Measurement of share option and incentive plans

(e) Changes in accounting policies

Identification of related party relationships and related party disclosures

From 1 January 2011, the Group has applied the revised IAS 24 *Related Party Disclosures* (2010) to identify parties that are related to the Group and to determine the disclosures to be made on transactions and outstanding balances, including commitments, between the Group and its related parties. IAS 24 (2010) improved the definition of a related party in order to eliminate inconsistencies and ensure symmetrical identification of relationships between two parties.

There is no change in the disclosure and financial effect on the results and financial position of the Group for the current and previous financial years. Accordingly, the adoption of IAS 24 (2010) has no impact on earnings per share.

3. Significant accounting policies

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

(a) Basis of consolidation

(i) Business combination

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable.

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

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.

Any contingent consideration payable is recognised at fair value at the acquisition date. 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 profit or loss.

For 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, the Group elects on a transaction-by-transaction basis whether to measure them 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. All other non-controlling interests are measured at acquisition-date fair value or, when applicable, on the basis specified in another standard.

When share-based payment awards (replacement awards) are exchanged for awards held by the acquiree's employees (acquiree's awards) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future service.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(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) Other acquisitions

Other acquisitions are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, representing negative goodwill, is credited to the profit or loss in the period of the acquisition.

(v) Jointly controlled operations

A jointly controlled operation is a joint venture carried on by each venture using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation, and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

(vi) 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 consolidated 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.

(b) 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.

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 profit or loss.

(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 at exchange rates at the dates of the transactions.

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, significant influence 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 on 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 profit or loss.

When the settlement of a monetary item 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.

(c) Financial instruments

(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 (including assets designated at fair value through profit or loss) 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. 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 has the following non-derivative financial assets as 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 (see note 12) and cash and cash equivalents (see note 15).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(ii) Non-derivative financial liabilities

The Group initially recognises financial liabilities 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 liability when its contractual obligations are discharged, cancelled or expire.

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.

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) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

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.

(d) 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.

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 profit or loss. A decrease in value is recognised in profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from other comprehensive income to revenue reserves 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 asset to a working condition for its intended use, the cost 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.

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 property, plant and equipment, and is recognised net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

(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 part 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 profit or loss as incurred.

(iii) Depreciation

Construction-in-progress represents plant and properties under construction and is not depreciated until such time as the relevant assets are completed and become available for use.

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 is recognised in profit or loss on a straight-line basis over their estimated useful lives of each component of an item of property, plant and equipment. 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.

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

Buildings on freehold land	-	15 to 45 years
Buildings, land improvements and leasehold improvements	-	3 to 45 years
Machinery and equipment	-	3 to 30 years
Dairy and breeding herd	-	3½ years to 6 years
Motor vehicles	-	5 to 10 years

Dairy and breeding herd relates to livestock (cattle) being reared for milking and breeding purposes.

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

(e) **Intangible assets**

(i) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses, and tested for impairment. Negative goodwill is recognised immediately in profit or loss.

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets and is measured at cost less accumulated impairment losses. Goodwill arising on the acquisition of joint ventures is presented together with investments in joint venture. Goodwill is tested for impairment as described in note 3(i)(ii).

(ii) 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.

(iii) 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 profit or loss as incurred.

(iv) Amortisation

Amortisation is based on the cost of an asset less its residual value.

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

Trademarks	-	40 years
Distribution network	-	5 years
Label development costs	-	10 years

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

(f) Biological assets

Biological assets comprise growing crops and livestock.

Biological assets (growing crops), for which fair values cannot be measured reliably, are measured at cost less accumulated impairment losses. Expenditure on growing crops includes land preparation expenses and other direct expenses incurred during the cultivation period of the primary and ratoon crops. These expenditures on growing crops are deferred and taken into inventories based on the estimated total yield during the estimated growth cycle of three years.

The cost method of valuation was used since fair value cannot be measured reliably. The growing crops 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. Growing crops are classified as current assets in the balance sheets.

At the point of harvest, the fair value of the agricultural produce can be determined and the harvested crop are measured at fair value less cost to sell. The difference between estimated cost of the harvested agricultural produce and fair value less cost to sell is recorded in profit or loss in the period in which they arise. The fair value of the harvested agricultural produce is determined based on the market value of the agricultural produce at the point of harvest.

Biological assets (livestock) are measured at fair value less costs to sell, with any changes therein recognised in profit or loss. Costs to sell include all costs that would be necessary to sell the assets. Gains and losses arising from such measurement are included in profit or loss in the period in which they arise.

(g) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

(h) Inventories

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

Cost of finished goods is based on the weighted average method, while the cost of production materials and storeroom items is based on the weighted moving average 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.

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

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(i) Impairment

(i) Non-derivative financial assets

A financial asset not classified at fair value through the 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 has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) 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, economic conditions that correlate with defaults or the disappearance of an active market for a security.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant 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. Receivables that are not individually significant are collectively assessed for impairment by grouping together 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 profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, investment property, 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 and its fair value less costs to sell. In assessing value in use, 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. 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.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

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 (group of CGUs) on a *pro rata* basis.

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 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.

(j) 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 profit or loss 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 cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense when the net cumulative unrecognised actuarial gains and losses for the plan at the end of the previous reporting period exceeds 10% of the higher of the present value of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plan.

The past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognised immediately in profit or loss.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognised reduced by past service cost not yet recognised and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

If the asset is measured at the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan, net actuarial losses of the current period and past service cost of the current period are recognised immediately to the extent that they exceed any reduction in the present value of those economic benefits. If there is no change or an increase in the present value of the economic benefits, the entire net actuarial losses of the current period and past service cost of the current period are recognised immediately. Similarly, net actuarial gains of the current period after the deduction of past service cost of the current period exceeding any increase in the present value of the economic benefits stated above are recognised immediately if the asset is measured at the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains of the current period after the deduction of past service cost of the current period are recognised immediately.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, 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 for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iv) 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.

(v) Share-based payment transactions

The Group grants share awards and share options for the shares of the Company to employees of the Group. The fair value of incentives granted is recognised as an employee 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 spread over the period during which the employees become unconditionally entitled to the shares.

Share options

The fair value, measured at grant date, is spread over the vesting period during which the employees become unconditionally entitled to the options. At each balance sheet date, the Company 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 expense and in a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transactions costs are credited to share capital when the options are exercised.

(k) 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.

(l) Revenue recognition

(i) Goods sold

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 measure 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 shareholder's right to receive payment is established.

(m) Lease payments

Payments made under operating leases are recognised in profit or loss 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.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so at to produce a constant periodic rate of interest on the remaining balance of the liability.

(n) Finance income and finance costs

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings and foreign currency losses. All borrowing costs are recognised in the 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.

(o) Income tax

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 jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

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

(p) Dividends

A liability to make dividend payments is recognised when the Group declares dividend payments to the shareholders. The proposed dividends are disclosed if the Group declares the dividends to the shareholders after balance sheet date.

(q) 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 restricted share plan and share options granted to employees.

(r) 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.

(s) New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2011, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

4. Property, plant and equipment

	<------ Cost				------>	Valuation	
Group	**Buildings on freehold land US$'000**	**Buildings, land improvements and leasehold improvements US$'000**	**Machinery and equipment US$'000**	**Dairy and breeding herd US$'000**	**Construction -in-progress US$'000**	**Freehold land US$'000**	**Total US$'000**
Cost / Valuation							
At 1 January 2010	14,367	7,151	116,482	220	9,085	7,807	155,112
Additions	423	69	4,206	-	9,961	-	14,659
Disposals	(570)	(663)	(10,365)	-	-	-	(11,598)
Reclassifications	1,404	90	6,082	-	(7,576)	-	-
Currency realignment	860	769	6,968	13	544	137	9,291
At 31 December 2010	16,484	7,416	123,373	233	12,014	7,944	167,464
At 1 January 2011	16,484	7,416	123,373	233	12,014	7,944	167,464
Additions	271	472	3,196	-	14,539	-	18,478
Disposals	-	-	(434)	-	-	-	(434)
Reclassifications	2,297	1,019	7,382	-	(10,664)	346	380
Currency realignment	(40)	(44)	(325)	-	(32)	-	(441)
At 31 December 2011	19,012	8,863	133,192	233	15,857	8,290	185,447

	<----- Cost				----->	Valuation	
	Buildings on freehold land US$'000	**Buildings, land improvements and leasehold improvements US$'000**	**Machinery and equipment US$'000**	**Dairy and breeding herd US$'000**	**Construction -in-progress US$'000**	**Freehold land US$'000**	**Total US$'000**
Accumulated depreciation and impairment losses							
At 1 January 2010	3,838	2,985	74,886	191	-	-	81,900
Charge for the year	1,018	440	9,614	1	-	-	11,073
Impairment loss	-	197	865	-	-	-	1,062
Disposals	(489)	(636)	(10,055)	-	-	-	(11,180)
Currency realignment	264	204	4,788	11	-	-	5,267
At 31 December 2010	4,631	3,190	80,098	203	-	-	88,122
At 1 January 2011	4,631	3,190	80,098	203	-	-	88,122
Charge for the year	748	695	11,483	31	-	-	12,957
Impairment loss	-	(23)	(260)	-	-	-	(283)
Disposals	-	-	(336)	-	-	-	(336)
Currency realignment	(23)	(19)	(382)	(1)	-	-	(425)
At 31 December 2011	5,356	3,843	90,603	233	-	-	100,035
Carrying amount							
At 1 January 2010	10,529	4,166	41,596	29	9,085	7,807	73,212
At 31 December 2010	11,853	4,226	43,275	30	12,014	7,944	79,342
At 31 December 2011	13,656	5,020	42,589	-	15,857	8,290	85,412

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 2011 %	2010 %
Held by Dewey				
Dewey Sdn. Bhd. [2]	Owner of the "Del Monte" and "Today's" trademarks in the Philippines	Malaysia	100	100

(a) 0.1% held by DMPRL.
[1] Audited by KPMG LLP Singapore.
[2] Audited by member firm of KPMG International.
[3] Audited by other certified public accountants. Subsidiary is not significant under rule 718 of the SGX-ST Listing Manual.
[4] Not required to be audited in the country of incorporation.

A subsidiary is considered significant as defined under the SGX-ST Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

6. Joint venture

Details of the joint venture that is held by DMPL India Limited are as follows:

Name of company	:	FieldFresh Foods Private Limited *
Principal activities	:	Production and sale of fresh and processed fruits and vegetables food products
Country of incorporation/business	:	India
Effective equity held by the Group	:	46% (2010: 46%)

* Audited by Deloitte Haskins & Sells, Gurgaon, India.

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

	2011 US$'000	2010 US$'000
Assets and liabilities		
Non-current assets	29,302	36,568
Current assets	12,694	20,330
Total assets	41,996	56,898
Current liabilities	7,326	16,759
Non-current liabilities	26,538	11,407
Total liabilities	33,864	28,166
Net assets	8,132	28,732
Results		
Revenue	37,959	26,513
Expenses	(59,137)	(39,770)
Loss after taxation	(21,178)	(13,257)

Deferred tax assets have not been recognised in respect of the following items:

	2011 US$'000	2010 US$'000
Deductible temporary differences	(909)	236
Tax losses	61,010	42,918
	60,101	43,154

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Management has not recognised the deferred tax assets because a trend of profitable growth in the joint venture is not yet established. Once profitable growth can be clearly determined, the unrecognised deferred tax asset will be recognised by the Group, resulting in the Group's share of tax income of US$9,286,000 (2010: US$6,667,000).

The joint venture has commitments of US$3,162,000 (2010: US$1,789,000). As at 31 December 2011, the joint venture has outstanding contingent liability in respect of a claim from Dole Fresh Fruit Europe OHG ("Dole") amounting to US$478,469 (2010: US$488,971) due to price variance arising from decline market price of grapes in Europe. The joint venture is confident that this claim is without merit.

Source of estimation uncertainty

When the joint venture has suffered 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. 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.

The recoverable amount of the joint venture was determined using value-in-use of the joint venture, based on six-year cashflows projections approved by the joint venture's Board of Directors. Key assumptions applied are:

- Revenue growth rate of 19% - 45%
- Discount rate of 11.1%
- Terminal value growth rate of 2%

Sensitivity Analysis

The cash flow projections are particularly sensitive in the following areas:

- A 10% decrease in forecasted revenue would decrease the recoverable amount by 26% (2010: 10%).
- A one percentage point increase in discount rate would decrease the recoverable amount by 15.7% (2010: 14.8%).

This analysis assumes that all other variables remain constant.

An increase in the above areas would have the equal but opposite effect on the value-in-use, on the basis that all other variables remain constant.

7. Intangible asset

	Trademarks US$'000
Cost	
At 1 January 2010	22,310
At 31 December 2010	22,310
At 1 January 2011	22,310
At 31 December 2011	22,310
Accumulated Amortisation	
At 1 January 2010	5,165
Amortisation	570
At 31 December 2010	5,735
At 1 January 2011	5,735
Amortisation	571
At 31 December 2011	6,306
Carrying Amount	
At 1 January 2010	17,145
At 31 December 2010	16,575
At 31 December 2011	16,004

Movements in accumulated amortisation during the financial year are as follows:

	2011 US$'000	2010 US$'000
At 1 January	5,735	5,165
Amortisation during the year		
- Del Monte and Today's trademarks	303	302
- S&W trademark and label development costs	268	268
At 31 December	6,306	5,735

The amortisation is recognised under "Other expenses" in the income statements.

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").

Under the terms of the agreement, a total consideration of US$10 million would be payable by DMPRL to the affiliated company for the right to use the trademark. The first sum of US$1 million was paid in 1996 and the remaining US$9 million was settled in November 2006. The licenced trademarks were recorded at the net present value of the estimated future cash payments to be made as at 31 December 1996. The difference between the cash price equivalent of the intangible asset and the total payment was capitalised and has been offset against the payable to the affiliated company. In arriving at the net present value of the future cash payments, a discount rate that approximated the cost of funds to the Company was used. The net carrying amount and the remaining amortisation period of the Indian sub-continent trademark as at 31 December 2011 are US$4,743,000 and 25 years (2010: US$4,933,000 and 26 years) respectively.

Since its acquisition, the Indian sub-continent trademark was allocated to the Indian sub-continent cash-generating unit ("Indian sub-continent CGU").

The recoverable amount of the Indian sub-continent CGU is determined based on a value-in-use calculation using cash flow projections approved by the Board of Directors covering a six-year period. The cash flow projection for the first year is based on financial budgets prepared by management while the following five years are based on strategic business plan. A terminal value, which is the present value of all future cash flows, assuming a perpetual constant growth rate, is also applied in the sixth year. The pre-tax discount rate of 11.1% (2010: 9.9%) per annum was applied to the cash flow projections, which is derived from the bank's prime lending rate, the expected rate of return and various risks.

Philippines trademarks

A subsidiary, Dewey, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines ("Philippines trademarks"). The net carrying amount and the remaining amortisation period of the Philippines trademarks as at 31 December 2011 are US$2,151,000 and 19 years (2010: US$2,264,000 and 20 years) respectively.

Management has reviewed for indicators of impairment for the Philippines trademarks and concluded that no indication of impairment exist at the balance sheet date.

S&W trademark

In November 2007, a subsidiary, S&W Fine Foods International Limited, 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$10,000,000. The net carrying amount and the remaining amortisation period of the "S&W" trademark as at 31 December 2011 are US$8,994,000 and 36 years (2010: US$9,244,000 and 37 years) respectively.

Management has reviewed for indicators of impairment for the "S&W" trademark and concluded that no indication of impairment exist at the balance sheet date.

Source of estimation uncertainty

The trademarks and label development costs are assessed for impairment whenever there is an indication that the trademarks and label development costs may be impaired. The impairment assessment requires an estimation of the value-in-use of the cash-generating units to which the trademarks and label development costs are allocated.

Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and apply an appropriate suitable 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.

8. Deferred tax assets

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.

Movements in deferred tax assets and liabilities of the Group during the year are as follows:

Group	At 1 January US$'000	Charged/ (credited) to profit or loss US$'000	Charged/ (credited) to other comprehensive income US$'000	Currency realignment US$'000	At 31 December US$'000
2011					
Deferred tax liabilities					
Revaluation of freehold land	1,568	18	-	(23)	1,563
Accelerated depreciation allowance	605	102	105	(5)	807
Growing crops	1,893	241	-	(13)	2,121
	4,066	361	105	(41)	4,491
Deferred tax assets					
Provisions	(3,742)	(876)	-	40	(4,578)
Foreign exchange differences	(650)	(542)	-	20	(1,172)
	(4,392)	(1,418)	-	60	(5,750)
Net deferred tax assets	(326)	(1,057)	105	19	(1,259)

Group	At 1 January US$'000	Charged/ (credited) to profit or loss US$'000	Charged/ (credited) to other comprehensive income US$'000	Currency realignment US$'000	At 31 December US$'000
2010					
Deferred tax liabilities					
Revaluation of freehold land	1,479	27	-	62	1,568
Accelerated depreciation allowance	1,045	(486)	2	44	605
Financial derivative designated as hedging instrument	-	-	-	-	-
Growing crops	1,592	198	-	103	1,893
	4,116	(261)	2	209	4,066
Deferred tax assets					
Provisions	(1,940)	(1,624)	-	(178)	(3,742)
Foreign exchange differences	(258)	(363)	-	(29)	(650)
	(2,198)	(1,987)	-	(207)	(4,392)
Net deferred tax liabilities/(assets)	1,918	(2,248)	2	2	(326)

The total amount of potential income tax consequences that would arise from the payment of dividends to the shareholders of the Company, resulting from a withholding tax of 15% on the total revenue reserve as at 31 December 2011 of a subsidiary based in the Philippines, is approximately US$12,865,000 (2010: US$17,945,000). No provision has been made in respect of this potential income tax as it is the Company's intention to permanently reinvest these reserves in the Philippines and not to distribute them as dividends.

9. Other assets

	Group 2011 US$'000	Group 2010 US$'000
Advances to growers	7,507	8,050
Security deposits	1,164	949
Land expansion (development costs of acquired leased areas)	2,974	2,290
Others	574	780
	12,219	12,069

The advances to growers may be applied against the minimum guaranteed profits to growers.

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 (2010: 10 years).

10. Inventories

	Group 2011 US$'000	Group 2010 US$'000
Finished goods		
- at cost	23,051	30,036
- at net realisable value	26	92
Semi-finished goods		
- at cost	14,258	4,816
- at net realisable value	3,269	115
Raw materials and packaging supplies		
- at cost	48,777	42,439
	89,381	77,498

In 2011, raw materials, consumables and changes in finished goods and semi-finished goods recognised as cost of sales amounted to US$252,957,000 (2010: US$211,006,000).

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

	Group 2011 US$'000	Group 2010 US$'000
At 1 January	6,520	1,928
Allowance for the year (note 22)	5,134	6,973
Write-off against allowance	(2,803)	(2,695)
Currency realignment	(63)	314
At 31 December	8,788	6,520

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.

11. Biological assets

	Group 2011 US$'000	Group 2010 US$'000
Growing crops (at cost)		
At 1 January	80,048	66,705
Additions	75,203	62,954
Harvested	(64,512)	(53,606)
Currency realignment	(210)	3,995
At 31 December	90,529	80,048
Livestock (at fair value)		
At 1 January	1,812	3,764
Purchases of livestock	1,492	1,506
Changes in fair value attributable to price changes (note 22)	(57)	(845)
Sales of livestock	(1,981)	(3,077)
Currency realignment	(4)	464
At 31 December	1,262	1,812
Total biological assets	91,791	81,860

The fair value of agricultural produce harvested during the year amounted to US$72,218,000 (2010: US$63,625,000).

Growing crops

Estimated hectares planted with growing crops are as follows:

	Group 2011	Group 2010
Pineapples	14,236	14,526
Papaya	346	505
Passion fruit	5	5

Estimated fruits harvested, in metric tons, from the growing crops are as follows:

	Group 2011	Group 2010
Pineapples	727,039	624,291
Papaya	14,885	6,539
Passion fruit	22	470

Source of estimation uncertainty

Growing crops is stated at cost which comprises actual costs incurred in nurturing the crops reduced by the estimated cost of fruits harvested. The cost of fruits harvested from the Group's plant crops and subsequently used in production is the estimated 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. Increases in cost of harvested fruits increases the value of inventories in the balance sheet and reduces the carrying amount of growing costs reflected as biological assets.

Livestock

Livestock comprises growing herd and cattle for slaughter and is stated at fair value. The fair value is determined based on the actual selling prices approximating those at year end less estimated point-of-sale costs.

Source of estimation uncertainty

The fair value of cattle for slaughter is based on the market prices from the various relevant markets. Fair value of the cattle for slaughter is measured on initial recognition and at each balance sheet date, with changes in fair value recognised in profit or loss. The fair value is based on market prices of mature cattle ready for slaughter. Since market prices used as the basis for fair value refer to mature cattle, the market price for immature cattle already identified for slaughter is adjusted to account for the growing cost to be incurred for the immature cattle for slaughter to mature.

12. Trade and other receivables

		Group		Company	
	Note	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Trade receivables	13	66,892	62,597	-	-
Deposits, prepayments and other receivables	14	16,034	17,356	2	15
Amounts due from subsidiaries (non-trade)		-	-	45,046	19,831
Trade and other receivables		82,926	79,953	45,048	19,846
Prepayments		(7,907)	(7,715)	-	(15)
Downpayment to contractors		(7,032)	(6,646)	-	-
Loans and receivables		67,987	65,592	45,048	19,831

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

13. Trade receivables

	Group 2011 US$'000	Group 2010 US$'000
Trade receivables	68,763	65,076
Less: Allowance for doubtful receivables (trade)	(1,871)	(2,479)
	66,892	62,597

Source of estimation uncertainty

Under the supply contracts with Del Monte Corporation and Del Monte Fresh Produce International Inc. (which was terminated effective 31 May 2010), the Group is entitled to price adjustments arising from the difference between the actual and initial billing prices. Since the actual billing price cannot be determined at each balance sheet date, a probable price is estimated based on factors which include, but are not limited to, known market factors and preliminary discussions and negotiations.

The maximum exposure to credit risk for trade receivables at the reporting date (by geographical region) is:

	Group 2011 US$'000	Group 2010 US$'000
Asia Pacific	47,059	39,419
Europe and North America	19,833	23,178
	66,892	62,597

The ageing of loans and receivables (excluding prepayments and downpayment to contractors) at the reporting date is:

	2011 Gross US$'000	2011 Impairment losses US$'000	2010 Gross US$'000	2010 Impairment losses US$'000
Not past due	52,900	-	55,448	-
Past due 0 - 30 days	8,165	-	6,074	-
Past due 31 - 90 days	1,747	-	1,655	-
More than 91 days	7,046	(1,871)	4,894	(2,479)
	69,858	(1,871)	68,071	(2,479)

The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

Movements in allowance for doubtful receivables (trade) during the financial year are as follows:

	Group	
	2011	**2010**
	US$'000	**US$'000**
At 1 January	2,479	1,941
Allowance (reversed)/recognised for the year (trade) (note 22)	(35)	453
Write-off against allowance	(26)	(44)
Currency realignment	(547)	129
At 31 December	1,871	2,479

Source of estimation uncertainty

The Group maintains allowance for doubtful accounts 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 doubtful accounts would increase the Group's recorded operating expenses and decrease current assets.

14. Deposits, prepayments and other receivables

	Group		Company	
	2011	**2010**	**2011**	**2010**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Prepayments	7,907	7,715	-	15
Other recoverable	391	2,347	2	-
Deposits	704	648	-	-
Downpayment to contractors	7,032	6,646	-	-
	16,034	17,356	2	15

15. Cash and cash equivalents

	Group 2011 US$'000	Group 2010 US$'000	Company 2011 US$'000	Company 2010 US$'000
Cash and bank balances	19,374	12,052	211	211
Short-term deposits	1,503	5,454	-	-
Cash and cash equivalents	20,877	17,506	211	211

Certain of the cash and bank balances earn interest at floating rates based on daily bank deposit rates ranging from 0.10% to 3.95% (2010: 0.10% to 3.55%) per annum. Short-term deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates. The weighted average effective interest rate of short-term deposits during the financial year was 3.4% (2010: 1.54%) per annum.

16. Share capital

	2011 No. of shares	2011 US$'000	2010 No. of shares	2010 US$'000
Authorised:				
Ordinary shares of US$0.01 each	2,000,000,000	20,000	2,000,000,000	20,000
Issued and fully paid:				
Ordinary shares of US$0.01 each	1,081,781,194	10,818	1,081,781,194	10,818

The Group has also issued share awards under the Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP") and Del Monte Pacific Performance Share Plan ("Del Monte Pacific PSP") (note 28) during the current financial year.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group. All shares rank equally with regard to the Group's residual assets.

Capital management

The Board's policy is to maintain a strong 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 and reserves. The Board of Directors monitors the return on capital, which the Group defines as profit for the year divided by total shareholders' equity. The Board also monitors the level of dividends paid to ordinary shareholders.

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

The Company and its subsidiaries are not subject to externally imposed capital requirements.

17. Reserves

	Group		Company	
	2011	**2010**	**2011**	**2010**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Revaluation reserve	3,594	3,368	-	-
Retained earnings	187,081	176,486	24,015	21,999
Reserve for own shares	(2,054)	(824)	(2,054)	(824)
Share premium	69,073	68,687	69,212	68,826
Share option reserve	2,367	2,076	2,367	2,076
Translation reserve	(40,363)	(38,693)	-	-
	219,698	211,100	93,540	92,077

The revaluation reserve relates to surplus on the revaluation of freehold land of the Group.

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 December 2011, the Group held 6,545,000 of the Company's shares (2010: 3,000,000).

Under the British Virgin Islands law in whose jurisdiction the Company operates, the Company's share premium and revenue reserve 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$139,000, which arose from the acquisition of a subsidiary, Del Monte Pacific Resources Limited, under common control in 1999.

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

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities.

18. Financial liabilities

	Group	
	2011	**2010**
	US$'000	**US$'000**
Current liabilities		
Unsecured short-term borrowings	93,621	85,787
Current portion of unsecured long-term borrowings	11,385	-
	105,006	85,787
Non-current liabilities		
Unsecured long-term borrowings	5,019	18,007
Other long-term lease payables	897	9
	5,916	18,016
	110,922	103,803

Unsecured short-term borrowings

The amounts are unsecured with weighted average effective interest rates of 0.9% to 3.5% (2010: 1.1% to 5.0%) per annum which reprice at intervals of 1 month.

Unsecured long-term borrowings

The amounts are unsecured with weighted average effective interest rates of 1.2% to 5.7% (2010: 1.1% to 6.5%) per annum which reprice at intervals of 1 to 3 months.

Terms and debt repayment schedule

The unsecured short-term loans of US$93,621,000 (2010: US$85,787,000) are mainly denominated in US dollar, bear interest rates within a range of 1.1% to 3.5% (2010: 1.1% to 3.2%) and is repayable between January 2012 and July 2012.

Terms and conditions of outstanding long-term loans and borrowings are as follows:

				2011		2010	
Group	**Currency**	**Nominal interest rate %**	**Year of maturity**	**Face value US$'000**	**Carrying amount US$'000**	**Face value US$'000**	**Carrying amount US$'000**
Unsecured bank loan	PHP	3-Mos PDSTF + 1.5 / .95 (GRT)	2012	6,831	6,831	6,849	6,849
Unsecured bank loan	PHP	3-Mos PDSTF + 1 / .95 (GRT)	2012	4,554	4,554	4,566	4,566
Unsecured bank loan	PHP	3-Y PDSTF + .95 / .25 (GRT)	2014	2,277	2,277	2,283	2,283
Unsecured bank loan	USD	3-Mos Libor + 0.7 / .9 (On-Shore Tax)	2013	2,742	2,742	4,309	4,309
				16,404	16,404	18,007	18,007

PDSTF – Philippine Dealing System Treasury Fixing Rate
GRT – Gross Receipt Tax

Financial derivatives

Financial derivatives comprise foreign exchange contracts used to hedge payments by the Group. There was no foreign exchange contract in the current financial year.

The following are the expected contractual undiscounted cash outflows of financial liabilities and financial derivatives, including interest payments and excluding the impact of netting agreements:

Group	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-2 years US$'000	2-5 years US$'000
2011					
Non-derivative financial liabilities at amortised cost					
Unsecured bank loans					
- Short-term	93,621	93,621	93,621	-	-
- Long-term	16,404	16,404	11,385	2,742	2,277
Other long-term lease payables	897	897	897	-	-
Trade and other payables	81,332	81,332	81,332	-	-
	192,254	192,254	187,235	2,742	2,277
2010					
Non-derivative financial liabilities at amortised cost					
Unsecured bank loans					
- Short-term	85,787	85,965	85,965	-	-
- Long-term	18,007	18,776	471	18,305	-
Trade and other payables	70,091	70,091	70,091	-	-
	173,885	174,832	156,527	18,305	-
Company					
2011					
Non-derivative financial liabilities at amortised cost					
Trade and other payables	26,343	26,343	26,343	-	-
	26,343	26,343	26,343	-	-
2010					
Non-derivative financial liabilities at amortised cost					
Trade and other payables	2,604	2,604	2,604	-	-
	2,604	2,604	2,604	-	-

Fair values

Estimation of fair values

Other financial assets and liabilities

The carrying amounts of other financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and short term borrowings) are assumed to approximate their fair values because of the short period to maturity.

19. Trade and other payables

	Group		Company	
	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Trade payables	49,660	34,260	-	-
Accrued operating expenses	27,381	31,317	762	691
Accrued payroll expenses	2,961	3,167	-	-
Value-added tax payable	127	168	-	-
Withheld from employees (taxes and social security cost)	1,198	1,174	-	-
Other payables	5	5	5	5
Amounts due to subsidiaries (non-trade)	-	-	25,576	1,908
	81,332	70,091	26,343	2,604

The accrued payroll expenses of the Group includes retirement benefit obligations of US$1,032,000 (2010: US$2,845,000) (note 20).

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

20. Retirement benefit obligations

A subsidiary, DMPI, has a funded, non-contributory defined benefit retirement plan covering substantially all of its officers and regular full-time employees. The benefits are based on a percentage of latest monthly salary and credited years of service.

At 31 December, the amount recognised in the balance sheet is as follows:

	Group 2011 US$'000	Group 2010 US$'000
Present value of funded obligations	39,147	38,215
Fair value of plan assets	(32,864)	(29,423)
	6,283	8,792
Unrecognised past service costs	(1,969)	(2,237)
Unrecognised actuarial loss	(3,282)	(3,710)
Net liability recorded under accrued payroll expenses (note 19)	1,032	2,845

Present value of funded obligations

	Group 2011 US$'000	Group 2010 US$'000
Liability at 1 January	38,215	36,367
Benefits paid by the plan	(3,770)	(3,893)
Current service costs and interests	5,560	5,550
Actuarial gain	(765)	(1,979)
Currency realignment	(93)	2,170
Liability at 31 December	39,147	38,215

Fair value of plan assets

	Group 2011 US$'000	Group 2010 US$'000
Government bonds and foreign currencies	28,903	25,462
Property occupied by a lessee	3,931	3,931
Property occupied by the Group	30	30
	32,864	29,423

Movement in plan assets:

	Group 2011 US$'000	Group 2010 US$'000
Fair value of plan assets at 1 January	29,423	27,055
Contributions paid into the plan	4,907	2,302
Benefits paid by the plan	(3,770)	(3,893)
Expected return on plan assets	2,721	2,645
Actuarial loss	(346)	(306)
Currency realignment	(71)	1,620
Fair value of plan assets at 31 December	32,864	29,423

Expenses recognised in the profit or loss

	Group	
	2011	**2010**
	US$'000	**US$'000**
Current service cost	2,303	2,151
Interest cost	3,411	3,386
Expected return on plan assets	(2,797)	(2,645)
Amortisation for past service cost	271	263
Actuarial loss	-	170
Total pension expense	3,188	3,325

Recognised in:

Cost of sales	2,171	2,294
Distribution and selling expenses	422	428
General and administrative expenses	595	603
	3,188	3,325

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. The Group expects to pay US$3,129,000 in contributions to the pension plan in 2012.

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 2011 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 31 December 2011.

The principal actuarial assumptions used for accounting purposes were:

	Group	
	2011	**2010**
Discount rate (per annum)	6%	7%
Expected return on plan assets (per annum)	9%	9%
Future salary increases (per annum)	6%	6% - 7%
Expected service life for the pension plan	10 years	10 years

Historical information

	2011 US$'000	2010 US$'000	2009 US$'000	2008 US$'000
Present value of the defined benefit obligation	39,147	38,215	36,367	32,891
Fair value of plan assets	32,864	29,423	27,055	25,535
Deficit in the plan	6,283	8,792	9,312	7,356
Experience adjustments arising on plan liabilities	(1,258)	(2,695)	651	(1,056)
Experience adjustments arising on plan assets	(346)	(306)	528	3,637

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, and 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.

21. Revenue

	Group		Company	
	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
Sale of goods	425,235	378,623	-	-
Dividend income received and receivable from subsidiaries	-	-	25,000	25,000
	425,235	378,623	25,000	25,000

Revenue of the Group comprises gross invoiced sales, 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.

22. Profit for the year

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

	Note	Group 2011 US$'000	Group 2010 US$'000	Company 2011 US$'000	Company 2010 US$'000
Allowance for inventory obsolescence	10	5,134	6,973	-	-
(Reversal of)/allowance for doubtful receivables					
- trade	13	(35)	453		
Amortisation of intangible assets	7	571	570	-	-
Changes in fair value attributable to price changes of biological assets	11	(57)	(845)	-	-
Changes in fair value of agricultural produce harvested		7,706	(10,019)	-	-
Depreciation of property, plant and equipment	4	12,957	11,073	-	-
Loss on disposal of property, plant and equipment		26	63	-	-
Impairment loss (reversed)/made on property, plant and equipment	4	(283)	1,062	-	-
Legal expenses		3,967	974	-	-
Audit fees					
- paid to the auditors of the Company		209	175	180	167
- paid to other auditors		124	110	-	-
Non-audit fees					
- paid to the auditors of the Company		49	27	49	-
- paid to other auditors		20	18	-	-
Operating lease rentals		8,312	7,015	-	-
Research and development expenditure		2,059	2,031	-	-
Staff costs					
Wages and salaries		77,667	54,528	2,106	1,938
Social security costs		1,552	1,492	-	-
Pension costs – provident fund		559	500	-	-
Pension costs – defined benefit pension plan	20	3,188	3,325	-	-
Value of employee services received under share-based incentive plans		1,244	739	1,244	739
		84,210	60,584	3,350	2,677

Included in legal expenses for 2011 was the litigation settlement of US$3,000,000 in respect of the arbitration case filed by Del Monte International Gmbh against the Company's subsidiaries, DMPI and GTL (collectively "DMP") for alleged breaches by DMP of the fresh pineapple supply agreement between these parties.

23. Finance income/(expenses)

	Group	
	2011	2010
Recognised in profit or loss	US$'000	US$'000
Finance income		
Interest income from		
- bank deposits	531	403
- others	15	233
Foreign exchange gains	914	-
	1,460	636
Finance expenses		
Interest expenses on		
- bills payable	(2,993)	(3,311)
- factoring	(64)	(704)
- others	-	(455)
Foreign exchange losses	-	(682)
	(3,057)	(5,152)
Net finance expense	(1,597)	(4,516)

The above finance income and finance costs included in the following interest income and expenses in respect of assets/(liabilities) not at fair value through profit or loss:

	Group	
	2011	2010
Recognised in profit or loss	US$'000	US$'000
Total interest income on financial assets	546	636
Total interest expense on financial liabilities	(3,057)	(4,470)

Recognised in other comprehensive income

	Group	
	2011	2010
	US$'000	US$'000
Foreign currency translation differences for foreign operations	(1,670)	10,834

24. Income tax

The 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.

The Group

Group income tax has been calculated on the estimated assessable profit for the year at the rates prevailing in the respective foreign tax jurisdictions. Details of provision for Group foreign income tax are as follows:

	Group 2011 US$'000	Group 2010 US$'000
Current tax		
- current year	6,575	6,045
Deferred tax		
- current year	(1,067)	(2,062)
	5,508	3,983

Reconciliation of effective tax rate

	Group 2011 US$'000	Group 2010 US$'000
Profit before income tax	32,948	19,168
Taxation on profit at weighted average of the applicable tax rates	5,439	3,957
Non-deductible expenses	69	26
	5,508	3,983

	Group 2011	Group 2010
Standard tax rates		
- Philippines (non-PEZA)	30%	30%
- Philippines (PEZA)*	5%	5%
- India	31%	33%
- Singapore	17%	17%

* *based on gross profit for the year*

On 22 November 2007, DMPI's core production operations in Cagayan de Oro City, Philippines were approved as a Philippine Packing Agricultural Export Processing Zone. This new zone has been established in accordance with the policies of the Philippine Economic Zone Authority ("PEZA"). With this approval, DMPI enjoys certain fiscal and non-fiscal incentives including a 5% tax on gross profit in lieu of the current 30% (2010: 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 PEZA's requirements which include exporting 70% of its production. DMPI has received PEZA approval for a second zone, the Bukidnon Agro-Resources Export Zone, for agri-development projects. This zone was granted Presidential approval on 8 September 2008 and renewed on 23 December 2011 .

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.

25. Earnings per share

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

	Group	
	2011	**2010**
Basic earnings per share is based on:		
Profit for the year (US$'000)	27,441	15,809
Ordinary shares in issue during the year ('000)	1,078,422	1,079,817
Basic earnings per share (in US cents)	2.54	1.46

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 ESOP and Del Monte Pacific RSP, with the potential ordinary shares weighted for the period outstanding.

The effect of ESOP and Del Monte Pacific RSP on the weighted average number of ordinary shares in issue is as follows:

	Group	
	2011	**2010**
Diluted earnings per share is based on:		
Profit for the year (US$'000)	27,441	15,809
Adjusted weighted average number of shares ('000):		
Ordinary shares used in the calculation of basic earnings per share	1,078,422	1,079,817
Potential ordinary shares issuable under share options	7,726	7,085
Weighted average number of ordinary issued and potential shares assuming full conversion	1,086,148	1,086,902
Diluted earnings per share (in US cents)	2.53	1.45

26. Dividends

	Group and Company	
	2011	**2010**
	US$'000	**US$'000**
Tax-exempt final dividend paid in respect of the previous financial year of 1.10 US cents (2010: 0.16 US cents)	11,878	1,731
Tax-exempt interim dividend paid in respect of the current financial year of 0.46 US cents (2010: NIL)	4,968	-
	16,846	1,731

Subsequent to the financial year, the directors declared a tax-exempt final dividend of 1.45 US cents per share (2010: 1.10 US cents per share), amounting to US$15,637,000 (2010: US$11,878,000) in respect of the financial year ended 31 December 2011. These dividends have not been provided for in these financial statements.

27. Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units are based on the geographical area in which the customers are located and on the product variety. They are managed separately because they require different marketing strategies due to the differing demographics and demand requirements. For each of the strategic business units, the Group's Executive Committee (the chief operating decision maker) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Asia Pacific
  - Processed products. Includes manufacture and sale of tomato-based products, mixed fruits and pineapple solids in Asia Pacific.
  - Beverages. Includes manufacture and sale of juice drinks in Asia Pacific.
- Europe and North America – processed products. Includes manufacture and sale of pineapple concentrate in Europe and North America.

Other operations include the sale of cattle, the cultivation and sale of fresh pineapples and the manufacture and sale of processed products to various customers in other parts of the world. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2011 or 2010.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviewed by the Group's Executive Committee. Segment profit before income tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. The segment assets reviewed by the Group's Executive Committee relate to the trade receivables arising from the operations of the segment business.

Information about reportable segments

	Asia Pacific						Europe and North America		Others		Total	
	Processed products		Beverages		Total		Processed products					
	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000	2011 US$'000	2010 US$'000
External revenues	168,397	153,025	92,229	94,582	260,626	247,607	58,933	31,228	105,676	99,788	425,235	378,623
Depreciation and amortisation	(3,108)	(3,422)	(2,911)	(3,015)	(6,019)	(6,437)	(3,975)	(2,285)	(3,534)	(2,921)	(13,528)	(11,643)
Reportable segment profit before income tax	27,496	22,566	4,221	1,958	31,717	24,524	9,845	4,262	2,723	1,532	44,285	30,318
Other material non-cash items:												
- Allowance for doubtful receivables	(90)	144	(59)	166	(149)	310	35	-	79	143	(35)	453
- Allowance for inventory obsolescence	2,370	2,035	1,314	1,934	3,684	3,969	1,226	3,004	224	-	5,134	6,973
- Impairment on property, plant and equipment	(131)	397	(72)	451	(203)	848	(68)	214	(12)	-	(283)	1,062
Reportable segment assets	25,217	21,196	14,450	14,154	39,667	35,350	14,274	9,975	12,951	17,272	66,892	62,597
Capital expenditure	(3,630)	(3,351)	(3,655)	(3,134)	(7,285)	(6,485)	(4,571)	(2,408)	(6,622)	(5,766)	(18,478)	(14,659)

Reconciliations of reportable segment revenues, profit or loss, assets and other material items

	Note	2011 US$'000	2010 US$'000
Revenue			
Total revenue for reportable segments/Consolidated revenue		425,235	378,623
Profit or loss			
Total profit or loss for reportable segments		44,285	30,318
Unallocated amounts: Other corporate expenses	23	(1,597)	(4,516)
Share of loss of joint venture	6	(10,589)	(6,634)
Consolidated profit before income tax		32,099	19,168
Assets			
Total assets for reportable segments	13	66,892	62,597
Investments in joint venture	6	24,022	33,495
Other unallocated amounts		332,977	302,532
Consolidated total assets		423,891	398,624

Other material items 2011

	Reportable segment totals	Adjustments	Consolidated totals
Allowance for inventory obsolescence	5,134	-	5,134
Reversal of allowance for doubtful receivables	(35)	-	(35)
Capital expenditure	18,478	-	18,478
Depreciation and amortisation	13,528	-	13,528
Reversal of impairment losses on property, plant and equipment and intangible assets	(283)	-	(283)
Operating lease rental	8,312	-	8,312

Other material items 2010

	Reportable segment totals	Adjustments	Consolidated totals
Allowance for inventory obsolescence	6,973	-	6,973
Allowance for doubtful receivables	453	-	453
Capital expenditure	14,659	-	14,659
Depreciation and amortisation	11,643	-	11,643
Impairment losses on property, plant and equipment and intangible assets	1,062	-	1,062
Operating lease rental	7,015	-	7,015

Geographical information

The Group's segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices primarily in Philippines, Singapore and India.

In presenting information on the basis of geographical segments, segment assets are based on the geographical location of the assets.

Non-current assets

	2011 US$'000	2010 US$'000
Philippines	79,611	76,939
Singapore	17,062	14,045
India	4,743	4,933
	101,416	95,917

Non-current assets presented consist of property, plant and equipment and intangible assets.

Major customer

Revenue from one customer of the Group's Europe and North America segment amounted to approximately US$43,907,000 (2010: US$43,522,000), representing 10% (2010: 11%) of the Group's total revenue.

28. Share option and incentive plans

The ESOP of the Company was approved and amended by its members at general meetings held on 30 July 1999 and 21 February 2002 respectively. No further options could be granted pursuant to the ESOP as it had expired on 24 July 2009. Any options granted by the Company prior to 24 July 2009 would continue to be valid for a period of 10 years from the date of the grant of options.

The Company's shareholders also approved the adoption of two share plans, Del Monte Pacific RSP and Del Monte Pacific PSP (collectively the "Share Plans"), at a general meeting held on 26 April 2005. The Share Plans seek to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, and are currently targeted at executives in key positions, to excel in their performance.

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 7 March 2008, three employees of related companies were granted an aggregate of 1,725,000 share awards at the market price of S$0.615 per share.

On 20 May 2008, 1,611,000 shares were awarded at the market price of S$0.680 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 28 April 2008.

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of S$0.540 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 21 November 2011, 67,700 shares were awarded to a Non-Executive Director of the Company at the market price of S$0.455 per share.

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 Remuneration and Share Option Committee ("RSOC") is responsible for administering the ESOP and the share plans.

Details of the outstanding options granted to the Company's directors and employees under the ESOP and Del Monte Pacific RSP on unissued ordinary shares of Del Monte Pacific Limited at the end of the year, are as follows:

ESOP

Date of grant of options	**Exercise period**	**Exercise price S$**	**Options outstanding 2011**	**2010**
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2011 40%: 7 March 2011 – 6 March 2018	0.627	1,550,000	1,550,000

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
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2011 40%: 7 March 2011 onwards	0.615	1,725,000	690,000
20 May 2008	Up to 60%: 20 May 2010 – 19 May 2011 40%: 20 May 2011 onwards	0.680	1,611,000	644,400
12 May 2009	Up to 60%: 12 May 2011 – 11 May 2012 40%: 12 May 2012 onwards	0.540	3,749,000	3,749,000
29 April 2011	Up to 60%: 12 May 2011 – 11 May 2012 40%: 12 May 2012 onwards	0.485	2,643,000	2,643,000
21 November 2011	No vesting period imposed, shares were released to the grantee on 12 December 2012	0.455	67,700	-
			9,795,700	7,726,400

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 a 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 and assumptions

Date of grant of options	7 Mar 2008	7 Mar 2008	20 May 2008	12 May 2009	29 Apr 2011	21Nov 2011
	ESOP	<———— *Del Monte Pacific RSP* ————>				
Fair value at measurement date	US$0.12	US$0.44	US$0.50	US$0.37	US$0.40	US$0.35
Share price (Singapore dollars) at grant date	0.615	0.615	0.680	0.540	0.485	0.455
Exercise price (Singapore dollars)	0.627	-	-	-	-	-
Expected volatility	5.00%	5.00%	5.00%	2.00%	2.00%	-
Time to maturity	8 years	1 year	1 year	2 years	2 years	-
Risk-free interest rate	3.31%	3.31%	3.31%	2.30%	2.19%	-

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.

Sources of estimation uncertainty

The fair value of share options granted is estimated using the Black-Scholes Model, which requires the Group to estimate the expected volatility of the Company's shares and expected life of the share options. The Group assesses the estimates whenever there is an indication of a significant change in these conditions. An increase in the fair value of share options granted will increase share option expense and share option reserve.

29. Financial instruments

The Group has exposure to the following risks from its use of financial instruments:
- credit risk
- cash and interest rate risk
- liquidity risk
- market risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit Committee is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities. 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 Audit Committee 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 Audit Committee 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 Audit Committee.

Financial risk management objectives and policies

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Board continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

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 country in which customers operate, as these factors may have an influence on credit risk. Approximately 15% (2010: 16%) of the Group's revenue is attributable to sales transactions with a single international customer. However, geographically, there is no concentration of credit risk.

The Audit Committee 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 external ratings, when 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 creditworthiness may transact with the Group only on a prepayment or Letters of Credit basis.

Exposure to credit risk

The maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was:

	Group	
	2011	**2010**
	US$'000	**US$'000**
North America	8,684	15,026
Europe	11,164	7,831
Asia Pacific	47,757	44,983
Others	7,414	4,398
	75,019	72,238

Impairment losses

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

The ageing of trade and other receivables that were not impaired at the reporting date was:

	Group	
	2011	**2010**
	US$'000	**US$'000**
Not past due	59,932	61,859
Past due 0 - 30 days	8,165	5,805
Past due 31 - 90 days	1,747	1,624
More than 91 days	5,175	2,950
	75,019	72,238

Cash and interest rate risk

The Group's cash balances are placed with reputable global and major Philippine banks and financial institutions. The Group manages its interest income by placing the cash balances with varying maturities and interest rate terms. This includes investing the Company'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.

Sensitivity analysis

A 1% general increase in interest rates at the reporting date would increase / (decrease) profit or loss by the amounts shown below. There is no effect on equity. This analysis assumes that all other variables, in particular, foreign currency rates, remain constant.

	Group Profit or Loss	
	2011	**2010**
	US$'000	**US$'000**
Short-term deposits	15	55
Unsecured short-term and long-term borrowings	(1,109)	(1,038)
	(1,094)	(983)

A 1% general decrease in interest rates would have the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

Liquidity risk

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. Currently, the Group is entitled to a total of US$287 million (2010: US$283 million) in credit lines, of which only 38% (2010: 36%) is availed. The lines are mostly for short term financing requirements, with US$19 million (2010: US$18 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.

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 Philippine Peso.

The Company and its subsidiaries 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, especially between the Philippine peso and US dollar. To a certain extent, the Group has a natural hedge between the latter two currencies due to its revenue and cost mix. It is the Group's policy to optimise its natural hedge.

At 31 December, the Group's exposure to US dollar is as follows:

	Group	
	2011	**2010**
	US$'000	**US$'000**
Trade and other receivables	3,270	411
Cash and cash equivalents	(4,373)	6,697
Financial liabilities	(72,717)	(51,808)
Trade and other payables	(9,598)	(5,764)
	(83,418)	(50,464)

Sensitivity analysis

A 10% strengthening of the subsidiaries' foreign currency against the US dollar at the reporting date would decrease profit or loss by US$8,342,000 (2010: US$5,046,000). This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% weakening of the subsidiaries' foreign currency against the US dollar would have the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

Credit risk

The Group sells its products through major distributors and buyers in various geographical regions. For the year ended 31 December 2011, the Group's major customers collectively accounted for 19% (2010: 24%) of its total revenue. 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.

The percentages of cash and bank balances held in the following regions are:

	Group	
	2011	**2010**
	%	**%**
Philippines	67	65
Hong Kong	32	28
Mauritius	1	7

Apart from the above, the Company and the Group have no significant concentration of credit risk with any single counterparty or group counterparties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheets.

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. There are no outstanding purchase contracts as at December 31, 2011 and 2010.

The Group also purchases large volumes of papaya fruits for production and is significantly exposed to commodity price risk related to papaya. The Group ensures long-term supply of papaya at stable prices by executing papaya supply agreements with farmers. The Group also subsidises some of the farmers' costs related to papaya to ensure long-term relationships with them.

Risk related to agricultural activities

The Group is exposed to financial risks arising from changes in cost and volume of fruits harvested from the growing crops which are influenced by natural phenomena such as weather patterns, volume of rainfall and field performance. The cost of growing crops is also exposed to the change in cost and supply of agricultural supplies and labour which are determined by constantly changing market forces of supply and demand.

The Group is subject to risk relating to its ability to maintain the physical condition of its fruit crops. Plant diseases could adversely impact production and consumer confidence, which impact sales.

The Company secures favourable harvest of pineapples and other agricultural produce from biological assets by continuously assessing factors that could affect harvest and responding to them in a timely manner. The Company is equipped with necessary technical manpower, farm inputs, such as fertilizer, chemicals and equipment to respond to any changes brought about by the factors as mentioned above.

International business risk

The Group's overall earnings from its trading activities with international customers are primarily affected by movements in the worldwide consumption, demand and prices of its products. In several of these contracts, there are provisions which enable the Group to limit its downside risk by adjusting pricing based on changes in its costs.

In the year in review, approximately 66% (2010: 60%) of the Group's sales to its international customers were not covered by long-term supply contracts. While the non-supply contract pricing is generally better than supply contract pricing, there is no long-term off-take agreement with the former and this may be subject to a higher volume risk depending on the market. Pricing may also be subject to market conditions.

Operational risk

As an integrated producer of processed and fresh fruit products for the world market, the Group's earnings are inevitably subject to certain risk factors, which include general economic and business conditions, change in business strategy or development plans, weather conditions, crop yields, outgrowers and service providers' performance, production efficiencies, input costs and availability, competition, market acceptance of new products, industry trends, litigious counterparties, and changes in government regulations, including, without limitation, environmental regulations.

The Group's exposure to the operational risks is managed through the following processes, among others:

- Development and execution of a realistic long-term strategic plan and annual operating plan;
- Securing long-term land leases with staggered maturity terms;
- Increasing production and packaging capacity;
- Pursuit of productivity-enhancing and efficiency-generating work practices and capital projects;
- Compliance with proven agricultural practices in the pineapple growing operations
- Focus on consumption-driven marketing strategies;
- Introduction of new products and line extensions with emphasis on innovation, health and wellness, quality, competitiveness and consumer appeal;
- Increased penetration of high-growth distribution channels and markets; and
- Building on closer working relationships with business partners.

Compliance

The Group closely monitors changes in legislation and government regulations affecting the Group's business. It has a compliance program that aims to monitor and ensure the Group's compliance with laws and regulations. Compliance is a regular board agenda item.

30. 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 balance sheets, are as follows:

	Note	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Group					
31 December 2011					
Cash and cash equivalents	15	20,877	–	20,877	20,877
Loans and receivables	12	67,987	–	67,987	67,987
		88,864	–	88,864	88,864
Unsecured bank loans	18	–	110,025	110,025	110,025
Trade and other payables	19	–	81,332	81,332	81,332
		–	191,357	191,357	191,357
31 December 2010					
Cash and cash equivalents	15	17,506	–	17,506	17,506
Loans and receivables	12	65,592	–	65,592	65,592
		83,098	–	83,098	83,098
Unsecured bank loans	18	–	103,794	103,794	103,794
Trade and other payables	19	–	70,091	70,091	70,091
		–	173,885	173,885	173,885

	Note	Loans and receivables $'000	Other financial liabilities $'000	Total carrying amount $'000	Fair value $'000
Company					
31 December 2011					
Cash and cash equivalents	15	211	–	211	211
Loans and receivables	12	45,048	–	45,048	45,048
		45,259	–	45,259	45,259
Trade and other payables	19	–	26,343	26,343	26,343
		–	26,343	26,343	26,343
31 December 2010					
Cash and cash equivalents	15	211	–	211	211
Loans and receivables	12	19,831	–	19,831	19,831
		20,042	–	20,042	20,042
Trade and other payables	19	–	2,604	2,604	2,604
		–	2,604	2,604	2,604

31. Commitments

Operating lease commitments

Based on the existing agreements, the future minimum rental commitments as at 31 December for all non-cancellable long-term leases of real property, offices and equipment and grower agreements (including the estimated rental on lands previously owned by National Development Corporation (NDC) and submitted for land distribution in compliance with the Comprehensive Agrarian Reform Law (CARL)) are as follows:

	Group 2011 US$'000	Group 2010 US$'000
Within one year	6,993	3,869
Between one to five years	30,327	32,778
More than five years	58,865	28,194
	96,185	64,841

Included in the above are commitments denominated in Philippine Peso of PHP4,155 million, equivalent to US$94,606,000 (2010: PHP2,778 million, equivalent to US$63,427,000).

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.

Future capital expenditure

	Group	
	2011	**2010**
	US$'000	**US$'000**
Capital expenditure not provided for in the financial statements		
- approved by directors and contracted for	4,580	2,593
- approved by directors but not contracted for	24,826	17,429
	29,406	20,022

Supply contracts

The Group currently has international supply contracts with entities, which have exclusive rights to the Del Monte trademarks in their respective territories or product categories. The Group has such agreements in respect of processed foods with Del Monte Corporation (three-year notice of termination was served by the Group in November 2011) in North America (except Canada), Mexico and the Caribbean, and Del Monte Asia Pte Ltd in certain Asia Pacific countries (excluding the Philippines, the Indian subcontinent, Myanmar and Japan). The Group also has a supply contract for fresh pineapples with Del Monte Fresh Produce International Inc. which will expire on 31 December 2017. These supply contracts are generally terminable by prior written notice with periods ranging between 18 to 36 months (from certain pre-agreed dates onwards).

32. Contingencies

As at 31 December 2011, a subsidiary, Del Monte Philippines, Inc. had a contingent liability amounting to INR 17.5 million (US$400,000) in the form of a guarantee in favour of Citibank. Such corporate guarantee supported a bank guarantee which secured certain obligations of another subsidiary, Del Monte Foods India Private Limited, under an asset sale agreement in India. Both guarantees expired in February 2012.

33. Related parties

Related party transactions

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

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

	Group		Company	
	2011	2010	2011	2010
	US$'000	US$'000	US$'000	US$'000
Income				
Sales to Nutri-Asia, Inc.	-	1	-	-
Expenses				
Management fees to a subsidiary, DMS	-	-	581	552
Purchases from Nutri-Asia, Inc.	28	13	-	-
Management fees from DMPI Retirement Fund	(5)	(3)	-	-
Rental paid to DMPI Provident Fund	-	20	-	-
	23	30	581	552

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 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 the authority and responsibility for planning, directing and controlling the activities of the entity. The directors of the Company are considered as key management personnel of the Group.

The key management personnel compensation is as follows:

	Group		Company	
	2011	2010	2011	2010
	US$'000	US$'000	US$'000	US$'000
Directors:				
Fees and remuneration	2,904	2,725	1,942	1,870
Share-based payments	725	96	725	96
Key executive officers (excluding directors):				
Short-term employee benefits	2,379	1,907	-	-
Post-employment benefits	235	200	-	-
Share-based payments	518	643	518	643

Certain management personnel of the Group are entitled to post-employment benefits as defined under a subsidiary's defined benefit plan. The benefits are based on a percentage of latest monthly salary and credited years of service (note 20).

KPMG

Del Monte Pacific Limited
and its Subsidiaries
Registration Number: 326349

Annual Report
Year ended 31 December 2010

The Directors' report

(Amounts in United States Dollar unless otherwise stated)

The directors are pleased to present their report to the members together with the audited financial statements of Del Monte Pacific Limited (the "Company") and its subsidiaries (collectively, the "Group") comprising the statements of financial position, income statements, statements of comprehensive income and statements of changes in equity of the Company and the Group and the cash flow statements of the Group and Company for the financial year ended 31 December 2010.

Directors

The directors in office at the date of this report are as follows:

Mr Rolando C Gapud
Mr Joselito D Campos, Jr
Mr Edgardo M Cruz, Jr
Mr Patrick L Go
Dr Emil Quinto Javier
Mr Benedict Kwek Gim Song
Mr Godfrey E Scotchbrook

Arrangements to enable directors to acquire shares or debentures

Except as disclosed under the "Share Option and Incentive Plans" section of this report, neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company, its subsidiaries or any other body corporate.

Directors' interests

According to the register kept by the Company, particulars of interests of directors who held office at the end of the financial year (including those held by their spouses and infant children) in shares in the Company are as follows:

	Direct interest			Deemed interest		
	At 1 January 2010	At 31 December 2010	At 21 January 2011	At 1 January 2010	At 31 December 2010	At 21 January 2011
<u>The Company</u>						
Ordinary shares of US$0.01 each						
Mr Joselito D Campos, Jr	-	-	-	849,429,372	849,429,372	849,429,372

	Direct interest			Deemed interest		
	At 1 January 2010	At 31 December 2010	At 21 January 2011	At 1 January 2010	At 31 December 2010	At 21 January 2011
Options to subscribe for ordinary shares at S$0.627 per share between 07/03/2010 to 06/03/2018*						
Mr Rolando C Gapud	400,000	400,000	400,000	-	-	-
Mr Edgardo M Cruz, Jr	200,000	200,000	200,000	-	-	-
Mr Patrick L Go	200,000	200,000	200,000	-	-	-
Dr Emil Quinto Javier	200,000	200,000	200,000	-	-	-
Mr Benedict Kwek Gim Song	250,000	250,000	250,000	-	-	-
Mr Godfrey E Scotchbrook	300,000	300,000	300,000	-	-	-

* *Up to 60% of options granted may be exercised from 7 March 2010 onwards.*
Remaining 40% of options granted may be exercised from 7 March 2011 onwards.

Grant of share awards at S$0.680 per share with vesting period from 20/05/2010 onwards**				
Mr Joselito D Campos, Jr	1,611,000	1,611,000	1,611,000	-

** *Up to 60% of share awards granted would be released after 19 May 2011.*
Remaining 40% of share awards granted would be released after 19 May 2011.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, debentures, warrants, share options or share-based incentives of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Directors' contractual benefits

Except for salaries, bonuses and fees and those benefits that are disclosed in this report and in notes 28 and 32 to the financial statements, since the end of the last financial year, no director has received or become entitled to receive, a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Share option and incentive plans

The Del Monte Pacific Executive Stock Option Plan 1999 ("ESOP") 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 as it had expired on 24 July 2009. Any options granted by the Company prior to 24 July 2009 would continue to be valid for a period of 10 years from the date of the grant of options.

The Company's shareholders also approved the adoption of two share plans, Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP") and Del Monte Pacific Performance Share Plan ("Del Monte Pacific PSP") (collectively the "Share Plans"), at a general meeting held on 26 April 2005. The Share Plans seek to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, and are currently targeted at executives in key positions, to excel in their performance.

The ESOP and Share Plans are administered by the Remuneration and Share Option Committee ("RSOC") comprising of the following members:

Mr Godfrey E Scotchbrook	(Chairman and Independent Director)
Mr Edgardo M Cruz, Jr	
Mr Rolando C Gapud	
Mr Patrick L Go	(Independent Director)
Mr Benedict Kwek Gim Song	(Independent Director)

Other information regarding the ESOP is set out below:

Under the ESOP, 2 types of options were granted:

- Initial Public Offering Options ("IPO Options")
- Market Price Options

IPO Options

At the time of the Company's initial public offering in July 1999, a total of 11,428,571 IPO Options were granted at an exercise price of US$0.504 each. None of the IPO Options granted were exercised and all IPO Options granted have since lapsed.

Market Price Options

(a) A Market Price Option confers the right to subscribe for shares granted under the ESOP one year after the Listing Date.

(b) A Market Price Option may be granted only after the lapse of one year from the Listing Date.

(c) The period for the exercise of a Market Price Option commences after the second anniversary of the date of grant of the option and expires on the 10th anniversary of such date of grant.

(d) The exercise price of a Market Price Option may be set at a discount not exceeding 20% of the market price at the date of grant.

In March 2001, a total of 14,050,000 Market Price Options were granted at an exercise price of S$0.490 each. All of the 14,050,000 Market Price Options have either been exercised or have lapsed following the mandatory conditional cash offer by NutriAsia Pacific Ltd in January 2006.

On 7 March 2008, a total of 1,550,000 Market Price Options were granted at an exercise price of S$0.627 each being the average last done price of the Company's share for the last three market days preceding the date of grant. The options are valid for 10 years from 7 March 2008.

Other information regarding the Del Monte Pacific RSP is set out below:

(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 7 March 2008, three employees of related companies were granted an aggregate of 1,725,000 share awards at the market price of S$0.615 per share.

On 20 May 2008, 1,611,000 shares were awarded at the market price of S$0.680 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 28 April 2008.

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of S$0.540 per share.

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.

At the end of the financial year, details of the options granted under the ESOP on the unissued ordinary shares of the Company, are as follows:

Date of Grant	Exercise Price S$	Number of options outstanding at 1 January2010	Options granted	Options exercised	Options forfeited/ exercised	Number of options outstanding at 31 December 2010	Number of option holders at 31 December 2010	Exercise period
07/03/2008	0.627	1,550,000	-	-	-	1,550,000	6	Up to 60%: 07/03/2010 – 06/03/2011 40%: 07/03/2011 – 06/03/2018

At the end of the financial year, details of share awards granted under the Del Monte Pacific RSP are as follows:

Date of grant	Market price on date of grant S$	Number of share awards granted as at 31 December 2010	Number of share award holders at 31 December 2010	Vesting period
07/03/2008	0.615	1,725,000	3	Up to 60%: 07/03/2010 – 06/03/2011 40%: 07/03/2011 onwards
20/05/2008	0.680	1,611,000	1	Up to 60%: 20/05/2010 – 19/05/2011 40%: 20/05/2011 onwards
12/05/2009	0.540	3,749,000	6	Up to 60%: 12/05/2011 – 11/05/2012 40%: 12/05/2012 onwards
		7,085,000		

Details of options granted to directors of the Company under the ESOP are as follows:

Name of director	Options granted in financial year ended 31 December 2010	*Aggregate options granted since commencement of ESOP to 31 December 2010	*Aggregate options exercised since commencement of ESOP to 31 December 2010	Aggregate options outstanding as at 31 December 2010
Mr Rolando C Gapud	-	400,000	-	400,000
Mr Edgardo M Cruz, Jr	-	200,000	-	200,000
Mr Patrick L Go	-	200,000	-	200,000
Dr Emil Quinto Javier	-	200,000	-	200,000
Mr Benedict Kwek Gim Song	-	250,000	-	250,000
Mr Godfrey E Scotchbrook	-	300,000	-	300,000
	-	1,550,000	-	1,550,000

* Excludes options granted prior to the mandatory conditional cash offer by NutriAsia Pacific Ltd in January 2006, all of which have either been exercised or have lapsed.

Details of share awards granted to directors of the Company under the Del Monte Pacific RSP are as follows:

Name of director	Share awards granted for financial year ended 31 December 2010	Aggregate share awards granted since commencement of Del Monte Pacific RSP	Aggregate share awards granted as at 31 December 2010
Mr Joselito D Campos, Jr	-	1,611,000	1,611,000

Except as disclosed above, no options or share awards have been granted to the controlling shareholders of the Company or their associates and no participant under the ESOP and Del Monte Pacific RSP has been granted 5% or more of the total options available under the ESOP and Del Monte Pacific RSP.

The options granted by the Company do not entitle the holders of the options, by virtue of such holding, to any rights to participate in any share issue of any other company.

No options or share awards have been granted to other employees of the holding company or its related companies under the ESOP and Del Monte Pacific RSP, except for the 6 employees of related companies, who were granted an aggregate of 5,474,000 on 7 March 2008 and 12 May 2009.

Except as disclosed above, there were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries at the end of the financial year.

Audit Committee

The Audit Committee ("AC") comprises five board members, all of whom are non-executive directors. A majority of members, including the chairman, are independent. Members of the AC in the financial year and at the date of this report are:

Mr Benedict Kwek Gim Song	(Chairman and Independent Director)
Mr Edgardo M Cruz, Jr	
Mr Rolando C Gapud	
Mr Patrick L Go	(Independent Director)
Mr Godfrey E Scotchbrook	(Independent Director)

The AC held 4 meetings since the last directors' report. The AC reviews the effectiveness of the systems of internal controls in the Group, its accounting policies, annual financial statements and quarterly reports, the effectiveness of the internal audit function, and the findings of both the external and internal auditors. The AC may also examine whatever aspects it deems appropriate regarding the Group's financial affairs, its internal and external audits and its exposure to risks of a regulatory or legal nature. Furthermore, all interested person transactions are subject to regular periodic reviews by the AC to ensure that they are carried out on arm's length commercial terms consistent with the Group's usual business practices and policies and are not be prejudicial to the Company's minority shareholders.

In performing its functions, the AC reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. The AC met with the internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company and the Group's system of internal controls. The AC also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2010 as well as the external auditors' report thereon.

The AC has full access to and cooperation of Management and the internal auditors. It also has full discretion to invite any director or executive officer to attend its meetings. The Chief Financial Officer attends meetings of the AC. The auditors have unrestricted access to the AC. The AC has reasonable resources to enable it to discharge its functions properly.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Mr Rolando C Gapud
Director

Mr Joselito D Campos, Jr
Director

31 March 2011

Statement by Directors

In our opinion:

(a) the financial statements set out on pages FS1 to FS64 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2010 and of the results, changes in equity and cash flows of the Group and the Company for the year then ended in accordance with International Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors

Mr Rolando C Gapud
Director

Mr Joselito D Campos, Jr
Director

31 March 2011

KPMG

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Independent auditors' report

Members of the Company
Del Monte Pacific Limited

Report on the financial statements

We have audited the accompanying financial statements of Del Monte Pacific Limited (the "Company") and its subsidiaries (collectively the "Group"), which comprise the statements of financial position of the Group and the Company as at 31 December 2010, the income statements, the statements of comprehensive income, changes in equity and cash flows of the Group and the Company for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS64.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements of the Group and of the Company give a true and fair view of the financial position of the Group and of the Company as at 31 December 2010 and of the financial performance and the cash flows of the Group and of the Company for the year then ended in accordance with International Financial Reporting Standards.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
31 March 2011

Statements of financial position
As at 31 December 2010

	Note	Group 2010 US$'000	Group 2009 US$'000	Company 2010 US$'000	Company 2009 US$'000
Non-current assets					
Property, plant and equipment	4	79,342	73,212	-	-
Subsidiaries	5	-	-	85,442	76,707
Joint venture	6	33,495	30,204	-	-
Intangible assets	7	16,575	17,145	-	-
Deferred tax assets	17	326	-	-	-
Other assets	8	12,069	10,472	-	-
		141,807	131,033	85,442	76,707
Current assets					
Inventories	9	77,498	68,084	-	-
Biological assets	10	81,860	70,469	-	-
Trade and other receivables	11	79,953	24,154	19,846	42,527
Cash and cash equivalents	14	17,506	59,162	211	9
		256,817	221,869	20,057	42,536
Total assets		398,624	352,902	105,499	119,243
Equity					
Share capital	15	10,818	10,818	10,818	10,818
Reserves	16	211,100	186,273	92,077	73,861
Equity attributable to owners of the Company		221,918	197,091	102,895	84,679
Non-controlling interest		(624)	-	-	-
Total equity		221,294	197,091	102,895	84,679
Non-current liabilities					
Deferred tax liabilities	17	-	1,918	-	-
Financial liabilities	18	18,016	26,068	-	-
		18,016	27,986	-	-
Current liabilities					
Trade and other payables	19	70,091	56,499	2,604	34,564
Financial liabilities	18	85,787	69,294	-	-
Current tax liabilities		3,436	2,032	-	-
		159,314	127,825	2,604	34,564
Total liabilities		177,330	155,811	2,604	34,564
Total equity and liabilities		398,624	352,902	105,499	119,243

The accompanying notes form an integral part of these financial statements.

Income statements
Year ended 31 December 2010

	Note	Group 2010 US$'000	Group 2009 US$'000	Company 2010 US$'000	Company 2009 US$'000
Revenue	21	378,623	330,656	25,000	32,000
Cost of sales		(296,862)	(262,140)	-	-
Gross profit		81,761	68,516	25,000	32,000
Distribution and selling expenses		(23,147)	(20,053)	-	-
General and administrative expenses		(23,842)	(19,206)	(4,387)	(4,003)
Other expenses		(4,454)	(3,482)	(581)	(533)
Results from operating activities		30,318	25,775	20,032	27,464
Finance income		636	733	-	-
Finance expenses		(5,152)	(7,100)	-	-
Net finance expenses	23	(4,516)	(6,367)	-	-
Share of loss of joint venture, net of tax		(6,634)	(3,880)	-	-
Profit before taxation		19,168	15,528	20,032	27,464
Income tax	24	(3,983)	(4,197)	-	-
Profit for the year	22	15,185	11,331	20,032	27,464
Profit attributable to:					
Non-controlling interests		(624)	-	-	-
Owners of the Company		15,809	11,331	20,032	27,464
Earnings per share					
Basic earnings per share (US dollar)	25	0.0146	0.0105		
Diluted earnings per share (US dollar)	25	0.0145	0.0104		

The accompanying notes form an integral part of these financial statements.

Statements of comprehensive income
Year ended 31 December 2010

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Profit for the year	15,185	11,331	20,032	27,464
Other comprehensive income				
Currency translation differences	10,834	5,462	-	-
Net changes in fair value of cash flow hedges	-	885	-	-
Income tax on other comprehensive income	-	(266)	-	-
Other comprehensive income for the year, net of tax	10,834	6,081	-	-
Total comprehensive income for the year	26,019	17,412	20,032	27,464
Total comprehensive income attributable to:				
Non-controlling interests	(624)	-	-	-
Owners of the Company	26,643	17,412	20,032	27,464

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity
Year ended 31 December 2010

Group	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Hedging reserve US$'000	Revaluation reserve US$'000	Share option reserve US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
		← Attributable to owners of the Company →									
2009											
At 1 January 2009		10,818	68,687	(54,989)	(619)	3,368	486	176,931	204,682	-	204,682
Total comprehensive income for the year											
Profit for the year		-	-	-	-	-	-	11,331	11,331	-	11,331
Other comprehensive income											
Currency translation differences		-	-	5,462	-	-	-	-	5,462	-	5,462
Net changes in fair value of cash flow hedges, net of tax		-	-	-	619	-	-	-	619	-	619
Total other comprehensive income		-	-	5,462	619	-	-	-	6,081	-	6,081
Total comprehensive income for the year		-	-	5,462	619	-	-	11,331	17,412	-	17,412
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Dividends to owners of the Company	26	-	-	-	-	-	-	(25,854)	(25,854)	-	(25,854)
Value of employee services received for issue of share options	28	-	-	-	-	-	851	-	851	-	851
Total contributions by and distributions to owners		-	-	-	-	-	851	(25,854)	(25,003)	-	(25,003)
At 31 December 2009		10,818	68,687	(49,527)	-	3,368	1,337	162,408	197,091	-	197,091

The accompanying notes form an integral part of these financial statements.

Consolidated statement of changes in equity (continued)
Year ended 31 December 2010

Group	Note	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Hedging reserve US$'000	Revaluation reserve US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
		← Attributable to owners of the Company →										
2010												
At 1 January 2010		10,818	68,687	(49,527)	-	3,368	1,337	-	162,408	197,091	-	197,091
Total comprehensive income for the year												
Profit for the year		-	-	-	-	-	-	-	15,809	15,809	(624)	15,185
Other comprehensive income												
Currency translation differences		-	-	10,834	-	-	-	-	-	10,834	-	10,834
Total other comprehensive income		-	-	10,834	-	-	-	-	-	10,834	-	10,834
Total comprehensive income for the year		-	-	10,834	-	-	-	-	15,809	26,643	(624)	26,019
Transactions with owners of the Company recognised directly in equity												
Contributions by and distributions to owners of the Company												
Dividends to owners of the Company	26	-	-	-	-	-	-	-	(1,731)	(1,731)	-	(1,731)
Acquisition of treasury shares		-	-	-	-	-	-	(824)	-	(824)	-	(824)
Value of employee services received for issue of share options	28	-	-	-	-	-	739	-	-	739	-	739
Total contributions by and distributions to owners		-	-	-	-	-	739	(824)	(1,731)	(1,816)	-	(1,816)
At 31 December 2010		10,818	68,687	(38,693)	-	3,368	2,076	(824)	176,486	221,918	(624)	221,294

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
Year ended 31 December 2010

	Share capital US$'000	Share premium US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total equity US$'000
Company						
2009						
At 1 January 2009	10,818	68,826	486	-	2,088	82,218
Profit for the year/Total comprehensive income for the year	-	-	-	-	27,464	27,464
Transactions with owners of the Company recognised directly in equity						
Contributions by and distributions to owners of the Company						
Value of employee services received for issue of share options (note 28)	-	-	851	-	-	851
Dividends (note 26)	-	-	-	-	(25,854)	(25,854)
Total contributions by and distributions to owners of the Company	-	-	851	-	(25,854)	(25,003)
At 31 December 2009	10,818	68,826	1,337	-	3,698	84,679
2010						
At 1 January 2010	10,818	68,826	1,337	-	3,698	84,679
Profit for the year/Total comprehensive income for the year	-	-	-	-	20,032	20,032
Transactions with owners of the Company recognised directly in equity						
Contributions by and distributions to owners						
Value of employee services received for issue of share options (note 28)	-	-	739	-	-	739
Acquisition of treasury shares	-	-	-	(824)		(824)
Dividends (note 26)	-	-	-	-	(1,731)	(1,731)
Total contributions by and distributions to owners of the Company	-	-	739	(824)	(1,731)	(1,816)
At 31 December 2010	10,818	68,826	2,076	(824)	21,999	102,895

The accompanying notes form an integral part of these financial statements.

Cash flow statements
Year ended 31 December 2010

	Group		Company	
	2010 US$'000	2009 US$'000	2010 US$'000	2009 US$'000
Cash flows from operating activities				
Profit for the year	15,185	11,331	20,032	27,464
Adjustments for:				
Amortisation of intangible assets	570	572	-	-
Depreciation of property, plant and equipment	11,073	8,321	-	-
Allowance for doubtful receivables	453	145	-	-
Allowance for inventory obsolescence	6,973	1,923	-	-
Impairment loss on/(reversal of) property, plant and equipment	1,062	(84)	-	-
Loss /(gain) on disposal of property, plant and equipment	63	(291)	-	-
Equity-settled share-based payment transactions	739	851	739	851
Share of loss of joint venture	6,634	3,880	-	-
Finance income	(636)	(733)	-	-
Finance expense	5,152	7,100	-	-
Income tax expense	3,983	4,197	-	-
	51,251	37,212	20,771	28,315
Changes in:				
Other assets	(938)	(1,041)	-	-
Inventories	(12,133)	13,158	-	-
Biological assets	(6,932)	(13,942)	-	-
Trade and other receivables	(50,992)	63,030	37	19
Trade and other payables	7,746	(12,466)	215	143
Operating cash flows	(11,998)	85,951	21,023	28,477
Income taxes paid	(5,023)	(4,637)	-	-
Net cash flows (used in)/from operating activities	(17,021)	81,314	21,023	28,477
Cash flows from investing activities				
Amounts due from subsidiaries (non-trade)	-	-	13,909	437
Interest received	565	713	-	-
Proceeds from disposal of property, plant and equipment	355	1,387	-	-
Purchase of property, plant and equipment	(14,659)	(14,610)	-	-
Acquisition of trademark	-	(24)	-	-
Additional investment in joint venture	(9,925)	(10,710)	-	-
Net cash flows (used in)/from investing activities	(23,664)	(23,244)	13,909	437
Financing activities				
Amounts due to subsidiaries (non-trade)	-	-	(32,175)	5,316
Interest paid	(3,122)	(5,483)	-	-
Repayment of finance lease liabilities	(20)	(193)	-	-
Proceeds from borrowings	446,687	32,523	-	-
Repayment of borrowings	(444,028)	(9,467)	-	(8,381)
Acquisition of treasury shares	(824)	-	(824)	-
Dividends paid	(1,731)	(25,854)	(1,731)	(25,854)
Net cash flows used in financing activities	(3,038)	(8,474)	(34,730)	(28,919)
Net (decrease)/increase in cash and cash equivalents	(43,723)	49,596	202	(5)
Cash and cash equivalents at beginning of year	59,162	7,862	9	14
Effect of exchange rate changes on balances held in foreign currency	2,067	1,704	-	-
Cash and cash equivalents at end of year (note 14)	17,506	59,162	211	9

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 31 March 2011.

1. Domicile and activities

Del Monte Pacific Limited (the "Company") was incorporated in the British Virgin Islands on 27 May 1999 under the International Business Companies Ordinance, Chapter 291 of the laws of the British Virgin Islands, as an international business company. On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). 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 concentrate, tropical mixed fruit, tomato-based products, and certain other food products mainly under the brand names of "Del Monte", "Today's" and "S&W" . The details of the Company's subsidiaries and their principal activities are set out in note 5.

The immediate holding company is NutriAsia Pacific Limited whose ultimate shareholders are NutriAsia Inc. and Well Grounded Limited which at 31 December 2010 hold 57.8% and 42.2% respectively through their intermediary companies. NutriAsia Pacific Limited, NutriAsia Inc. and Well Grounded Limited are incorporated in the British Virgin Islands.

The financial statements relate to the Company and its subsidiaries (together referred to as the "Group") and the Group's interests in joint ventures.

2. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- biological assets are measured at fair value less estimated point of sale costs
- freehold land are measured at valuation
- certain financial assets and financial liabilities are measured at fair value

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

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

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

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 4 – Recoverability of property, plant and equipment
- Note 6 – Recoverability of investment in joint venture
- Note 7 – Recoverability of intangible assets
- Note 9 – Net realisable values of inventories
- Note 10 – Measurement of biological assets
- Note 12 – Recoverability of trade receivables
- Note 20 – Measurement of retirement benefit obligations
- Note 24 – Measurement of income tax
- Note 28 – Measurement of share option and incentive plans

(e) Changes in accounting policies

Overview

Starting 1 January 2010, the Group has changed its accounting policies in the following areas:

- Accounting for business combinations
- Accounting for acquisitions of non-controlling interests

(i) Accounting for business combinations

From 1 January 2010 the Group has applied IFRS 3 *Business Combinations* (2008) in accounting for business combinations. The change in accounting policy has been applied prospectively and has had no material impact on earnings per shares.

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

Acquisitions on or after 1 January 2010

For acquisitions on or after 1 January 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the 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 existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain gain is recognised immediately in profit or loss.

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

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.

Any contingent consideration payable is recognised at fair value at the acquisition date. 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 profit or loss.

When share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's award) and relate to past services, then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based value of the replacement awards compared with the market-based value of the acquiree's awards and the extent to which the replacement awards relate to past and/or future services.

Acquisitions between 1 January 2004 and 1 January 2010

For acquisitions between 1 January 2004 and 1 January 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

(ii) Accounting for acquisitions of non-controlling interests

From 1 January 2010, the Group has applied IAS 27 *Consolidated and Separate Financial Statements* (2008) in accounting for acquisitions of non-controlling interests. The change in accounting policy has been applied prospectively and has had no impact on earnings per share.

Under the new accounting policy, acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The adjustments to non-controlling interests are based on proportionate amount of the net assets of the subsidiary.

Previously, goodwill was recognised on the acquisition of non-controlling interests in a subsidiary, which represented the excess of the cost of the additional investment over the carrying amount of the interest in the net assets acquired at the date of the transaction.

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented these financial statements, and have been applied consistently by Group entities, except as explained in note 2(e), which addresses changes in accounting policies.

(a) Basis of consolidation

(i) Business combination

The Group has changed its accounting policy with respect to accounting for business combinations. See note 2(e)(i) for further details.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(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) Other acquisitions

Other acquisitions are accounted for under the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

The excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, representing negative goodwill, is credited to the profit or loss in the period of the acquisition.

(v) Jointly controlled operations

A jointly controlled operation is a joint venture carried on by each venture using its own assets in pursuit of the joint operations. The consolidated financial statements include the assets that the Group controls and the liabilities that it incurs in the course of pursuing the joint operation, and the expenses that the Group incurs and its share of the income that it earns from the joint operation.

(vi) 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 consolidated 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.

(b) 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.

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 profit or loss.

(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 at exchange rates at the dates of the transactions.

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, significant influence 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 on 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 profit or loss.

When the settlement of a monetary item 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.

(c) Financial instruments

(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 (including assets designated at fair value through profit or loss) 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. 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 has the following non-derivative financial assets as 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 (see note 11) and cash and cash equivalents (see note 14).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(ii) Non-derivative financial liabilities

The Group initially recognises financial liabilities 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 liability when its contractual obligations are discharged or cancelled or expire.

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.

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, bank overdrafts, and trade and other payables.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

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.

(iv) Derivative financial instruments, including hedge accounting

The Group holds derivative financial instruments to hedge its foreign currency risk exposures.

On initial designation of the derivative as the hedging instrument, the Group formally documents the relationship between the hedging instrument and 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 of cash flows of the respective hedged items attributable to hedged risk , and whether the actual results of each hedge are within a range of 80 – 125 percent. 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; attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in otber comprehensive income and presented in the hedging reserve in equity. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

When the hedged item is a non-financial asset, the amount accumulated in equity is included in the carrying amount of the asset when the asset is recognised. In other cases the amount accumulated in equity is reclassified to profit or loss in the same period that 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 balance in equity is reclassified in profit or loss.

(d) 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.

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 profit or loss. A decrease in value is recognised in profit or loss where it exceeds the increase previously recognised in the revaluation reserve. Upon disposal, any related revaluation reserve is transferred from other comprehensive income to revenue reserves 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 asset to a working condition for its intended use, the cost 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.

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 property, plant and equipment, and is recognised net within other income/other expenses in profit or loss. When revalued assets are sold, any related amount included in the revaluation reserve is transferred to retained earnings.

(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 part 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 profit or loss as incurred.

(iii) Depreciation

Construction-in-progress represents plant and properties under construction and is not depreciated until such time as the relevant assets are completed and become available for use.

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 is recognised in profit or loss on a straight-line basis over their estimated useful lives of each component of an item of property, plant and equipment. 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.

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

Buildings on freehold land	-	15 to 45 years
Buildings, land improvements and leasehold improvements	-	3 to 45 years
Machinery and equipment	-	3 to 30 years
Dairy and breeding herd	-	3½ years to 6 years
Motor vehicles	-	5 to 10 years

Dairy and breeding herd relates to livestock (cattle) being reared for milking and breeding purposes.

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

(e) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquiree.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses, and tested for impairment. Negative goodwill is recognised immediately in profit or loss.

Goodwill arising on the acquisition of subsidiaries is presented in intangible assets and is measured at cost less accumulated impairment losses. Goodwill arising on the acquisition of joint ventures is presented together with investments in joint venture. Goodwill is tested for impairment as described in note 3(i)(ii).

(ii) 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.

(iii) 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 profit or loss as incurred.

(iv) Amortisation

Amortisation is based on the cost of an asset less its residual value.

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

Trademarks	-	40 years
Distribution network	-	5 years
Label development costs	-	10 years

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

(f) Biological assets

Biological assets comprise growing crops and livestock.

Biological assets (growing crops), for which fair values cannot be measured reliably, are measured at cost less accumulated impairment losses. Expenditure on growing crops includes land preparation expenses and other direct expenses incurred during the cultivation period of the primary and ratoon crops. These expenditures on growing crops are deferred and taken into inventories based on the estimated total yield during the estimated growth cycle of three years.

The cost method of valuation was used since fair value cannot be measured reliably. The growing crops 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 to a reliable basis for determining the fair value. Growing crops are classified as current assets in the balance sheets.

At the point of harvest, the fair value of the agricultural produce can be determined and the harvested crop are measured at fair value less cost to sell. The difference between estimated cost of the harvested agricultural produce and fair value less cost to sell is recorded in profit or loss in the period in which they arise. The fair value of the harvested agricultural produce is determined based on the market value of the agricultural produce at the point of harvest.

Biological assets (livestock) are measured at fair value less costs to sell, with any changes therein recognised in profit or loss. Costs to sell include all costs that would be necessary to sell the assets. Gains and losses arising from such measurement are included in profit or loss in the period in which they arise.

(g) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised in the Group's statement of financial position.

(h) Inventories

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

Cost of finished goods is based on the weighted average method, while the cost of production materials and storeroom items is based on the weighted moving average 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.

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

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(i) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through the 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 has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) 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, economic conditions that correlate with defaults or the disappearance of an active market for a security.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant 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. Receivables that are not individually significant are collectively assessed for impairment by grouping together 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 profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than biological assets, investment property, 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 and its fair value less costs to sell. In assessing value in use, 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. 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.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

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 tbe other assets in the CGU (group of units) on a *pro rata* basis.

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 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.

(j) 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 profit or loss 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 cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised as income or expense when the net cumulative unrecognised actuarial gains and losses for the plan at the end of the previous reporting period exceeds 10% of the higher of the defined benefit obligation and the fair value of plan assets at that date. These gains or losses are recognised over the expected average remaining working lives of the employees participating in the plan.

The past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognised immediately.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognised reduced by past service cost not yet recognised and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

If the asset is measured at the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan, net actuarial losses of the current period and past service cost of the current period are recognised immediately to the extent that they exceed any reduction in the present value of those economic benefits. If there is no change or an increase in the present value of the economic benefits, the entire net actuarial losses of the current period and past service cost of the current period are recognised immediately. Similarly, net actuarial gains of the current period after the deduction of past service cost of the current period exceeding any increase in the present value of the economic benefits stated above are recognised immediately if the asset is measured at the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains of the current period after the deduction of past service cost of the current period are recognised immediately.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, 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 for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iv) 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.

(v) Share-based payment transactions

The Group grants share awards and share options for the shares of the Company to employees of the Group. The fair value of incentives granted is recognised as an employee 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 spread over the period during which the employees become unconditionally entitled to the shares.

Share options

The fair value, measured at grant date, is spread over the vesting period during which the employees become unconditionally entitled to the options. At each balance sheet date, the Company 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 expense and in a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transactions costs are credited to share capital when the options are exercised.

(k) 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.

(l) Revenue recognition

(i) Goods sold

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 measure 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 shareholder's right to receive payment is established.

(m) Government grants

Jobs Credit Scheme

Cash grants received from the government in relation to the Jobs Credit Scheme are recognised as income upon receipt. Such grants are provided to defray the wage costs incurred by the Group and are offset against staff costs in the financial statements.

(n) Lease payments

Payments made under operating leases are recognised in profit or loss 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.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so at to produce a constant periodic rate of interest on the remaining balance of the liability.

(o) Finance income and finance costs

Finance income comprises interest income on funds invested and foreign currency gains. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance expenses comprise interest expense on borrowings and foreign currency losses. All borrowing costs are recognised in the 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.

(p) Income tax

Income 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 jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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.

(q) Dividends

A liability to make dividend payments is recognised when the Group declares dividend payments to the shareholders. The proposed dividends are disclosed if the Group declares the dividends to the shareholders after balance sheet date.

(r) 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 restricted share plan and share options granted to employees.

(s) 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.

(t) New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2010, and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group.

4. Property, plant and equipment

	<---- Cost				---->	Valuation	
Group	**Buildings on freehold land US$'000**	**Buildings, land improvements and leasehold improvements US$'000**	**Machinery and equipment US$'000**	**Dairy and breeding herd US$'000**	**Construction -in-progress US$'000**	**Freehold land US$'000**	**Total US$'000**
Cost / Valuation							
At 1 January 2009	9,266	6,195	102,564	215	16,116	5,542	139,898
Additions	1,578	167	4,842	-	8,023	-	14,610
Disposals	(550)	(5)	(2,450)	(1)	-	(15)	(3,021)
Reclassifications	3,845	491	8,860	-	(15,476)	2,280	-
Currency realignment	228	303	2,666	6	422	-	3,625
At 31 December 2009	14,367	7,151	116,482	220	9,085	7,807	155,112
At 1 January 2010	14,367	7,151	116,482	220	9,085	7,807	155,112
Additions	423	69	4,206	-	9,961	-	14,659
Disposals	(570)	(663)	(10,365)	-	-	-	(11,598)
Reclassifications	1,404	90	6,082	-	(7,576)	-	-
Currency realignment	860	769	6,968	13	544	137	9,291
At 31 December 2010	16,484	7,416	123,373	233	12,014	7,944	167,464

	<------ Cost				------>	Valuation	
	Buildings on freehold land US$'000	**Buildings, land improvements and leasehold improvements US$'000**	**Machinery and equipment US$'000**	**Dairy and breeding herd US$'000**	**Construction -in-progress US$'000**	**Freehold land US$'000**	**Total US$'000**
Accumulated depreciation and impairment losses							
At 1 January 2009	3,456	2,521	67,261	186	-	-	73,424
Charge for the year	364	395	7,561	1	-	-	8,321
Reversal of impairment loss	-	-	(84)	-	-	-	(84)
Disposals	(80)	(5)	(1,838)	(1)	-	-	(1,924)
Currency realignment	98	74	1,986	5	-	-	2,163
At 31 December 2009	3,838	2,985	74,886	191	-	-	81,900
At 1 January 2010	3,838	2,985	74,886	191	-	-	81,900
Charge for the year	1,018	440	9,614	1	-	-	11,073
Impairment loss	-	197	865	-	-	-	1,062
Disposals	(489)	(636)	(10,055)	-	-	-	(11,180)
Currency realignment	264	204	4,788	11	-	-	5,267
At 31 December 2010	4,631	3,190	80,098	203	-	-	88,122
Carrying amount							
At 1 January 2009	5,810	3,674	35,303	29	16,116	5,542	66,474
At 31 December 2009	10,529	4,166	41,596	29	9,085	7,807	73,212
At 31 December 2010	11,853	4,226	43,275	30	12,014	7,944	79,342

As at 31 December 2010, the net carrying amount of leased property, plant and equipment was US$537,000 (2009: US$616,000).

Impairment loss relating to machinery and equipment are realised in "Other expenses" in the income statement during the year.

At 31 December 2010, the Group has no 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 of the Group located in the Philippines at 31 December 2010 is stated at fair value of US$5,527,000 (2009: US$5,527,000) based on prior year independent valuation by Binswanger Philippines Inc, Manila, Philippines, on an existing use basis. Management has assessed that the fair value of the freehold land is not significantly different from its carrying value as at 31 December 2010. In respect of the freehold land in Singapore stated at fair value of US$2,417,000 (2009: US$2,280,000), the Group had engaged CB Richard Ellis to perform an independent valuation on an existing use basis.

The carrying amount of the freehold land would have been US$2,282,000 (2009: US$2,282,000) had the freehold land been carried at cost less impairment losses.

Source of estimation uncertainty

The costs of property, plant and equipment, except for freehold land, are depreciated on a straight-line basis over their useful lives. Management estimates the useful lives of these property, plant and equipment to be between 3 to 45 years. The Group reviews annually the estimated useful lives of property, plant and equipment based on the factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful lives of property, plant and equipment would increase depreciation expense and decrease non-current assets.

5. Subsidiaries

	Company	
	2010 US$'000	2009 US$'000
Unquoted equity shares, at cost	10,199	10,199
Amounts due from subsidiaries (non-trade)	75,243	66,508
	85,442	76,707

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 investment in the subsidiaries. Accordingly, they are stated at cost less accumulated impairment losses.

Details of the Group's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 2010 %	2009 %
Held by the Company				
Del Monte Pacific Resources Limited ("DMPRL") [1]	Investment holding	British Virgin Islands	100	100
DMPL India Pte Ltd ("DMPLI") [1]	Investment holding	Singapore	100	100
DMPL Management Services Pte Ltd ("DMS") [1]	Providing administrative support and liaison services to the Group	Singapore	100	100
GTL Limited ("GTL") [1]	Trading food products mainly under the brand names, "Del Monte" and "S&W"	Federal Territory of Labuan, Malaysia	100	100
S&W Fine Foods International Limited ("S&W") [1]	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	100
Held by DMPRL				
Central American Resources, Inc ("CARI") [1]	Investment holding	Panama	100	100
Held by CARI				
Del Monte Philippines, Inc ("DMPI") [2]	Growing, processing and distribution of food products mainly under the brand names "Del Monte" and "Today's"	Philippines	100	100
Dewey Limited ("Dewey") [4]	Owner of trademarks in various countries; investment holding	Bermuda	100	100
Pacific Brands Philippines, Inc [4]	Inactive	State of Delaware, USA	100	100
Held by DMPLI				
Del Monte Foods India Private Limited ("DMFI") [a] [3]	Manufacturing, processing and distributing food, beverages and other related products	Mumbai, India	100	100
DMPL India Limited [3]	Investment holding	Mauritius	92.0	88.7

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 2010 %	2009 %
Held by DMPI				
Philippines Packing Management Services Corporation [2]	Management, logistic and support services	Philippines	100	100
Held by Dewey				
Dewey Sdn. Bhd. [2]	Owner of the "Del Monte" and "Today's" trademarks in the Philippines	Malaysia	100	100

(a) 0.1% held by DMPRL.
[1] Audited by KPMG LLP Singapore.
[2] Audited by member firm of KPMG International.
[3] Audited by other certified public accountants. Subsidiary is not significant under rule 718 of the SGX-ST Listing Manual.
[4] Not required to be audited in the country of incorporation.

In the current year, the Group acquired an additional 3.3% in its subsidiary, DMPL India Limited for a cash consideration of US$11,025,000, increasing its ownership from 88.7% to 92.0%.

A subsidiary is considered significant as defined under the SGX-ST Listing Manual if its net tangible assets represent 20% or more of the Group's consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

6. Joint venture

In the current year, the Group's effective interest in FieldFresh Foods Private Limited was increased from 44.4% to 46.0% as a result of the Group's additional investment in subsidiary, DMPL India Limited, which holds the Group's interest in this joint venture.

Details of the joint venture that is held by DMPL India Limited are as follows:

Name of company	:	FieldFresh Foods Private Limited *
Principal activities	:	Production and sale of fresh and processed fruits and vegetables food products
Country of incorporation/business	:	India
Effective equity held by the Group	:	46.0% (2009: 44.4%)

* Audited by Deloitte Haskins & Sells, Gurgaon, India.

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

	2010 US$'000	2009 US$'000
Assets and liabilities		
Non-current assets	36,568	19,148
Current assets	20,330	9,600
Total assets	56,898	28,748
Current liabilities	16,759	5,676
Non-current liabilities	11,407	1,476
Total liabilities	28,166	7,152
Net assets	28,732	21,596
Results		
Revenue	26,513	13,970
Expenses	(39,770)	(23,148)
Loss after taxation	(13,257)	(9,178)

Deferred tax assets have not been recognised in respect of the following items:

	2010 US$'000	2009 US$'000
Deductible temporary differences	236	390
Tax losses	42,918	28,988
	43,154	29,378

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Management has not recognised the deferred tax assets because a trend of profitable growth in the joint venture is not yet established. Once profitable growth can be clearly determined, the unrecognised deferred tax asset will be recognised by the Group, resulting in the Group's share of tax income of US$6,134,000.

The joint venture has commitments of US$1,789,000 and no contingent liabilities as at 31 December 2010.

Source of estimation uncertainty

When the joint veture has suffered 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. 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.

7. Intangible asset

	Trademarks US$'000
Cost	
At 1 January 2009	22,286
Addition	24
At 31 December 2009	22,310
At 1 January 2010	22,310
Addition	-
At 31 December 2010	22,310
Accumulated Amortisation	
At 1 January 2009	4,593
Amortisation	572
At 31 December 2009	5,165
At 1 January 2010	5,165
Amortisation	570
At 31 December 2010	5,735
Carrying Amount	
At 1 January 2009	17,693
At 31 December 2009	17,145
At 31 December 2010	16,575

Movements in accumulated amortisation during the financial year are as follows:

	2010 US$'000	2009 US$'000
At 1 January	5,165	4,593
Amortisation during the year		
- Del Monte and Today's trademarks	302	303
- S&W trademark and label development costs	268	269
At 31 December	5,735	5,165

The amortisation is recognised under "Other expenses" in the income statements.

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").

Under the terms of the agreement, a total consideration of US$10 million would be payable by DMPRL to the affiliated company for the right to use the trademark. The first sum of US$1 million was paid in 1996 and the remaining US$9 million was settled in November 2006. The licenced trademarks were recorded at the net present value of the estimated future cash payments to be made as at 31 December 1996. The difference between the cash price equivalent of the intangible asset and the total payment was capitalised and has been offset against the payable to the affiliated company. In arriving at the net present value of the future cash payments, a discount rate that approximated the cost of funds to the Company was used. The net carrying amount and the remaining amortisation period of the Indian sub-continent trademark as at 31 December 2010 are US$4,933,000 and 26 years (2009: US$5,123,000 and 27 years) respectively.

Since its acquisition, the Indian sub-continent trademark was allocated to the Indian sub-continent cash-generating unit ("Indian sub-continent CGU").

The recoverable amount of the Indian sub-continent CGU is determined based on a value-in-use calculation using cash flow projections approved by the Board of Directors covering a five-year period. The cash flow projection for the first year is based on financial budgets prepared by management while the following four years are based on strategic business plan. A terminal value, which is the present value of all future cash flows, assuming a perpetual constant growth rate, is also applied in the fifth year. The pre-tax discount rate of 9.9% (2009: 13.2%) per annum was applied to the cash flow projections, which is derived from the bank's prime lending rate, the expected rate of return and various risks.

Philippines trademarks

A subsidiary, Dewey, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines ("Philippines trademarks"). The net carrying amount and the remaining amortisation period of the Philippines trademarks as at 31 December 2010 are US$2,264,000 and 20 years (2009: US$2,376,000 and 21 years) respectively.

Management has reviewed for indicators of impairment for the Philippines trademarks and conclude that no indication of impairment exist at the balance sheet date.

S&W trademark

In November 2007, a subsidiary, S&W Fine Foods International Limited, 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$10,000,000. The net carrying amount and the remaining amortisation period of the "S&W" trademark as at 31 December 2010 are US$9,244,000 and 37 years (2009: US$9,494,000 and 38 years) respectively.

Management has reviewed for indicators of impairment for the "S&W" trademark and conclude that no indication of impairment exist at the balance sheet date.

Source of estimation uncertainty

The trademarks and label development costs are assessed for impairment whenever there is an indication that the trademarks and label development costs may be impaired. The impairment assessment requires an estimation of the value-in-use of the cash-generating units to which the goodwill, trademarks and label development costs are allocated.

Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and apply an appropriate suitable 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.

8. Other assets

	Group	
	2010	**2009**
	US$'000	**US$'000**
Advances to growers	8,050	7,048
Security deposits	949	1,011
Land expansion (development costs of acquired leased areas)	2,290	1,457
Others .	780	956
	12,069	10,472

The advances to growers may be applied against the minimum guaranteed profits to growers.

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 (2009: 10 years).

9. Inventories

	Group	
	2010	**2009**
	US$'000	**US$'000**
Finished goods		
- at cost	30,036	24,278
- at net realisable value	92	90
Semi-finished goods		
- at cost	4,816	2,219
- at net realisable value	115	152
Raw materials and packaging supplies		
- at cost	42,439	41,345
	77,498	68,084

In 2010, raw materials, consumables and changes in finished goods and semi-finished goods recognised as cost of sales amounted to US$211,006,000 (2009: US$185,371,000).

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

	Group	
	2010	**2009**
	US$'000	**US$'000**
At 1 January	1,928	1,725
Allowance for the year (note 22)	6,973	1,923
Write-off against allowance	(2,695)	(1,827)
Currency realignment	314	107
At 31 December	6,520	1,928

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.

10. Biological assets

	Group	
	2010	**2009**
	US$'000	**US$'000**
Growing crops (at cost)		
At 1 January	66,705	53,056
Additions	62,954	56,490
Harvested	(53,606)	(44,225)
Currency realignment	3,995	1,384
At 31 December	80,048	66,705

The fair value of agricultural produce harvested during the year amounted to US$63,625,000 (2009: US$54,467,000).

Livestock (at fair value)		
At 1 January	3,764	2,028
Purchases of livestock	1,506	3,632
Changes in fair value attributable to price changes (note 22)	(845)	469
Sales of livestock	(3,077)	(2,419)
Currency realignment	464	54
At 31 December	1,812	3,764
Total biological assets	81,860	70,469

Growing crops

Estimated hectares planted with growing crops are as follows:

	Group	
	2010	**2009**
Pineapples	14,526	15,654
Papaya	505	676
Passion fruit	5	72

Estimated fruits harvested, in metric tons, from the growing crops are as follows:

	Group	
	2010	**2009**
Pineapples	624,291	582,155
Papaya	6,539	2,496
Passion fruit	470	433

Source of estimation uncertainty

Growing crops is stated at cost which comprises actual costs incurred in nurturing the crops reduced by the estimated cost of fruits harvested. The cost of fruits harvested from the Group's plant crops and subsequently used in production is the estimated 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. Increases in cost of harvested fruits increases the value of inventories in the balance sheet and reduces the carrying amount of growing costs reflected as biological assets.

Livestock

Livestock comprises growing herd and cattle for slaughter and is stated at fair value. The fair value is determined based on the actual selling prices approximating those at year end less estimated point-of-sale costs.

Source of estimation uncertainty

The fair value of cattle for slaughter is based on the market prices from the various relevant markets. Fair value of the cattle for slaughter is measured on initial recognition and at each balance sheet date, with changes in fair value recognised in profit or loss. The fair value is based on market prices of mature cattle ready for slaughter. Since market prices used as the basis for fair value refer to mature cattle, the market price for immature cattle already identified for slaughter is adjusted to account for the growing cost to be incurred for the immature cattle for slaughter to mature.

11. Trade and other receivables

	Note	Group 2010 US$'000	Group 2009 US$'000	Company 2010 US$'000	Company 2009 US$'000
Trade receivables	12	62,597	10,467	-	-
Deposits, prepayments and other receivables	13	17,356	13,687	15	52
Amounts due from subsidiaries (non-trade)		-	-	19,831	42,475
Trade and other receivables		79,953	24,154	19,846	42,527
Prepayments		(7,715)	(6,731)	(15)	(29)
Loans and receivables		72,238	17,423	19,831	42,498

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

12. Trade receivables

	Group 2010 US$'000	Group 2009 US$'000
Trade receivables	65,076	12,408
Less: Allowance for doubtful receivables (trade)	(2,479)	(1,941)
	62,597	10,467

Source of estimation uncertainty

Under the supply contracts with Del Monte Corporation and Del Monte Fresh Produce International Inc. (which was terminated effective 31 May 2010), the Group is entitled to price adjustments arising from the difference between the actual and initial billing prices. Since the actual billing price cannot be determined at each balance sheet date, a probable price is estimated based on factors which include, but are not limited to, known market factors and preliminary discussions and negotiations.

The maximum exposure to credit risk for trade receivables at the reporting date (by geographical region) is:

	Group 2010 US$'000	Group 2009 US$'000
Asia Pacific	39,419	5,989
Europe and North America	23,178	4,478
	62,597	10,467

The ageing of loans and receivables (excluding prepayments) at the reporting date is:

	2010		2009	
	Gross US$'000	Impairment losses US$'000	Gross US$'000	Impairment losses US$'000
Not past due	62,094	-	15,510	-
Past due 0 - 30 days	6,074	-	1,004	(2)
Past due 31 - 90 days	1,655	-	125	-
More than 91 days	4,894	(2,479)	2,725	(1,939)
	74,717	(2,479)	19,364	(1,941)

The Group's historical experience in the collection of accounts receivable falls within the recorded allowances. Due to these factors, management believes that no additional credit risk beyond amounts provided for collection losses is inherent in the Group's trade receivables.

Movements in allowance for doubtful receivables (trade) during the financial year are as follows:

	Group	
	2010 US$'000	2009 US$'000
At 1 January	1,941	1,779
Allowance for the year (trade) (note 22)	453	145
Write-off against allowance	(44)	(50)
Currency realignment	129	67
At 31 December	2,479	1,941

Source of estimation uncertainty

The Group maintains allowance for doubtful accounts 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 doubtful accounts would increase the Group's recorded operating expenses and decrease current assets.

13. Deposits, prepayments and other receivables

	Group		Company	
	2010	2009	2010	2009
	US$'000	US$'000	US$'000	US$'000
Prepayments	7,715	6,731	15	29
Other recoverable	2,347	1,501	-	23
Deposits	648	630	-	-
Non-trade receivables	4,498	4,127	-	-
Downpayment to contractors	2,148	698	-	-
	17,356	13,687	15	52

14. Cash and cash equivalents

	Group		Company	
	2010	2009	2010	2009
	US$'000	US$'000	US$'000	US$'000
Cash and bank balances	12,052	41,953	211	9
Short-term deposits	5,454	17,209	-	-
Cash and cash equivalents in the cash flow statements	17,506	59,162	211	9

Certain of the cash and bank balances earn interest at floating rates based on daily bank deposit rates ranging from 0.10% to 3.55% (2009: 0.01% to 3.95%) per annum. Short-term deposits are made for varying periods of between one day and one month depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates. The weighted average effective interest rate of short-term deposits during the financial year was 1.54% (2009: 1.89%) per annum.

15. Share capital

	2010		2009	
	No. of shares	US$'000	No. of shares	US$'000
Authorised:				
Ordinary shares of US$0.01 each	2,000,000,000	20,000	2,000,000,000	20,000
Issued and fully paid:				
Ordinary shares of US$0.01 each	1,081,781,194	10,818	1,081,781,194	10,818

The Group has also issued share awards under the Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP") and Del Monte Pacific Performance Share Plan ("Del Monte Pacific PSP") (note 28) during the current financial year.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Group. All shares rank equally with regard to the Group's residual assets.

Capital management

The Board's policy is to maintain a strong 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 and reserves. The Board of Directors monitors the return on capital, which the Group defines as profit for the year divided by total shareholders' equity. The Board also monitors the level of dividends paid to ordinary shareholders.

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

The Company and its subsidiaries are not subject to externally imposed capital requirements.

16. Reserves

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Revaluation reserve	3,368	3,368	-	-
Retained earnings	176,486	162,408	21,999	3,697
Reserve for own shares	(824)	-	(824)	-
Share premium	68,687	68,687	68,826	68,827
Share option reserve	2,076	1,337	2,076	1,337
Translation reserve	(38,693)	(49,527)	-	-
	211,100	186,273	92,077	73,861

The revaluation reserve relates to surplus on the revaluation of freehold land of the Group.

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 31 December 2010, the Group held 3,000,000 of the Company's shares (2009: Nil).

Under the British Virgin Islands law in whose jurisdiction the Company operates, the Company's share premium and revenue reserve 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$139,000, which arose from the acquisition of a subsidiary, Del Monte Pacific Resources Limited, under common control in 1999.

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

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign entities.

17. 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.

Movements in deferred tax assets and liabilities of the Group during the year are as follows:

Group	At 1 January US$'000	Charged/ (credited) to profit or loss US$'000	Charged/ (credited) to other comprehensive income US$'000	Currency realignment US$'000	At 31 December US$'000
2010					
Deferred tax liabilities					
Revaluation of freehold land	1,479	27	-	62	1,568
Accelerated depreciation allowance	1,045	(486)	2	44	605
Financial derivative designated as hedging instrument	-	-	-	-	-
Growing crops	1,592	198	-	103	1,893
	4,116	(261)	2	209	4,066
Deferred tax assets					
Provisions	(1,940)	(1,624)	-	(178)	(3,742)
Foreign exchange differences	(258)	(363)	-	(29)	(650)
	(2,198)	(1,987)	-	(207)	(4,392)
Net deferred tax liabilities/(assets)	1,918	(2,248)	2	2	(326)

Group	At 1 January US$'000	Charged/ (credited) to profit or loss US$'000	Charged/ (credited) to other comprehensive income US$'000	Currency realignment US$'000	At 31 December US$'000
2009					
Deferred tax liabilities					
Revaluation of freehold land	1,441	-	-	38	1,479
Accelerated depreciation allowance	543	473	-	29	1,045
Financial derivative designated as hedging instrument	(265)	-	272	(7)	-
Growing crops	1,429	122	-	41	1,592
	3,148	595	272	101	4,116
Deferred tax assets					
Provisions	(1,398)	(491)	-	(51)	(1,940)
Foreign exchange differences	(56)	(194)	-	(8)	(258)
	(1,454)	(685)	-	(59)	(2,198)
Net deferred tax liabilities/(assets)	1,694	(90)	272	42	1,918

The total amount of potential income tax consequences that would arise from the payment of dividends to the shareholders of the Company, resulting from a withholding tax of 15% on the total revenue reserve as at 31 December 2010 of a subsidiary based in the Philippines, is approximately US$17,945,000 (2009: US$10,090,000). No provision has been made in respect of this potential income tax as it is the Company's intention to permanently reinvest these reserves in the Philippines and not to distribute them as dividends.

18. Financial liabilities

	Group 2010 US$'000	Group 2009 US$'000
Current liabilities		
Unsecured short-term borrowings	85,787	69,274
Obligations under finance leases	-	20
	85,787	69,294
Non-current liabilities		
Unsecured long-term borrowings	18,007	26,004
Other long-term lease payables	9	64
	18,016	26,068
	103,803	95,362

Unsecured short-term borrowings

The amounts are unsecured with weighted average effective interest rates of 1.1% to 5.0% (2009: 1.8% to 6.8%) per annum which reprice at intervals of 1 month.

Unsecured long-term borrowings

The amounts are unsecured with weighted average effective interest rates of 1.1% to 6.5% (2009: 1.1% to 6.5%) per annum which reprice at intervals of 1 to 3 months.

Terms and debt repayment schedule

The unsecured short-term loans of US$85,787,000 (2009: US$69,274,000) are mainly denominated in Philippine Peso, bear interest rates within a range of 1.10% to 3.20% (2009: 1.80% to 4.20%) and is repayable by January 2011.

Terms and conditions of outstanding long-term loans and borrowings are as follows:

Group	Currency	Nominal interest rate %	Year of maturity	2010 Face value US$'000	2010 Carrying amount US$'000	2009 Face value US$'000	2009 Carrying amount US$'000
Unsecured bank loan	PHP	3-Mos PDSTF + .95 / .95 (GRT)	2012	2,283	2,283	2,154	2,154
Unsecured bank loan	PHP	3-Mos PDSTF + 1 / .95 (GRT)	2012	4,566	4,566	4,308	4,308
Unsecured bank loan	PHP	3-Mos PDSTF + 1.5 / .95 (GRT)	2012	6,849	6,849	6,462	6,462
Unsecured bank loan	USD	3-Mos Libor + 0.7 / .9 (On-Shore Tax)	2013	4,309	4,309	4,699	4,699
Unsecured bank loan	USD	1-Mo Libor + 2.5% (net rate)	2014	-	-	8,381	8,381
				18,007	18,007	26,004	26,004

PDSTF – Philippine Dealing System Treasury Fixing Rate
GRT – Gross Receipt Tax

Financial derivatives

Financial derivatives comprise foreign exchange contracts used to hedge payments by the Group. The final foreign exchange contract expired in the current financial year.

The following are the expected contractual undiscounted cash outflows of financial liabilities and financial derivatives, including interest payments and excluding the impact of netting agreements:

Group	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-2 years US$'000	2-5 years US$'000
2010					
Non-derivative financial liabilities at amortised cost					
Finance lease liabilities	-	-	-	-	-
Unsecured bank loans					
- Short-term	85,787	85,965	85,965	-	-
- Long-term	18,007	18,776	471	18,305	-
Trade and other payables	70,091	70,091	70,091	-	-
	173,885	174,832	156,527	18,305	-
2009					
Non-derivative financial liabilities at amortised cost					
Finance lease liabilities	20	20	20	-	-
Unsecured bank loans					
- Short-term	69,274	69,419	69,419	-	-
- Long-term	26,004	29,212	1,028	14,703	13,481
Trade and other payables	56,499	56,499	56,499	-	-
	151,797	155,150	126,966	14,703	13,481

Fair values

Estimation of fair values

Derivatives

The fair value of foreign exchange contract is based on broker quotes at the balance sheet date. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each swap and using market interest rates for similar instruments at the measurement date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with a maturity of less than one year (including trade and other receivables, cash and cash equivalents, trade and other payables and short term borrowings) are assumed to approximate their fair values because of the short period to maturity.

19. Trade and other payables

	Group 2010 US$'000	Group 2009 US$'000	Company 2010 US$'000	Company 2009 US$'000
Trade payables	34,260	27,556	-	-
Accrued operating expenses	31,317	22,590	691	476
Accrued payroll expenses	3,167	4,242	-	-
Value-added tax payable	168	1,105	-	-
Withheld from employees (taxes and social security cost)	1,174	1,001	-	-
Other payables	5	5	5	5
Amounts due to subsidiaries (non-trade)	-	-	1,908	34,083
	70,091	56,499	2,604	34,564

The accrued payroll expenses of the Group includes retirement benefit obligations of US$2,845,000 (2009: US$1,712,000) (note 20).

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

20. Retirement benefit obligations

A subsidiary, DMPI, has a funded, non-contributory defined benefit retirement plan covering substantially all of its officers and regular full-time employees. The benefits are based on a percentage of latest monthly salary and credited years of service.

At 31 December, the amount recognised in the balance sheet is as follows:

	Group 2010 US$'000	Group 2009 US$'000
Present value of funded obligations	38,215	36,367
Fair value of plan assets	(29,423)	(27,055)
	8,792	9,312
Unrecognised past service costs	(2,237)	(2,360)
Unrecognised actuarial (loss)/gain	(3,710)	(5,240)
Net liability recorded under accrued payroll expenses (note 19)	2,845	1,712

Present value of funded obligations

	Group 2010 US$'000	Group 2009 US$'000
Liability at 1 January	36,367	32,891
Benefits paid by the plan	(3,893)	(3,006)
Current service costs and interests	5,550	4,806
Actuarial loss/(gain)	(1,979)	672
Currency realignment	2,170	1,004
Liability at 31 December	38,215	36,367

Fair value of plan assets

	Group 2010 US$'000	Group 2009 US$'000
Government bonds and foreign currencies	25,462	23,094
Property occupied by a lessee	3,931	3,931
Property occupied by the Group	30	30
	29,423	27,055

Movement in plan assets:

	Group 2010 US$'000	Group 2009 US$'000
Fair value of plan assets at 1 January	27,055	25,535
Contributions paid into the plan	2,302	2,044
Benefits paid by the plan	(3,893)	(3,006)
Expected return on plan assets	2,645	2,292
Actuarial loss	(306)	(479)
Currency realignment	1,620	669
Fair value of plan assets at 31 December	29,423	27,055

Expenses recognised in the profit or loss

	Group 2010 US$'000	Group 2009 US$'000
Current service cost	2,151	1,910
Interest cost	3,386	2,896
Expected return on plan assets	(2,645)	(2,292)
Amortisation for past service cost	263	241
Actuarial loss	170	57
Total pension expense	3,325	2,812
Recognised in:		
Cost of sales	2,294	1,917
Distribution and selling expenses	428	374
General and administrative expenses	603	521
	3,325	2,812

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. The Group expects to pay US$3,109,000 in contributions to the pension plan in 2011.

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 2010 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 31 December 2010.

The principal actuarial assumptions used for accounting purposes were:

	Group	
	2010	**2009**
Discount rate (per annum)	7%	7%
Expected return on plan assets (per annum)	9%	9%
Future salary increases (per annum)	6% - 7%	6%
Expected service life for the pension plan	10 years	10 years

Historical information

	2010 US$'000	2009 US$'000	2008 US$'000	2007 US$'000
Present value of the defined benefit obligation	38,215	36,367	32,891	43,647
Fair value of plan assets	29,423	27,055	25,535	31,527
Deficit in the plan	8,792	9,312	7,356	12,120
Experience adjustments arising on plan liabilities	(2,695)	651	(1,056)	2,053
Experience adjustments arising on plan assets	(306)	528	3,637	2,111

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, and 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.

21. Revenue

	Group		Company	
	2010 US$'000	**2009 US$'000**	**2010 US$'000**	**2009 US$'000**
Sale of goods	378,623	330,656	-	-
Dividend income received and receivable from subsidiaries	-	-	25,000	32,000
	378,623	330,656	25,000	32,000

Revenue of the Group comprises gross invoiced sales, 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.

22. Profit for the year

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

	Note	Group 2010 US$'000	Group 2009 US$'000	Company 2010 US$'000	Company 2009 US$'000
Allowance for inventory obsolescence	9	6,973	1,923	-	-
Allowance for doubtful receivables					
- trade	12	453	145		
Amortisation of intangible assets	7	570	572	-	-
Changes in fair value attributable to price changes of biological assets	10	(845)	469	-	-
Depreciation of property, plant and equipment	4	11,073	8,321	-	-
Loss/(gain) on disposal of property, plant and equipment		63	(291)	-	-
Impairment loss made/(reversed) on property, plant and equipment	4	1,062	(84)	-	-
Non-audit fees					
- payable to the auditors of the Company		7	22	-	-
- payable to other auditors		23	-	-	-
Operating lease rentals		7,015	5,489	-	-
Research and development expenditure		2,031	1,533	-	-
Staff costs					
Wages and salaries		54,528	46,038	1,938	1,662
Government grants – Jobs Credit Scheme, offset against staff costs		-	(30)	-	-
Social security costs		1,492	1,200	-	-
Pension costs – provident fund		500	436	-	-
Pension costs – defined benefit pension plan	20	3,325	2,812	-	-
Value of employee services received under share-based incentive plans		739	851	739	851
Production profit share		-	24	-	-
		60,584	51,331	2,677	2,513

23. Finance income/(expenses)

	Group	
	2010	**2009**
Recognised in profit or loss	**US$'000**	**US$'000**
Finance income		
Interest income from		
- bank deposits	403	531
- others	233	202
	636	733
Finance expenses		
Interest expenses on		
- bills payable	(3,311)	(4,525)
- factoring	(704)	(651)
- others	(455)	(398)
Foreign exchange losses	(682)	(673)
Realised loss on cash flow hedges	-	(853)
	(5,152)	(7,100)
Net finance expense	(4,516)	(6,367)

The above finance income and finance costs included in the following interest income and expenses in respect of assets/(liabilities) not at fair value through profit or loss:

	Group	
	2010	**2009**
Recognised in profit or loss	**US$'000**	**US$'000**
Total interest income on financial assets	636	733
Total interest expense on financial liabilities	(4,470)	(5,574)

Recognised in other comprehensive income

	Group	
	2010	**2009**
	US$'000	**US$'000**
Effective portion of changes in fair value of cash flow hedges	-	885
Foreign currency translation differences for foreign operations	10,834	5,462
Income tax on finance income and finance costs recognised in other comprehensive income	-	(266)

24. Income tax

The 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.

The Group

Group income tax has been calculated on the estimated assessable profit for the year at the rates prevailing in the respective foreign tax jurisdictions. Details of provision for Group foreign income tax are as follows:

	Group	
	2010	**2009**
	US$'000	**US$'000**
Current tax		
- current year	6,045	4,287
Deferred tax		
- current year	(2,062)	(90)
	3,983	4,197

Reconciliation of effective tax rate

Profit before income tax	19,168	15,528
Taxation on profit at weighted average of the applicable tax rates	3,957	4,185
Non-deductible expenses	26	12
	3,983	4,197

	Group	
	2010	**2009**
Standard tax rates		
- Philippines (non-PEZA)	30%	30%
- Philippines (PEZA)*	5%	5%
- India	33%	34%
- Singapore	17%	17%

* *based on gross profit for the year*

Income tax recognised in other comprehensive income

	Group					
	2010			2009		
	Before tax US$'000	**Tax expense US$'000**	**Net of tax US$'000**	**Before tax US$'000**	**Tax expense US$'000**	**Net of tax US$'000**
Effective portion of changes in fair value of cash flow hedges	-	-	-	885	(266)	619
Foreign currency translation differences for foreign operations	10,834	-	10,834	5,462	-	5,462
	10,834	-	10,834	6,347	(266)	6,081

On 22 November 2007, DMPI's core production operations in Cagayan de Oro City, Philippines were approved as a Philippine Packing Agricultural Export Processing Zone. This new zone has been established in accordance with the policies of the Philippine Economic Zone Authority ("PEZA"). With this approval, DMPI will enjoy certain fiscal and non-fiscal incentives including a 5% tax on gross profit in lieu of the current 30% (2009: 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 PEZA's requirements which include exporting 70% of its production. DMPI has received PEZA approval for a second zone, the Bukidnon Agro-Resources Export Zone, for agri-development projects. This zone was granted Presidential approval on 8 September 2008 and renewed on 23 December 2010.

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.

25. Earnings per share

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

	Group	
	2010	**2009**
Basic earnings per share is based on:		
Profit for the year (US$'000)	15,809	11,331
Ordinary shares in issue during the year ('000)	1,079,817	1,081,781
Basic earnings per share (in US dollar)	0.0146	0.0105

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 ESOP and Del Monte Pacific RSP, with the potential ordinary shares weighted for the period outstanding.

The effect of ESOP and Del Monte Pacific RSP on the weighted average number of ordinary shares in issue is as follows:

	Group 2010	Group 2009
Diluted earnings per share is based on:		
Profit for the year (US$'000)	15,809	11,331
Adjusted weighted average number of shares ('000):		
Ordinary shares used in the calculation of basic earnings per share	1,079,817	1,081,781
Potential ordinary shares issuable under share options	7,085	5,729
Weighted average number of ordinary issued and potential shares assuming full conversion	1,086,902	1,087,510
Diluted earnings per share (in US dollar)	0.0145	0.0104

26. Dividends

	Group and Company 2010 US$'000	Group and Company 2009 US$'000
Tax-exempt final dividend paid in respect of the previous financial year of 0.0016 US dollar (2009: 0.0176 US dollar)	1,731	19,039
Tax-exempt interim dividend paid in respect of the current financial year of NIL (2009: 0.0063 US dollar)	-	6,815
	1,731	25,854

Subsequent to the financial year, the directors declared a tax-exempt final dividend of 0.0110 US dollar per share (2009: 0.0016 US dollar per share), amounting to US$11,878,000 (2009: US$1,731,000) in respect of the financial year ended 31 December 2010. These dividends have not been provided for in these financial statements.

27. Operating segments

The Group has three reportable segments, as described below, which are the Group's strategic business units. The strategic business units is based on the geographical area in which the customers are located and the product variety. They are managed separately because they require different marketing strategies due to the differing demographics and demand requirements. For each of the strategic business units, the Group's Executive Committee (the chief operating decision maker) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's reportable segments:

- Asia Pacific – processed products. Includes manufacture and sale of tomato-based products, mixed fruits and pineapple solids in Asia Pacific.
- Asia Pacific – beverages. Includes manufacture and sale of juice drinks in Asia Pacific.
- Europe and North America – processed products. Includes manufacture and sale of pineapple concentrate in Europe and North America.

Other operations include the sale of cattle, the cultivation and sale of fresh pineapples and the manufacture and sale of processed products to various customers in other parts of the world. None of these segments meets any of the quantitative thresholds for determining reportable segments in 2010 or 2009.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before income tax, as included in the internal management reports that are reviwed by the Group's Executive Committee. Segment profit before income tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. The segment assets reviewed by the Group's Executive Committee relate to the trade receivables arising from the operations of the segment business.

Information about reportable segments

	Asia Pacific						Europe and North America		Others		Total	
	Processed products		Beverages		Total		Processed products					
	2010 US$'000	2009 US$'000	2010 US$'000	2009 US$'000	2010 US$'000	2009 US$'000	2010 US$'000	2009 US$'000	2010 US$'000	2009 US$'000	2010 US$'000	2009 US$'000
External revenues	153,025	125,992	94,582	93,776	247,607	219,768	83,791	75,563	47,225	35,325	378,623	330,656
Depreciation and amortisation	(3,422)	(2,201)	(3,015)	(1,417)	(6,437)	(3,618)	(5,001)	(3,660)	(205)	(1,615)	(11,643)	(8,893)
Reportable segment profit before income tax	22,566	18,049	1,958	5,215	24,524	23,264	1,725	265	4,069	2,246	30,318	25,775
Other material non-cash items:												
- Impairment on property, plant and equipment	547	(49)	515	(35)	1,062	(84)	-	-	-	-	1,062	(84)
- Allowance for inventory obsolescence	2,034	609	1,934	499	3,968	1,108	3,005	815	-	-	6,973	1,923
- Allowance for doubtful receivables	240	21	168	19	408	40	14	-	31	105	453	145
Reportable segment assets	21,196	1,049	14,154	194	35,350	1,243	22,849	4,478	4,398	4,746	62,597	10,467
Capital expenditure	(3,351)	(2,688)	(3,134)	(2,679)	(6,485)	(5,367)	(4,881)	(6,200)	(3,293)	(3,043)	(14,659)	(14,610)

Reconciliations of reportable segment revenues, profit or loss, assets and other material items

	Note	2010 US$'000	2009 US$'000
Revenue			
Total revenue for reportable segments/Consolidated revenue		378,623	330,656
Profit or loss			
Total profit or loss for reportable segments		30,318	25,775
Unallocated amounts: Other corporate expenses	23	(4,516)	(6,367)
Share of loss of joint venture	6	(6,634)	(3,880)
Consolidated profit before income tax		19,168	15,528
Assets			
Total assets for reportable segments		62,597	10,467
Investments in joint venture	6	33,495	30,204
Other unallocated amounts		302,532	312,231
Consolidated total assets		398,624	352,902

Other material items 2010

	Reportable segment totals	Adjustments	Consolidated totals
Allowance for inventory obsolescence	6,973	-	6,973
Allowance for doubtful receivables	453	-	453
Capital expenditure	14,659	-	14,659
Depreciation and amortisation	11,643	-	11,643
Impairment losses on property, plant and equipment and intangible assets	1,062	-	1,062
Operating lease rental	7,015	-	7,015

Other material items 2009

	Reportable segment totals	Adjustments	Consolidated totals
Allowance for inventory obsolescence	1,923	-	1,923
Allowance for doubtful receivables	145	-	145
Capital expenditure	14,610	-	14,610
Depreciation and amortisation	8,893	-	8,893
Impairment losses on property, plant and equipment and intangible assets reversed	(84)	-	(84)
Operating lease rental	5,489	-	5,489

Geographical information

The Group's segments are managed on a worldwide basis, but operate manufacturing facilities and sales offices primarily in Philippines, Singapore and India.

In presenting information on the basis of geographical segments, segment assets are based on the geographical location of the assets.

Non-current assets

	2010 US$'000	2009 US$'000
Philippines	76,939	69,537
Singapore	14,045	15,697
India	4,933	5,123
	95,917	90,357

Non-current assets presented consist of property, plant and equipment and intangible assets.

Major customer

Revenue from one customer of the Group's Europe and North America segment amounted to approximately US$61,582,000 (2009: US$50,446,000), representing 16% (2009: 16%) of the Group's total revenue.

28. Share option and incentive plans

The ESOP of the Company was approved and amended by its members at general meetings held on 30 July 1999 and 21 February 2002 respectively. No further options could be granted pursuant to the ESOP as it had expired on 24 July 2009. Any options granted by the Company prior to 24 July 2009 would continue to be valid for a period of 10 years from the date of the grant of options.

The Company's shareholders also approved the adoption of two share plans, Del Monte Pacific RSP and Del Monte Pacific PSP (collectively the "Share Plans"), at a general meeting held on 26 April 2005. The Share Plans seek to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees, and are currently targeted at executives in key positions, to excel in their performance.

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 7 March 2008, three employees of related companies were granted an aggregate of 1,725,000 share awards at the market price of S$0.615 per share.

On 20 May 2008, 1,611,000 shares were awarded at the market price of S$0.680 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 28 April 2008.

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of S$0.540 per share.

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 sbare 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 Remuneration and Share Option Committee ("RSOC") is responsible for administering the ESOP and the share plans.

Details of the outstanding options granted to the Company's directors and employees under the ESOP and Del Monte Pacific RSP on unissued ordinary shares of Del Monte Pacific Limited at the end of the year, are as follows:

ESOP

Date of grant of options	Exercise period	Exercise price S$	Options outstanding 2010	2009
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2011 40%: 7 March 2011 – 6 March 2018	0.627	1,550,000	1,550,000

Del Monte Pacific RSP

Date of grant of share awards	Vesting period	Market price on date of grant S$	Share awards granted
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2011 40%: 7 March 2011 onwards	0.615	1,725,000
20 May 2008	Up to 60%: 20 May 2010 – 19 May 2011 40%: 20 May 2011 onwards	0.680	1,611,000
12 May 2009	Up to 60%: 12 May 2011 – 11 May 2012 40%: 12 May 2012 onwards	0.540	3,749,000
			7,085,000

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 a 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 and assumptions

Date of grant of options	**7 March 2008**	**7 March 2008**	**20 May 2008**	**12 May 2009**
	ESOP	<—— *Del Monte Pacific RSP*		——>
Fair value at measurement date	US$0.12	US$0.44	US$0.50	US$0.37
Share price (Singapore dollars) at grant date	0.615	0.615	0.680	0.540
Exercise price (Singapore dollars)	0.627	-	-	-
Expected volatility	5.00%	5.00%	5.00%	2.00%
Time to maturity	8 years	1 year	1 year	2 years
Risk-free interest rate	3.31%	3.31%	3.31%	2.30%

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.

Sources of estimation uncertainty

The fair value of share options granted is estimated using the Black-Scholes Model, which requires the Group to estimate the expected volatility of the Company's shares and expected life of the share options. The Group assesses the estimates whenever there is an indication of a significant change in these conditions. An increase in the fair value of share options granted will increase share option expense and share option reserve.

29. Financial risk management

Financial risk management objectives and policies

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The Board continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Cash and interest rate risk

The Group's cash balances are placed with reputable global and major Philippine banks and financial institutions. The Group manages its interest income by placing the cash balances with varying maturities and interest rate terms. This includes investing the Company'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 short-term 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.

Sensitivity analysis

A 1% general increase in interest rates at the reporting date would increase / (decrease) profit or loss by the amounts shown below. There is no effect on equity. This analysis assumes that all other variables, in particular, foreign currency rates, remain constant.

	Group Profit or Loss	
	2010	**2009**
	US$'000	**US$'000**
Short-term deposits	55	172
Unsecured short-term and long-term borrowings	(1,038)	(953)
	(983)	(781)

A 1% general decrease in interest rates would have the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

Liquidity risk

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. Currently, the Group is entitled to a total of US$283 million in credit lines, of which only 36% is availed. The lines are mostly for short term financing requirements, with US$18 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.

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 US dollar.

The Company and its subsidiaries 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. It is not the Group's policy to take speculative positions in foreign currencies. The Group will optimise its natural hedge as much as possible.

At 31 December, the Group's exposure to US dollar is as follows:

	Group	
	2010	**2009**
	US$'000	**US$'000**
Trade and other receivables	411	692
Cash and cash equivalents	6,697	29,368
Financial liabilities	(51,808)	(41,780)
Trade and other payables	(5,764)	(2,469)
	(50,464)	(14,189)

Sensitivity analysis

A 10% strengthening of the subsidiaries' foreign currency against the US dollar at the reporting date would decrease profit or loss by US$5,046,000 (2009: US$1,419,000). This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% weakening of the subsidiaries' foreign currency against the US dollar would have the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant.

Credit risk

The Group sells its products through major distributors and buyers in various geographical regions. For the year ended 31 December 2010, the Group's major customers collectively accounted for 24% (2009: 24%) of its total revenue. 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.

The percentages of cash and bank balances held in the following regions are:

	Group	
	2010	**2009**
	%	**%**
Philippines	65	96
Hong Kong	28	4
Mauritius	7	-

Apart from the above, the Company and the Group have no significant concentration of credit risk with any single counterparty or group counterparties. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheets.

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.

The Group also purchases large volumes of papaya fruits for production and is significantly exposed to commodity price risk related to papaya. The Group ensures long-term supply of papaya at stable prices by executing papaya supply agreements with farmers. The Group also subsidises some of the farmers' costs related to papaya to ensure long-term relationships with them.

Risk related to agricultural activities

As an integrated producer of processed pineapple and mixed tropical fruit products for the world market, the Group's earnings are inevitably subjected to certain risk factors, which include general economic and business conditions, change in business strategy or development plans, weather conditions, crop yields, raw material costs and availability, competition, market acceptance of new products, industry trends, and changes in government regulations, including, without limitation, environmental regulations.

The Group is exposed to financial risks arising from changes in cost and volume of fruits harvested from the growing crops which are influenced by natural phenomena such as weather patterns and volume of rainfall. The level of harvest is also affected by field performance and market changes. The cost of growing crops is also exposed to the change in cost and supply of agricultural supplies and labour which are determined by constantly changing market forces of supply and demand.

The Group is subject to risk relating to its ability to maintain the physical condition of its fruit crops. Plant diseases could adversely impact production and consumer confidence.

The Group is subject to risks affecting the food industry generally, including risks posed by food spoilage and contamination. Specifically, the production of canned pineapple and other food related products is regulated by environmental, health and food safety organisations and regulatory bodies from local and international markets. These authorities conduct operational audits to assess the Group's compliance with food processing standards. The Group has put into place systems to monitor food safety risks throughout all stages of manufacturing and processing to mitigate these risks. Despite the precaution taken by the Group, the authorities and food safety organisations may impose additional regulatory requirements that may require significant capital investment at notice.

International business risk

The Group's overall earnings from its trading activities with international customers are primarily affected by movements in the worldwide consumption, demand and prices of its products. However, the demand and supply risk associated with the Group's international business is minimised by the nature of its long-term supply agreements, three of which are with various Del Monte brand owners around the world. These contracts have various mechanisms with regard to pricing and volume off-take that help limit the downside risk of the Group's international business.

In several of these contracts, there are provisions which enable the Group to limit its downside risk by adjusting pricing based on changes in its costs. In other instances, the Group has the right of first refusal to supply additional quantities at prices no worse than those from alternative sources.

The Group's exposure to the operational risks is managed through the following processes, among others:

- Development and execution of a realistic long-term strategic plan and annual operating plan;
- Securing long-term land leases with staggered maturity terms;
- Increasing production and packaging capacity;
- Pursuit of productivity-enhancing and efficiency-generating work practices and capital projects;
- Focus on consumption-driven marketing strategies;
- Continuous introduction of new products and line extensions with emphasis on innovation, quality, competitiveness and consumer appeal;
- Increased penetration of high-growth distribution channels;
- Building on closer working relationships with business partners; and
- Close monitoring of changes in legislation and government regulations affecting the Group's business.

30. Commitments

Operating lease commitments

Based on the existing agreements, the future minimum rental commitments as at 31 December for all non-cancellable long-term leases of real property, offices and equipment and grower agreements (including the estimated rental on lands previously owned by NDC and submitted for land distribution in compliance with the CARL) are as follows:

	Group	
	2010	**2009**
	US$'000	**US$'000**
Within one year	3,869	3,517
Between one to five years	32,778	31,792
More than five years	28,194	25,953
	64,841	61,262

Included in the above are commitments denominated in Philippine Peso of PHP2,778 million, equivalent to US$63,427,000 (2009: PHP2,791 million, equivalent to US$60,124,000).

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.

Future capital expenditure

	Group	
	2010	2009
	US$'000	US$'000
Capital expenditure not provided for in the financial statements		
- approved by directors and contracted for	2,593	3,431
- approved by directors but not contracted for	17,429	17,501
	20,022	20,932

Supply contracts

The Group currently has international supply contracts with marketing and distributing entities, which have exclusive rights to the Del Monte trademarks in their respective territories or product categories. The Group has such agreements in respect of processed foods with Del Monte Corporation in North America (except Canada), Central America and the Caribbean, Del Monte Fresh Produce International Inc (which was terminated effective 31 May 2010) in Europe, Africa and most of Middle East, and Del Monte Asia Pte Ltd (the current contract with which became effective 19 March 2007) in Asia Pacific (except the Philippines, the Indian subcontinent, Myanmar and Japan). The Group also has a supply contract with Del Monte Fresh Produce International Inc for the sale of fresh pineapples worldwide. The supply contract with Kikkoman Corp. for Japan terminated effective 30 June 2008.

These supply contracts are generally terminable by prior written notice with periods ranging between 18 to 36 months (from certain pre-agreed dates onwards). One of the contracts has an expiry date, subject to an option to renew the agreement. Pricing of the products under the supply contracts is generally market driven, less certain allowances. In several of these contracts, there are provisions which enable the Group to limit its downside risk by adjusting pricing based on changes in its costs.

31. Contingencies

As at 31 December 2010, the Group has outstanding contingent liabilities in respect of lawsuits, tax assessments and certain matters arising out of the normal course of business.

In April 2008, Fresh Del Monte Produce Inc. ("FDM") filed a complaint against the Company for an alleged breach of contract and claiming damages of US$100 million. FDM alleged that the Company had sold Del Monte processed products into FDM territory.

In February 2010, the Court dismissed FDM's claim for punitive damages and its cause of action relating to the shipment of pineapple juice concentrate to the Netherlands, which shipment was actually covered by the parties' previous settlement. However, the Court did not dismiss FDM's cause of action relating to a questioned parallel shipment by a third party to Italy for being premature. The Company may ask the Court to dismiss FDM's cause of action again after discovery proceedings.

In October 2009, FDM commenced another action against the Company for the alleged breach of contract on account of the Company's sales to third parties of mill juice and issuance of a price quote for water white fruit syrup. The new complaint seeks a claim of US$100 million in damages. As the products in question fall outside the scope of the contract, the Group believes that the claims are without merit.

The Company will contest these claims vigorously without prejudice to actions it may take against FDM. The Company is also confident that it will prevail in these cases.

Management believes that the resolution of the above contingencies will not have a material effect on the results of operations or the financial position of the Group.

32. Related parties

Related party transactions

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

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

	Group		Company	
	2010	2009	2010	2009
	US$'000	US$'000	US$'000	US$'000
Income				
Sales to Southeast Asia Food Inc	1	-	-	-
Expenses				
Management fees to a subsidiary, DMS	-	-	552	458
Purchases from Southeast Asia Food Inc	13	-	-	-
Management fees from DMPI Retirement Fund	(3)	(19)	-	-
Rental paid to DMPI Retirement Fund	-	8	-	-
Rental paid to DMPI Provident Fund	20	165	-	-
	30	154	552	458

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 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 the authority and responsibility for planning, directing and controlling the activities of the entity. The directors of the Company are considered as key management personnel of the Group.

The key management personnel compensation is as follows:

	Group		Company	
	2010	**2009**	**2010**	**2009**
	US$'000	**US$'000**	**US$'000**	**US$'000**
Directors:				
Fees and remuneration	2,725	2,592	1,870	1,704
Share-based payments	96	221	96	221
Key executive officers (excluding directors):				
Short-term employee benefits	1,907	1,900	-	-
Post-employment benefits	200	181	-	-
Share-based payments	643	630	643	630

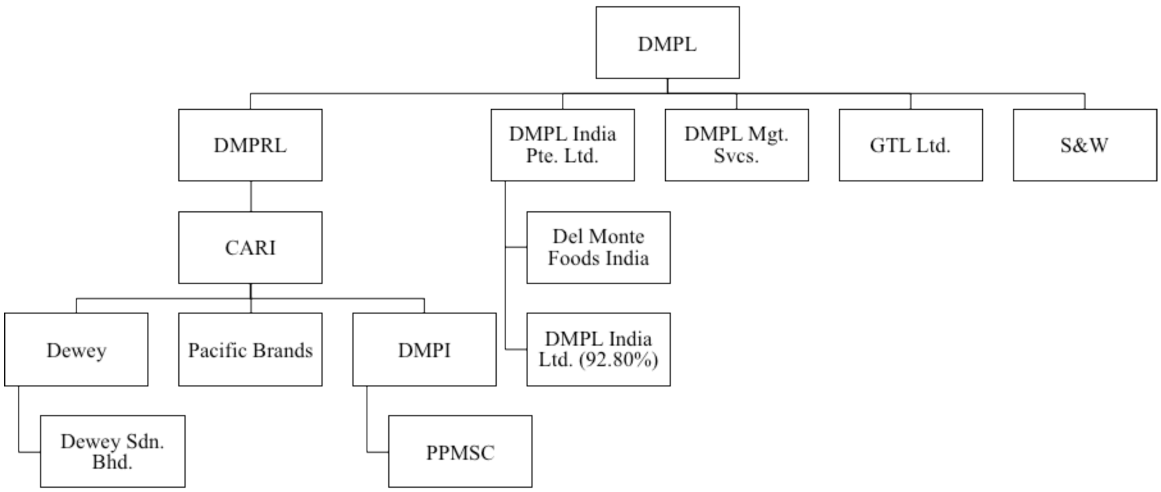
Certain management personnel of the Group are entitled to post-employment benefits as defined under a subsidiary's defined benefit plan. The benefits are based on a percentage of latest monthly salary and credited years of service (note 20).

RECONCILIATION OF RETAINED EARNINGS

	in million US dollars	2010	2011	2012
A	**Unappropriated DMPL Retained Earnings, beginning**	**162.4**	**176.5**	**187.1**
	Adjustments			
B	**Net Income for the year (face of AFS)**	**15.8**	**27.4**	**32.1**
	Less: Non Actual / Unrealized Losses			
	Equity in Net Income (Loss) associate/joint venture	(6.0)	(9.7)	(5.6)
	Unrealized Forex gain (loss)	(2.6)	(1.3)	(0.5)
	Fair value adjustment of agricultural produce harvested	8.4	6.0	7.2
	Add: Non Actual Losses			
	Depreciation on Revaluation Increment	-	-	-
	Adjustment due from PFRS/GAAP	-	-	-
	Net Income Realized	15.6	22.4	33.2
A+B	**Unappropriated DMPL Retained Earnings, Ending before Dividends**	**178.2**	**203.9**	**219.2**
C	Dividends	-1.7	-16.8	-23.4
A+B+C	**Unappropriated DMPL Retained Earnings, Ending after Dividends**	**176.5**	**187.1**	**195.8**

MAP OF DEL MONTE PACIFIC LIMITED GROUP

The chart below sets out the corporate structure of Del Monte Pacific Limited. Unless otherwise indicated, each subsidiary in the structure is wholly-owned by its parent.



The details of the Company's subsidiaries are set out below.

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 2012	2011	2010
Held by the Company					
Del Monte Pacific Resources Limited ("**DMPRL**")	Investment holding	British Virgin Islands	100.00	100.00	100.00
DMPL India Pte. Ltd.	Investment holding	Singapore	100.00	100.00	100.00
DMPL Management Services Pte. Ltd. ("**DMPL Mgt. Svcs.**")	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00	100.00
GTL Limited ("**GTL Ltd**.")	Trading food products mainly under the brand names, *Del Monte* and buyer's own labels	Federal Territory of Labuan, Malaysia	100.00	100.00	100.00
S&W Fine Foods International Limited ("**S&W**")	Owner of the *S&W* trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa. Sale and distribution of food products under *S&W*.	British Virgin Islands	100.00	100.00	100.00

Held by Del Monte Pacific Resources Limited					
Central American Resources, Inc. ("**CARI**")	Investment holding	Panama	100.00	100.00	100.00
Held by Central American Resources, Inc.					
Del Monte Philippines, Inc. ("**DMPI**")	Growing, processing and distribution of food products mainly under the brand name *Del Monte*	Philippines	100.00	100.00	100.00
Dewey Limited ("**Dewey**")	Owner of trademarks in various countries; investment holding	Bermuda	100.00	100.00	100.00
Pacific Brands Philippines, Inc. ("**Pacific Brands**")	Inactive	State of Delaware, USA	100.00	100.00	100.00
Held by DMPL India Pte. Ltd.					
Del Monte Foods India Private Limited ("**Del Monte Foods India**")	Manufacturing, processing and distributing food, beverages and other related products	Mumbai, India	100.00	100.00	100.00
DMPL India Limited ("**DMPL India Ltd.**"	Investment holding	Mauritius	92.80	92.00	92.00
Held by Del Monte Philippines, Inc.					
Philippines Packing Management Services Corporation ("**PPMSC**")	Management, logistics and support services	Philippines	100.00	100.00	100.00
Held by Dewey Limited					
Dewey Sdn. Bhd.	Owner of the *Del Monte* and *Today's* trademarks in the Philippines	Malaysia	100.00	100.00	100.00

Del Monte Worldwide

History

- Del Monte brand originated in 1892 in California
- In the 1990 LBO days, private equity firm KKR broke up the Del Monte brand, resulting in a number of unaffiliated Del Monte entities having perpetual rights to the brand in their respective markets and product categories
- In December 2005, NutriaAsia Pacific invested in DMPL and held 85% of the company after a General Offer in January 2006

Map

Processed food brand ownership map

For fresh produce, Fresh Del Monte owns the Del Monte brand rights globally

SCHEDULES SHOWING FINANCIAL SOUNDNESS INDICATORS

in million US dollars	2010	2011	2012
Current Ratio	1.6	1.5	1.5
Net Debt -to-Equity Ratio	39.0	38.9	45.8
Net Debt -to-Asset Ratio	21.7	21.0	23.4
Asset-to Equity Ratio	1.8	1.9	2.0

ACCOUNTING STANDARDS

PFRS	Title	
PFRS 1	First-time Adoption of Philippine Financial Reporting Standards	Adopted
PFRS 2	Share-based Payment	Adopted
PFRS 3	Business Combinations	Adopted
PFRS 4	Insurance Contracts	Not Applicable
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
PFRS 6	Exploration for and Evaluation of Mineral Resources	Not Applicable
PFRS 7	Financial Instruments: Disclosures	Adopted
PFRS 8	Operating Segments	Adopted
PAS	**Title**	
PAS 1	Presentation of Financial Statements	Adopted
PAS 2	Inventories	Adopted
PAS 7	Cash Flow Statements[1]	Adopted
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Adopted
PAS 10	Events after the Balance Sheet Date	Adopted
PAS 11	Construction Contracts	Adopted
PAS 12	Income Taxes	Adopted
PAS 16	Property, Plant and Equipment	Adopted
PAS 17	Leases	Adopted
PAS 18	Revenue	Adopted
PAS 19	Employee Benefits	Adopted
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Adopted
PAS 21	The Effects of Changes in Foreign Exchange Rates	Adopted
PAS 23	Borrowing Costs	Adopted
PAS 24	Related Party Disclosures	Adopted
PAS 26	Accounting and Reporting by Retirement Benefit Plans	Adopted
PAS 27	Consolidated and Separate Financial Statements	Adopted
PAS 28	Investments in Associates	Adopted
PAS 29	Financial Reporting in Hyperinflationary Economies	Not Applicable
PAS 31	Interests in Joint Ventures	Adopted
PAS 32	Financial Instruments: Disclosure and Presentation	Adopted
PAS 33	Earnings per Share	Adopted
PAS 34	Interim Financial Reporting	Adopted
PAS 36	Impairment of Assets	Adopted

PAS 37	Provisions, Contingent Liabilities and Contingent Assets	Adopted
PAS 38	Intangible Assets	Adopted
PAS 39	Financial Instruments: Recognition and Measurement	Adopted
PAS 40	Investment Property	Adopted
PAS 41	Agriculture	Adopted

Share Transfer Process: From Singapore to the Philippines

A Singapore-based owner (the "Shareholder") of Del Monte Pacific Limited (the "Company "), whose shares in the capital of the Company ("Shares") are lodged with the Central Depository Limited ("CDP") and traded on the Singapore Exchange Securities Trading Limited("SGX-ST"), who wishes to lodge the Shares with the Philippine Depository & Trust Corp ("PDTC") and trade on the Philippine Stock Exchange ("PSE") must submit various items to the three relevant parties below.

Central Depository Limited of Singapore ("CDP")

To withdraw the Shares from the CDP, the Shareholder must submit to CDP:

- A Withdrawal of Securities Form[1] (CDP Form 3.1 with accompanying Transfer Deed);
- A certificate of stamp duty (where applicable); and
- Withdrawal Fee as prescribed by CDP from time to time.

Singapore Share Transfer Agent ("Boardroom")

To remove the Shares from the BVI, the Share Register, Shareholder must submit to the Singapore Share Transfer Agent ("Boardroom"):

- Three (3) duly filled out copies of the Singapore Removal Request Form[2]; and
- The removal and transfer fees as prescribed by Boardroom and BDO from time to time.

Boardroom and BDO will wait for confirmation from CDP that Shares have been withdrawn.

After processing, CDP will notify Boardroom that the Shares have been withdrawn.

Philippine Share Transfer Agent ("BDO")

Boardroom will notify BDO of the removal of Shares from the BVI Share register.
Broker to complete the Singapore removal form and deliver the same to BDO
BDO will proceed to register Shares in the Philippine Branch Share Registry.

If the Shareholder has no designated broker, he or she may be issued a physical share certificate.

Philippine PDTC Participant ("Broker")

To lodge the Shares in the PDTC system for trading on the PSE, the Shareholder must notify his designated PDTC participant ("Broker") by submitting:

- One (1) duly filled out copy of the Singapore Removal Request Form[2]; and
- Lodgment Request Form
- Fees as prescribed by the Broker from time to time.

Philippine Depository & Trust Corp ("PDTC")

Broker will submit a lodgment request to PDTC, which will then wait for confirmation from BDO that Shares have been registered in the Philippine Branch Share Register.

SHARES CAN NOW BE TRADED ON PSE

Notes

Source of forms:
[1] CDP
[2] Boardroom

Share Transfer Process: From Philippines to Singapore

An investor whose Shares are traded on the PSE wishes to trade his Shares on the SGX-ST, he must effect a removal of his Shares from the Philippine Branch Share Register to the BVI Share Register, and deposit such Shares into the CDP.

Philippine PDTC Participant ("Broker")

If the investor's Shares have been deposited into the PDTC System, the investor must first withdraw such shares from the account of his designated PDTC Participant and submit:

- Three (3) copies of the Philippine Removal Request Form to BDO.
- One (1) copy of the Philippine Removal Request Form to Broker
- Fees as prescribed to Broker from time to time

Philippine Depository & Trust Corp ("PDTC")

Broker will submit a upliftment request to PDTC, which will then wait for confirmation from BDO that Shares have been uplifted in the Philippine Branch Share Register.

After processing, PDTC will inform BDO that Shares have been uplifted.

Philippine Branch Share Registrar ("BDO")

If an investor's Shares are registered in the investors' name, the Shareholder must submit the following to the Philippine Branch Share Registrar ("BDO"):

- Three (3) copies of the Philippine Removal Request Form [1];
- Share certificates;
- Bank draft for the amount as prescribed by the Singapore Share Transfer Agent & Philippine Branch Share Registrar

BDO shall notify Boardroom of the removal from the Philippine Branch Share Register.
Boardroom shall liaise with the BVI Share Registrar to arrange for the update of the BVI Share Register.
Broker completes the Philippine Removal Request Form and delivers the same to BDO

Singapore Share Transfer Agent ("Boardroom")

If the investor requires the Singapore Share Transfer Agent to assist in depositing the Share certificate(s) into the CDP:

- Form of Transfer and Delivery Instruction as provided on the Philippine Removal Request Form [1]; and
- Bank draft for the amount as prescribed by the CDP from time to time

Singapore Share Transfer Agent shall issue the relevant Share certificate(s) in the name of the CDP and arrange to deposit the same with the CDP.

Central Depository Pte of Singapore ("CDP")

CDP shall credit the specified number of Shares into the investor's securities account with the CDP

SHARES CAN NOW BE TRADED ON SGX

Notes

Source of forms:

[1] BDO