108132018004065

SECURITIES AND EXCHANGE COMMISSION

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S.E.C. Registration Number

DEL MONTE PACIFIC LIMITED

(Company's Full Name)

c/o JY Campos Centre
9Th Avenue corner 30th Street
Bonifacio Global City
Taguig City

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

Antonio E.S. Ungson

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Company Telephone Number

Month *Day*

SEC Form

17-A

FORM TYPE

Month *Day*

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

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

1. For the fiscal year ended **30 April 2018**

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

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

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

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

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

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

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

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Ordinary Shares	**1,943,960,024**
Preference Shares	**30,000,000**

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

    Yes [✓] No [ ]

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

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

12. Check whether the issuer:

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

    Yes [✓] No [ ]

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

    Yes [✓] No [ ]

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

The aggregate market value of the voting stock held by non-affiliates is US$73,458,000.

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

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

Not Applicable

DOCUMENTS INCORPORATED BY REFERENCE

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

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

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

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

SIGNATURES

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

By:

Joselito D. Campos, Jr. Chief Executive Officer	**Parag Sachdeva** Chief Financial Officer
Luis F. Alejandro Chief Operating Officer	**Antonio E. S. Ungson** Company Secretary

SUBSCRIBED AND SWORN to before me this AUG 13 2018 affiant(s) exhibiting to me his/their Residence Certificates, as follows:

NAMES	PASSPORT NO.	DATE/PLACE OF ISSUE
Joselito D. Campos, Jr.	PO033661A	24 Aug 2016 / DFA-Manila
Luis F. Alejandro	EC2973152	13 Dec 2014 / DFA-Manila
Parag Sachdeva	Z4816522	16 May 2018 / Manila
Antonio E. S. Ungson	EC3335333	2 Feb 2015 / DFA - NCR East

ATTY. VIRGILIO R. BATALLA
NOTARY PUBLIC FOR MAKATI CITY
APPOINTMENT NO. M-88
UNTIL DECEMBER 31, 2018 - ROLL OF ATTY. NO. 48348
MCLE COMPLIANCE NO. V-0026676/4-11-2018
IBP O.R No.706762-LIFETIME MEMBER JAN. 29, 2007
PTR No. 6607619- JAN 03, 2018- MAKATI CITY
EXECUTIVE BLDG. CENTER MAKATI AVE., COR. JUPITER

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Series of 2018.

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Part I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

Overview

Del Monte Pacific Limited (the "**Company**" or "**DMPL**") was incorporated as an international business company in the British Virgin Islands on 27 May 1999 under the International Business Companies Act (Cap. 291) of the British Virgin Islands. It was automatically re-registered as a company on 1 January 2007 when the International Business Companies Act was repealed and replaced by the Business Companies Act 2004 of the British Virgin Islands. Its registered office of the Company is located at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

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

The principal activity of the Company is that of investment holding. Its operating subsidiaries are principally engaged in growing, processing and selling canned and fresh pineapples, pineapple juice concentrate, tropical mixed fruit, canned peaches and pears, canned vegetables, tomato-based products, broth and certain other food and beverage products mainly under the brand names of *"Del Monte", "S&W"*, *"Today's"*, *"Contadina*", *"College Inn"* and other brands. The Company's subsidiaries also produce and distribute private label food products.

Subsidiaries

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

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2018 %	30 April 2017 %
Held by the Company				
Del Monte Pacific Resources Limited ("DMPRL") [6]	Investment holding	British Virgin Islands	100.00	100.00
DMPL India Pte Ltd ("DMPLI") [2]	Investment holding	Singapore	100.00	100.00
DMPL Management Services Pte Ltd [2]	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00
GTL Limited [6]	Trading food products mainly under the brand names: "Del Monte" and buyer's own label	Federal Territory of Labuan, Malaysia	100.00	100.00

S&W Fine Foods International Limited ("S&W") [6]	Selling processed and fresh food products under the "S&W" trademark; Owner of the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa	British Virgin Islands	100.00	100.00
DMPL Foods Limited ("DMPLFL") [7]	Investment holding	British Virgin Islands	89.43	89.43
Held by DMPRL				
Central American Resources, Inc. ("CARI")[6]	Investment holding	Panama	100.00	100.00
Held by CARI				
Del Monte Philippines, Inc ("DMPI") [1]	Growing, processing and distribution of food products mainly under the brand name "Del Monte"	Philippines	100.00	100.00
Dewey Limited ("Dewey") [7]	Mainly investment holding	Bermuda	100.00	100.00
Pacific Brands Philippines, Inc [1]	Inactive	State of Delaware, U.S.A.	100.00	100.00
South Bukidnon Fresh Trading Inc ("SBFTI") [1]	Production, packing, sale and export of food products	Philippines	100.00	100.00
Held by DMPI				
Philippines Packing Management Services Corporation [1]	Management, logistics and support services	Philippines	100.00	100.00
Del Monte Txanton Distribution Inc ("DMTDI") [b] [1]	Trading, selling and distributing food, beverages and other related products	Philippines	40.00	40.00
Held by Dewey				
Dewey Sdn. Bhd. [3]	Owner of various trademarks	Malaysia	100.00	100.00
Held by DMPLI				
Del Monte Foods India Private Limited ("DMFIPL") [a] [4]	Manufacturing, processing and distributing food, beverages and other related products	Mumbai, India	–	100.00
DMPL India Limited [4]	Investment holding	Mauritius	94.94	94.94

Held by S&W				
S&W Japan Limited [7]	Support and marketing services for S&W	Japan	100.00	100.00
Held by DMPLFL				
Del Monte Foods Holdings Limited (“**DMFHL**”) [1]	Investment holding	British Virgin Islands	89.43	89.43
Held by DMFHL				
Del Monte Foods Holdings II, Inc. (“**DMFHII**”) [5]	Investment holding	State of Delaware, U.S.A.	89.43	–
Held by DMFHII				
Del Monte Foods Holdings Inc. (“DMFHI”) [5]	Investment holding	State of Delaware, U.S.A.	89.43	89.43
Held by DMFHI				
Del Monte Foods, Inc. (“DMFI”) [5]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A	89.43	89.43
Held by DMFI				
Sager Creek Foods, Inc. (formerly Vegetable Acquisition Corp.) [5]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A.	89.43	89.43
Del Monte Andina C.A. [8]	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	–	–
Del Monte Colombiana S.A. [3]	Manufacturing, processing and distributing food, beverages and other related products	Colombia	73.31	73.31
Industrias Citricolas de Montemorelos, S.A. de C.V. (ICMOSA) [3]	Manufacturing, processing and distributing food, beverages and other related products	Mexico	89.43	89.43
Del Monte Peru S.A.C. [7]	Distribution of food, beverages and other related products	Peru	89.43	89.43
Del Monte Ecuador DME C.A. [7]	Distribution of food, beverages and other related products	Ecuador	89.43	89.43
Hi-Continental Corp. [7]	Lessee of real property	State of California, U.S.A.	89.43	89.43

College Inn Foods [7]	Inactive	State of California, U.S.A.	89.43	89.43
Contadina Foods, Inc. [7]	Inactive	State of Delaware, U.S.A.	89.43	89.43
S&W Fine Foods, Inc. [7]	Inactive	State of Delaware, U.S.A.	89.43	89.43
Del Monte Ventures, LLC ("DM Ventures") [c]	Investment holding	State of Delaware, U.S.A.	89.43	–
Held by DM Ventures				
Del Monte Avo, LLC [c]	Development, production, marketing, sale and distribution of UHP avocado products	State of Delaware, U.S.A.	51.00	–
Del Monte Chilled Fruit Snacks, LLC [c]	Development, production, marketing, sale and distribution of processed refrigerated fruit products	State of Delaware, U.S.A.	51.00	–
Held by Del Monte Andina C.A.				
Del Monte Argentina S.A. [8]	Inactive	Argentina	–	–

(a)
(a) 0.1% held by DMPRL. DMFIPL had been dissolved effective 23 June 2017.
(b) DMTDI is consolidated as the Group has de facto control over the entity. Management believes that the Group has control over DTMTDI since it is exposed, or has rights, to variable returns and has the ability to affect those returns through its power over DMTDI.
(c) In connection with the 27 June 2017 Settlement Agreement which resulted to the dismissal of the license dispute filed with the U.S. District Court for the Southern District of New York in December 2013, DMFI and Fresh Del Monte (FDP) entered into four joint venture agreements. To effect these joint ventures, the Group incorporated its subsidiary, Del Monte Ventures, LLC on 21 June 2017 which acquired interests in four joint venture entities which were all incorporated in the state of Delaware, USA. These joint ventures will pursue sales of expanded refrigerated offerings across all distribution and sales channels, and will establish a new retail food and beverage concept. These joint ventures will initially focus on the U.S. market, with the potential for expansion into other territories. These joint venture entities are in their pre-operating stages and have no material assets or liabilities as of 30 April 2018.
[1] Audited by SyCip Gorres Velayo & Co. ("SGV").
[2] Audited by Ernst and Young LLP ("EY") Singapore.
[3] Audited by Ernst & Young member firms in the respective countries.
[4] Audited by other certified public accountants. Subsidiary is not significant under rule 718 of the SGX-ST Listing Manual.
[5] Not required to be audited in the country of incorporation. Audited by SGV for the purpose of group reporting.
[6] Not required to be audited in the country of incorporation. Audited by Ernst and Young LLP, Singapore for the purpose of group reporting.
[7] Not required to be audited in the country of incorporation.
[8] Not required to be audited in the country of incorporation. The Venezuelan entity was deconsolidated in 2015.

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

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

Risk Factors relating to the Business

Enterprise-Risk Management Programme

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

Risk management is a regular board agenda item.

Principal risk	Specific risk we face	Mitigation
Strategic Plan and Innovation	The Group's branded business in the USA, the Philippines and the Indian subcontinent through the Del Monte brand, and in Asia and the Middle East through the S&W brand, is affected by evolving consumer preferences and trends towards fresh and increased shopping in perimeter of the store, convenient products, competition and consumer perception. Product innovation is one of the Group's strategic pillars. The success of new product launches is key to the attainment of the Group's strategic plan. Supply chain support and marketing plans are critical capabilities for new products to succeed and be profitable.	• Ensure new product launches and platform criteria are met to improve likelihood of new product success and breakthrough by implementing the following measures: − Increase resources on innovation − Extend our portfolio into attractive, growing and profitable adjacencies − Prioritise effective execution and project management to improve profitability and cash flow • Differentiate new products from existing categories, ensure high quality standard and appealing product design • Leverage our brand heritage for growth and position new products that address consumer needs and preferences • Compete effectively in existing and adjacent categories at a price consumers are willing to pay; penetrate new channels • Develop communication materials to highlight the product benefits and monitor competitors'responses; create the demand for these new products
Branded and Non-Branded Business	The Group's core categories in the US – Canned Vegetables, Canned Fruits and Canned Tomato – are large categories that generate strong cash flows but are slowing down. Certain non-branded business of the Group (including USDA and certain private label) requires a competitive bidding process which is speculative and	• Increase funding on product and packaging innovation, extend our portfolio in attractive adjacencies and expand distribution reach and penetration into new channels • Shift to branded, value-added and packaged products, limit private label business to select strategic customers and narrow the USDA business over time to limit potential future volatility • Leverage the Group's joint venture with Fresh Del Monte Produce, Inc. through collaboration on

Principal risk	Specific risk we face	Mitigation
	volatile. The profitability of such bids is a challenge.	new product innovations such as chilled juices, fruit snacks and avocado products • Focus resources to grow the core business market share by reinforcing consumption-driven marketing communication strategies
Trade Spending	In the US, a large portion of sales expense is for trade promotion activities. Management of trade promotion activity is important.	• Assess efficiency of trade spending to adjust and optimise promotion strategies • Explore various programmes and tools to better manage and rely less on trade promotion • Channel funds to marketing, product investment and innovation
Supply Chain Optimisation	The Group's success with planned new products relies on the capabilities of its supply chain. New platforms necessitate changes in the Group's business model. The use of co-manufacturers will hasten the speed at which the Group develops new products. Food safety and compliance with the Food Safety Modernization Act impact brands, customer relationship and profitability.	• Executed the sale of the Sager Creek business and the shutdown of the Arkansas plant and the Plymouth plant in FY2018 • Rationalise the Group's manufacturing and distribution footprint • Implement a robust transformation programme that instills ownership and accountability across the supply chain to deliver the plans • Institute a robust co-manufacturer evaluation system for product and process qualification, monitor quality audit results and swiftly implement corrective actions
Financial Leverage and Capital Structure	The Group has long-term acquisition financing resulting in a leveraged balance sheet. Risks would arise if there is a general economic or industry slowdown that may impact the Group's performance, which subsequently may affect the Group's ability to service its interest and principal obligations.	• The Group successfully completed the offering and listing of about US$300 million Preference Shares in the Philippines in April and December 2017, with a coupon rate of 6.625% p.a. and 6.5% p.a., respectively • Net proceeds were used to partly refinance the US$350 million loan which was extended until February 2019 • The remaining balance of US$54 million of Preference Shares is issuable within 2 years • DMPL purchased US$125 million of Second Lien Term Loans (as of April 2018) at a 30% discount in the secondary market providing the Group with significant interest and principal savings • The Group also expects to meet its financial obligation by generating more cash flows through the following: − Improved cash flows in the US which accounts for approximately 75% of Group sales − Expected cost savings from selling, general and administrative expense reduction initiatives, managing working capital, production levels, productivity enhancements and operational efficiencies − Expected sales and profit growth in the Asian business with the continuous expansion of the ***S&W*** brand in Asia and the Middle East both in

Principal risk	Specific risk we face	Mitigation
		packaged and fresh products and growth of the Philippine business through its market leadership position • The Group manages its interest rate risk by swapping variables with fixed interest rates −wapping variables with fixed interest ratesynt the USA have already been swapped to fixed rates in February 2014, which took effect beginning February 2016 until 2021
Working Capital Management	There is excess inventory due to challenges in demand planning, crop tonnage, sales forecast and order fulfillment.	• Improve demand planning and adjust production plan to manage inventories and reduce wastage and obsolescence • Conduct better oversight and monitoring of inventories using warehouse management system • Execute the Group's strategic plans to improve cash flow and profitability by strengthening the core business and introducing new product innovations and streamline operations
Tax	In the Philippines, the government passed a new regulation, Tax Reform for Acceleration and Inclusion (TRAIN), which applies a tax on beverages with added sugar, petroleum products and coal, among others, which impact the cost of operation. Sixty percent of the Group's beverage products, namely 100% fruit and vegetable juices, are not subject to this tax. The Group may lose certain tax incentives should it fail to comply with the conditions for the tax incentive. The Group may be exposed to additional losses from write-offs of deferred tax credits should the operations in the US continue to incur losses.	• Implement plans to reduce the impact of the sugar tax by spreading the price adjustment across categories in order to temper the beverage price adjustment and protect consumption and volume • Optimise production of 100% juice which is exempt from the sugar tax and work on product reformulation to mitigate the impact • Work on cost savings from sales, general and administrative expense reduction initiatives, management of working capital, production levels, productivity enhancements and operational efficiencies • Implement measures to comply with conditions related to the tax incentive • Proper execution of the Group's strategic and annual operating plan to meet its projected income in the US
Operations	As an integrated producer of packaged and fresh fruit products for the world market, the Group's earnings are inevitably subject to certain other risk factors, which include general economic and business conditions, change in business strategy or development plans, international business operations, production efficiencies, input costs and availability, disruption of logistics and transportation facilities, litigious counterparties, insurgent activities and changes in government regulations, including, but not limited to, environmental regulations.	• Develop and execute a long-term strategic plan and annual operating plan supported by a business continuity plan, risk management and a corporate sustainability programme • Pursue productivity-enhancing and efficiency generating work practices and capital projects • Continue to comply with new legislations on the environment, regulatory, taxation and labour that affect operations and proactively develop strategies to reduce the impact of these regulations • Manage security risks in its operating units in the Philippines by strengthening security measures and improve its stakeholder relations in the communities where it operates

Principal risk	Specific risk we face	Mitigation
Environmental Risks	Production output is subject to certain risk factors relating to weather conditions, catastrophes, crop yields, crop diseases, contract growers and service providers' performance and leasehold arrangements. There is no assurance that natural catastrophes or climate change will not materially disrupt the Group's business operations in the future or that the Group is fully capable to deal with these situations with respect to all the damages and economic losses resulting from these risks. Our business in the US operates and contractually grows food in the United States where water availability may be at risk due to drought and limited water supply, new regulations on fresh water use and grey water discharges and increasing cost.	• The Group develops and executes a long-term strategic plan and annual operating plan, supported by a contingency plan and risk management measures • The Group also has in place disaster recovery plans and business continuity plans to mitigate these incidents and has implemented programmes and initiatives to mitigate the effects of climate change • The Group has Good Agricultural Practices (G.A.P.) certifications and complies with proven agricultural practices • 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 also works with insurance brokers to assess the risk exposure and secure adequate insurance coverage, if cost effective
Cyber Security	The increasing global incidence ofcyber-attacks on Company servers and websites demonstrates the need to strengthen and improve security of the Group's systems and avoid breach. Cyber-attacks can disrupt operations such as exploiting weaknesses in network devices and servers, corrupting information and stealing confidential data which can lead to financial losses.	• The Group develops and implements the following measures to counter and eliminate cyber-attacks from outside sources: - Adopt industry best practice to strengthen network security such as updating security patches to the system and encrypting workstations - Continue to monitor progress, emerging risks and control and prioritise improvements by the Data Protection and Privacy Security Task Force - Design and implement security policies and control at each local site - Deploy effective security governance to outside sites • The Group has engaged a third party to audit its systems and mitigate such risks
Information Technology Optimisation	The Group implemented an Enterprise Resource Planning system (S.A.P.) in the US and outsourced its finance and accounting functions to a reputable global service provider in the Philippines. Given the new systems and processes involved, there are risks on potential security issues and system outages resulting in lost data, business interruption, timely and accurate processing of documents, monitoring of expenditures, order fulfillment and receivables.	• The Group has transitioned to a new global service provider which offers services that will improve IT operations, security, systems monitoring and control • Other measures include providing capital budget to improve network and systems and IT support

Principal risk	Specific risk we face	Mitigation
Talent Management	The Group's capability to acquire and retain talent has an impact on the execution of the strategic plan.	• In the US, the Group hired a new Chief Executive Officer, Chief Marketing Officer, Senior Vice President for Operations and the Vice President for Foodservice • The change in leadership will help attract and retain talent • Employee engagement is one of the strategies used to attract and retain talent
Group Assets	The Group assets are exposed to various risks relating to the assets of, and the possible liabilities from, its operations.	• To safeguard its assets, the Group assesses its risk exposure annually with its insurance brokers and insurance companies • Assets are generally insured at current replacement values • Additions during the current year are automatically included with provision for inflation protection • During the financial year in review, all major risks were adequately covered, except where the premium costs were considered excessive in relation to the probability and extent of a loss

Item 2. Properties

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

Description	Location/Address	Condition	Book Value (In US$ MM)
Cannery			
Administrative (Main) Office	Bugo, Cagayan de Oro City	Good	0.23
Can Plant	Bugo, Cagayan de Oro City	Good	2.33
Cannery Clothes and Shoes Changing	Bugo, Cagayan de Oro City	Good	0.10
Central Maintenance	Bugo, Cagayan de Oro City	Good	0.27
Coal-Fired Boiler Plant	Bugo, Cagayan de Oro City	Good	2.60
Compound & Yard	Bugo, Cagayan de Oro City	Good	10.59
Concentrate Plant	Bugo, Cagayan de Oro City	Good	1.00
DM Bugo Clinic	Bugo, Cagayan de Oro City	Good	0.07
Engineering & Design	Bugo, Cagayan de Oro City	Good	0.04
Factory Offices	Bugo, Cagayan de Oro City	Good	0.04
FG Warehouse-MITIMCO	Tablon, Cagayan de Oro City	Good	-
General Products Plant	Bugo, Cagayan de Oro City	Good	-
Labeling & Warehousing	Bugo, Cagayan de Oro City	Good	1.77
Machine Shop	Bugo, Cagayan de Oro City	Good	-
Mixed Fruit Plant	Bugo, Cagayan de Oro City	Good	1.38
Preparation Plant	Bugo, Cagayan de Oro City	Good	1.99
Processing Plant	Bugo, Cagayan de Oro City	Good	2.86
Quality Control	Bugo, Cagayan de Oro City	Good	0.05
Steam & Power Plant	Bugo, Cagayan de Oro City	Good	0.53

Sugar Recovery Plant	Bugo, Cagayan de Oro City	Good	0.63
Waste Water Treatment Plant	Bugo, Cagayan de Oro City	Good	10.46
Others			-
Chillers & Dispensers Customers Area	Bonifacio Global City, Taguig City	Good	1.04
Forwarding Warehouses	Bonifacio Global City, Taguig City	Good	-
Kalawaan Office	Pasig City	Good	-
Las Pinas Warehouse	Las Pinas City	Good	0.08
NutriAsia Plant	Cabuyao, Laguna	Good	0.05
PET Plant	Cabuyao, Laguna	Good	5.24
Taguig Office	Taguig City	Good	3.28
Toll Packer - Dairy Zest	Pasig City	Good	-
Toll Packer - Innovative Packaging	Valenzuela City	Good	0.16
Plantation Operations			-
Baungon Fertilizer Warehouse Shed	Baungon, Bukidnon	Good	0.06
Camp 1 (JMC)	Manolo Fortich, Bukidnon	Good	2.12
Camp 14	Manolo Fortich, Bukidnon	Good	0.11
Camp 9	Manolo Fortich, Bukidnon	Good	0.19
Camp Fabia	Manolo Fortich, Bukidnon	Good	-
Camp Phillips	Manolo Fortich, Bukidnon	Good	9.93
Cawayanon	Manolo Fortich, Bukidnon	Good	0.06
Claveria	Claveria, Misamis Oriental	Good	-
Dalwangan	Malaybalay City, Bukidnon	Good	0.22
Damilag	Manolo Fortich, Bukidnon	Good	0.01
FF Packing Shed	Camp Phillips, Bukidnon	Good	1.03
Hospital	Manolo Fortich, Bukidnon	Good	0.02
Impasug-ong	Impasug-ong, Bukidnon	Good	0.05
Kiantig Quezon, Buk.	Kiantig Quezon, Bukidnon	Good	0.39
Livestock & Cut-meat	Manolo Fortich, Bukidnon	Good	0.05
Montemar Industries	Camp Phillips, Bukidnon	Good	-
Phillips Social Hall	Manolo Fortich, Bukidnon	Good	-
South Bukidnon	South Bukidnon	Good	2.05
Sumilao	Sumilao, Bukidnon	Good	0.27
Taliwan	Taliwan, Misamis Oriental	Good	0.01
DMFI Facilities			
Production facilities	Continental United States and Mexico	Good	406.90
Grand Total			**470.26**

Item 3. Legal Proceedings

Matters Assumed in Connection with the Consumer Food Business

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

National Consumers League (NCL) vs. Del Monte Foods

In December 2017, Plaintiff (NCL) filed a complaint against DMFI in the Superior Court of the District of Columbia alleging that DMFI made a variety of false and misleading labeling claims with respect to certain tomato products in violation of the D.C. Consumer Protection Procedures Act. In April 2018, DMFI filed a Motion to Dismiss this case and a Motion for Rule 11 Sanction. The Court has ordered oral argument on these motions. The Group cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

Other legal cases

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

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

Except for the matters taken up during the Annual General Meeting of Stockholders last August 30, 2017, there was no other matter submitted to a vote of security holders during the period covered by this report.

Part II – OPERATIONAL AND FINANCIAL INFORMATION

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

The Company has been listed on the SGX-ST for nearly 15 years since 1999. The Company also listed its Ordinary- Shares on the PSE on 10 June 2013, making DMPL the first entity to be dual-listed on the SGX-ST and the PSE. The Company's U.S. dollar-denominated Series A-1 and Series A-2 Preference Shares were additionally listed on the PSE on 7 April 2017 and 15 December 2017, respectively.

The Company's share price highlights for its Ordinary Shares are as follows:

Year	Quarter	PSE (PHP)		SGX (SGD)	
		High	Low	High	Low
2018	2Q 2018	10.48	7.62	0.24	0.16
	1Q 2018	11.20	10.00	0.29	0.24
2017	4Q 2017	11.80	10.80	0.31	0.28
	3Q 2017	12.00	11.18	0.33	0.29
	2Q 2017	12.40	11.20	0.35	0.32
	1Q 2017	12.80	11.74	0.36	0.33
2016	4Q 2016	13.18	11.74	0.37	0.33
	3Q 2016	13.04	11.46	0.38	0.34
	2Q 2016	12.50	10.60	0.37	0.29
	1Q 2016	13.40	11.00	0.40	0.30
2015	4Q 2015	13.44	9.49	0.45	0.29
	3Q 2015	13.00	9.94	0.42	0.30
	2Q 2015	13.98	11.50	0.47	0.34
	1Q 2015	15.09	11.28	0.47	0.31
2014	4Q 2014	17.60	13.80	0.55	0.46
	3Q 2014	20.75	17.40	0.56	0.51
	2Q 2014	23.70	20.50	0.63	0.52
	1Q 2014	24.00	21.75	0.65	0.59
2013	4Q 2013	33.45	22.50	0.96	0.58
	3Q 2013	29.95	25.00	0.94	0.74
	2Q 2013	27.20	23.00	0.95	0.69
	1Q 2013	-	-	0.96	0.64

On 7 April 2017 and 15 December 2017, the Company listed its Series A-1 and Series A-2 Preference Shares, respectively on the PSE. The Company's share price highlights for its Preference Shares are as follows:

Series A-1 Preference Shares:

Year	Quarter	PSE (USD)	
		High	Low
2018	2Q 2018	10.30	10.00
	1Q 2018	10.50	10.10
2017	4Q 2017	11.10	10.00
	3Q 2017	11.00	10.50
	2Q 2017	10.90	10.00
	1Q 2017	-	-

Series A-2 Preference Shares:

Year	Quarter	PSE (USD)	
		High	Low
2018	2Q 2018	10.28	10.00
	1Q 2018	10.40	10.00
2017	4Q 2017	10.30	10.00

The Company has an authorized capital stock of U.S.$630.0 million consisting of 3,000,000,000 Ordinary Shares, each with a par value of U.S.$0.01 and 600,000,000 Preference Shares, each with a par value of U.S.$1.00. Out of the authorized capital stock, the Company has (i) 1,943,960,024 Ordinary Shares, (ii) 20,000,000 Series A-1 Preference Shares; and (iii) Series A-2 Preference Shares outstanding.

The number of Ordinary Shares outstanding excludes 975,802 Ordinary Shares held by the Company as treasury shares. The Company has a total of 1,944,935,826 issued Ordinary Shares, including treasury shares.

The top 20 shareholders of the Company's Ordinary Shares, Series A-1 Preference Shares and Series A-2 Preference Shares as of 30 June 2018 are as follows:

a. Ordinary Shares

Rank	Name	No. of Shares	%
1	NutriAsia Pacific Limited	1,196,539,958	61.55
2	Bluebell Group Holdings Limited	189,736,540	9.76
3	Lee Pineapple Company Pte Ltd	100,422,000	5.17
4	DBS Nominees Pte Ltd	65,124,882	3.35
5	BNP Paribas Noms S'pore Pl	48,053,290	2.47
6	Raffles Nominees (Pte) Ltd	35,861,196	1.84
7	Wee Poh Chan Phyllis	16,820,900	0.87
8	Government Service Insurance System	16,687,937	0.86
9	Citibank Noms S'pore Pte Ltd	13,732,276	0.71
10	Banco De Oro - Trust Banking Group	8,945,866	0.46
11	United Overseas Bank Nominees	8,334,780	0.43
12	Joselito Jr. Dee Campos	7,621,466	0.39
13	Pineapples of Malaya Private	6,432,000	0.33
14	Saw Paik Peng	6,016,800	0.31
15	HSBC (Singapore) Noms Pte Ltd	5,558,500	0.29
16	OCBC Securities Private Ltd	5,496,885	0.28
17	Maybank Kim Eng Secs Pte Ltd	5,454,422	0.28
18	COL Financial Group, Inc.	5,314,325	0.27
19	DBS Vickers Secs (S) Pte Ltd	4,663,671	0.24
20	IGC Securities Inc.	4,358,784	0.22
	Subtotal (Top 20 Stockholders)	**1,751,176,478**	**90.08**

	Others	192,783,546	9.92
	Total Outstanding	**1,943,960,024**	**100.00**

b. Series A-1 Preference Shares

Rank	Name	No. of Shares	%
1	BDO Securities Corporation	7,126,430	35.63
2	China Banking Corporation - Trust Group	4,018,630	20.09
3	Banco De Oro - Trust Banking Group	3,867,750	19.34
4	Citibank N.A.	3,291,150	16.46
5	PNB Trust Banking Group	1,295,360	6.48
6	Sterling Bank of Asia Trust Group	233,100	1.17
7	Armstrong Securities Inc.	50,450	0.25
8	AP Securities Incorporated	24,450	0.12
9	Eastwest Banking Corporation - Trust Division	19,490	0.10
10	Luis F. Alejandro	15,000	0.08
11	Parag Sachdeva	15,000	0.08
12	Philippine Equity Partners Inc	13,600	0.07
13	BPI Securities Corporation	8,530	0.04
14	Ignacio Carmelo O Sison	8,000	0.04
15	Astra Securities Corporation	5,490	0.03
16	First Metro Securities Brokerage Corp	4,550	0.02
17	Wealth Securities Inc	2,430	0.01
18	China Bank Securities Corp	590	0.00
	Total Outstanding	**20,000,000**	**100.00**

c. Series A-2 Preference Shares

Rank	Name	No. of Shares	%
1	BDO Securities Corporation	2,573,300	25.73
2	China Banking Corporation - Trust Group	2,059,880	20.60
3	Banco De Oro - Trust Banking Group	1,659,120	16.59
4	Citibank N.A.	1,630,930	16.31
5	PNB Trust Banking Group	1,082,200	10.82
6	Philippine Equity Partners Inc	221,530	2.22
7	United Coconut Planters Life Assurance Corporation	190,000	1.90
8	Eastwest Banking Corporation - Trust Division	171,520	1.72
9	First Metro Securities Brokerage Corp	111,570	1.12
10	China Bank Securities Corp	97,510	0.98
11	Sterling Bank Of Asia Trust Group	59,000	0.59
12	Wealth Securities Inc	45,930	0.46
13	BPI Securities Corporation	31,410	0.31
14	Astra Securities Corporation	12,900	0.13
15	MBTC - Trust Banking Group	12,000	0.12
16	Standard Chartered Bank	10,000	0.10
17	United Fund, Inc.	10,000	0.10
18	The Hongkong and Shanghai Banking Corp. Ltd. -Clients' Acct.	9,700	0.10
19	Sunsecurities, Inc.	6,900	0.07
20	Ma. Bella B. Javier	2,000	0.02
	Subtotal (Top 20 Stockholders)	**9,997,400**	**99.97**
	Others	2,600	0.03
	Total Outstanding	**10,000,000**	**100.00%**

DIVIDENDS AND DIVIDEND POLICY ON ORDINARY SHARES

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

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

The Company's dividend payment policy has been to distribute a minimum of 33% of full year profit. For fiscal year 2018, the Company did not declare dividends to its Ordinary shareholders due to a net loss position. For fiscal years 2017 and 2016, the Company paid out 50%. For fiscal year 2015, no dividends were declared due to the net loss position of the Company as a result of the non-recurring acquisition-related expenses, purchase accounting financial impact and transition expenses of DMFI. In 2013, an interim dividend was declared but no final dividend. From 2006 to 2012, the Company paid out 75%. There is, however, no guarantee that the Company will pay any dividends to the holders of its ordinary shares in the future.

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

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

As of the fiscal year ended 30 April 2018

The financial statements of the Company and its subsidiaries (the "**Group**") as of 30 April 2018 are attached and incorporated herein by reference.

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

Review of Operating Performance for FY2018 vs FY2017

Sales

DMPL generated sales of US$2.2 billion in FY2018, lower by 2.5% versus the prior year as higher sales in the Philippines and S&W in Asia and the Middle East were offset by lower sales in the United States and Europe (on lower volume of the cyclical commodity pineapple juice concentrate [PJC] and significantly lower pricing due to oversupply situation in the international market).

USA

DMPL's US subsidiary, Del Monte Foods, Inc (DMFI), generated sales of US$1.7 billion or 75.3% of Group sales, lower by 2.5% versus prior year largely due to lower canned tomato sales, and unfavourable pricing in foodservice and US Department of Agriculture (USDA). The key retail segments of canned vegetable, canned fruit, broth and plastic fruit cup snacks all grew sales for the full year despite some category declines in the canned segment.

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

Two years ago, to meet the unique snacking needs of on-the-go adults, DMFI introduced *Del Monte® Fruit Refreshers™*, the first-ever adult fruit cup, bringing unexpected fruit flavours and exciting combinations in refreshing fruit waters. *Del Monte® Fruit Refreshers™* won the 2017 Product of the Year Award in the Healthy Snacking category in the USA. Last year, DMFI expanded the adult fruit cup snacking segment with the launch of *Del Monte® Fruit & Chia,* a category first which combines luscious chunks of fruit with wholesome chia. This product exceeded the company's distribution and velocity targets.

Shortly thereafter, to unlock the on-the-go usage occasion, DMFI introduced the grab-and-go fruit cup snacks which are single-serve portable cups with 'sporks' in the lid, for convenient snacking on the go. It comes in four amazing flavours: Grapefruit & Orange in Pomegranate Water, Mandarin Orange in Coconut Water, Peaches in Strawberry Dragon Fruit Chia and Pears in Blackberry Chia.

These new products were launched to address consumer trends of healthy living, snacking and convenience. Nearly 50% of US food consumption is in snacking, hence, the exciting potential in this fruit cup segment.

For broth, DMFI launched *College Inn Organic Chicken and Beef*, extending the rich flavour of *College Inn* into the organic variant. It also introduced *College Inn Liquid Broth Concentrates* which are concentrated broth - the easiest way to have flavourful broth on hand, anytime, for any use.

In FY2018, there was increased focus on innovation, significantly shifting DMFI's project focus from base work to new product development (NPD). NPDs accounted for 40% of focus, significantly higher than the 13% two years ago.
In the canned vegetable segment, the company solidified its leadership position through increased marketing investment and competitive brand rationalisation at several retailers. It also enhanced digital partnerships with premier food networks inspiring usage and reaching a younger consumer target.

DMFI increased its market share for the full year across key categories in retail, i.e. canned vegetable, canned fruit and fruit in plastic cups driven by compelling innovations, strong execution against fundamentals at retail, and sustained marketing investment to support its brands.

The *Del Monte* (www.delmonte.com) and *College Inn* (www.collegeinn.com) websites were redesigned in October 2017 with new engaging content and enhanced capabilities.

In foodservice, DMFI secured supply commitments from large US school districts for fruit cups. DMFI's fruit cups meet school requirements of a full ½ cup fruit (4.4 oz total). The new foodservice website for schools had just been launched www.delmontefoodservice-k12.com. DMFI has also extended successful retail items in packaged fruit, vegetable and broth categories to the foodservice channel, including grab-and-go fruit cup snacks to vending operators.

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

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

Philippines

The Philippine market delivered a record performance with sales of US$333.8 million, up 1% in US dollar terms and up 7% in peso terms as all product categories – packaged fruit, beverage and culinary – posted higher sales, driven by expanded penetration, increased consumption by driving inclusion of *Del Monte* products in consumers' weekly menu behind marketing campaigns across brands, and optimised opportunities in the rapidly-growing foodservice channel.

The Company's thrust on innovation continued. Non-canned beverages were the biggest contributor of growth with the launch of *Del Monte 100% Pineapple Juice* in a 1-litre carton format to complete its 1-litre juice offering in the Philippines, and isotonic drink *Del Monte Fit 'n Right Active*. The Group also entered the 'juice with particulates' market with the introduction of *Del Monte Juice & Chews* in December 2017, an innovative snack-in-a-drink combining nata and pineapple with fruit juice blends. This is becoming increasingly popular amongst teens. Del Monte also launched new seasonal flavours of *Mango Peach* and *White Grape* in the juice drink segment.

For the culinary segment, Del Monte upgraded label designs of stand-up-pouches to include recipes at the back and continued with recipe education through the *Del Monte* Kitchenomics programme with 3 million Facebook members and a highest rated branded content and cooking show. It also encouraged new twists on classic tomato recipes and empowered working moms to go beyond fried dishes.

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

Foodservice sales which accounted for 18% of total sales in the Philippines was the fastest growing channel. It expanded by 15% riding on the rapid expansion of quick service restaurants and convenience stores, as well as Del Monte Philippines' growth of its juice dispensers, meal partnerships and customised products.

Del Monte Philippines supplies Jollibee, the largest local fast food chain, with their pineapple juice requirements nationwide, and supplies Pizza Hut with all their pineapple tidbits requirements. Moreover, Del Monte Philippines' *100% Pineapple Juice* is now available in all of Cebu Pacific's domestic flights, while it continues to supply Philippine Airlines for all their domestic flights.

S&W in Asia and the Middle East

Sales of the S&W business in Asia and the Middle East reached US$106.1 million in FY2018, 6% higher than the US$100.2 million in FY2017, a record for this brand since the Group acquired it in 2007. Improved sales were driven by the double-digit growth of the *S&W Sweet 16* fresh pineapple mainly in China and the Middle East. However, the packaged segment's sales were lower due to unfavourable sales mix, and lower sales of packaged pineapple products in North Asia due to cheaper-priced competition from Thailand and Indonesia. These were partly offset by new product launches in new packaging formats in North Asia and the Middle East, and expansion into Turkey.

The fresh segment accounted for 72% of S&W's total sales in FY2018, while the packaged segment accounted for the balance 28%.

S&W's key initiatives in FY2018:

- New product launches:

    - *S&W Fruit & Chia* cups in 3 variants in NTUC Fairprice Singapore and in store chain 759 in Hong Kong, as an extension of the success of the *Del Monte Fruit & Chia* from the USA
    - *S&W* pineapples in revolutionary Clear Can for pineapple slices and chunks in China and Korea. Clear Cans are see-through plastic containers with metal lids, which allow consumers to see the product inside and be assured of its premium quality. This product won the International Innovation Award from Enterprise Asia on 2 December 2017 in Shanghai.
    - *S&W 100% Pineapple Juice* in 1-litre carton in China
    - *Contadina* brand of pasta sauces in stand-up-pouch aluminium packaging in China. *Contadina* is a brand name known to American families for 100 years and is one of four key brands that the Group markets in the USA. *Contadina* takes to heart the Mediterranean philosophy of cooking with passion, using only the finest ingredients to deliver rich and authentic flavours. The Group now offers *Contadina* products in China.
    - *S&W Tomato and Pasta Sauces* from the Philippines and *S&W Juice Drinks* in new aluminium cans into certain markets in the Middle East

- New markets and channels

    - Expansion into Turkey, a new market for packaged products.
    - Listing on Amazon Prime Now Singapore of *S&W* packaged products
    - Introduced *S&W 100% Pineapple Juice* into the mini bars of Marina Bay Sands hotel in Singapore by conducting launch trial in about 200 rooms

- Marketing programmes

    - Partnered with QSR Jollibee fast food chain in Singapore for their redemption programme via stamps collection by purchasing Chickenjoy Value Meal with *S&W Pineapple Juice*
    - In-store displays as well as sampling activations to drive awareness and sales

FieldFresh India (equity accounted)

Sales at FieldFresh Foods, our Indian joint venture (JV), which are equity accounted and not consolidated, were US$76.2 million in FY2018, 5% higher versus prior year. US$67.0 million came from the *Del Monte*-branded packaged segment and US$9.3 million from the *FieldFresh*-branded fresh segment.

The *Del Monte* business in India was up 10% on continued product innovation, as well as trade, marketing and digital campaigns. Building on the success of the *Del Monte Mayonnaise* spout pack format, the JV launched the *Del Monte Sandwich Spread* and *Del Monte Pizza Pasta Sauce* in stand up spout packs. The business saw growth in the pasta and pizza sauce category within four months of launch. Riding on the domestic pasta category's high growth, it also introduced the domestic pasta 200-gram pack to act as a trial generator.

In 2017, *Del Monte* also entered the 1-litre fruit drinks segment with a range of eight variants in carton format. The initial pilot in the north region is underway, getting a fantastic response and gaining fast traction in the foodservice and cash and carry segments.

Digital campaigns included driving usage of *Del Monte Dried* and *Canned Fruit* range by giving consumers easy and indulging ways to use *Del Monte* products during summer. 15 unique video recipes were created showcasing *Del Monte* products as a core ingredient and content was shared across all social media platforms.

FieldFresh sustained its positive EBITDA while DMPL's share of loss in the FieldFresh joint venture in India was lower at US$0.3 million from US$1.6 million in the prior year as FieldFresh continued to invest behind the business to grow the *Del Monte* packaged business in India.

Gross Profit and Margin

DMPL generated a gross profit of US$432.5 million, lower by 13% versus the prior year, while gross margin decreased to 19.7% from 22.0% in the same period last year.

DMFI's gross margin declined to 15.0% from 17.2% in the same period last year mainly driven by unfavourable USDA and foodservice pricing, and unfavourable sales mix, amongst others.

DMPL ex-DMFI's gross profit at US$178.6 million was lower than last year and its gross margin decreased to 30.4% from 32.5% due to unfavourable sales mix, significantly lower PJC pricing in the international market, and the unfavourable impact from revaluation of biological assets.

EBITDA and Net Profit

DMPL's EBITDA of US$102.3 million was lower by 47.3%. Half of the decline was attributed to the reasons mentioned above that impacted gross profit while half was due to one-off expenses amounting to US$29.1 million after deducting the one-off gain.

As part of the Group's strategy to improve operational excellence and profitability, DMFI divested its underperforming Sager Creek vegetable business in the second quarter of FY2018. This involved shutting the production facility in Siloam Springs, Arkansas. DMFI also shut its Plymouth, Indiana tomato production facility in the third quarter of FY2018 to improve efficiency and streamline operations. These resulted in one-off expenses of US$62.7 million pre-tax. The one-off expenses also included a writedown of Sager Creek's inventory which the Group planned to dispose of in FY2019.

DMFI recorded a loss of US$9.0 million at EBITDA level. DMFI successfully executed the consolidation of its Indiana plant that had just been closed into its other tomato facility in California to improve the overall utilisation of packaged tomato assets.

Please refer to the table below for the schedule of one-off items.

Non-Recurring Expense/(Income) (in US$m)	**FY2017**	**FY2018**	**Booked under**
Closure of North Carolina plant[1]	3.7	-	CGS
Closure of Sager Creek Arkansas plant[1]	-	42.4	CGS, G&A and other expense
Closure of Plymouth, Indiana plant[1]	-	12.7	G&A and other expense
Severance[1]	10.2	4.6	G&A expense
Gain due to the purchase of DMFI's second lien loan at a 30% discount to par value[2]	-	(33.6)	Interest income

Others	4.0	3.0	G&A expense
Total expense (pre-tax basis)	**17.9**	**29.1**	
Write-off of Deferred Tax Asset at DMFI (gross and net basis)	11.5	39.8[3]	Tax expense
Total (net of tax and non-controlling interest of 10.6%)	**21.1**	**48.5**	

[1] As part of its mulityear restructuring project to streamline operations and improve profitability, the Group closed three plants in the US between FY2017-2018. It also shifted to a leaner organisation model in the US to drive channel growth and bring down costs in line with competition, hence, the severance costs.
[2] Please refer to the "Cash Flow and Debt" section below for the purchase of second lien loan in the USA.
[3] The Group wrote off US$39.8m of deferred tax assets at DMFI due to the change in Federal income tax rate from 35% to 21%. Other companies in the US with deferred tax assets have similar write-offs due to the reduction in income tax rates. However, this should be more than offset by the reduced tax rates in future years which will be substantial.

Excluding one-off expenses, the Group's EBITDA would have been US$165.0 million, 22.1% lower versus the recurring EBITDA of US$211.9 million last year.

DMPL's net income without DMFI was US$54.8 million, down versus prior year period's US$58.9 million mainly from unfavourable sales mix, reduced export sales and much lower PJC pricing, and unfavourable impact from revaluation of biological assets, amongst others.

The DMPL Group generated a net loss of US$36.5 million for the full year of FY2018, unfavourable versus prior year's net income of US$24.4 million mainly due to the one-off expenses of US$48.5 million (post-tax basis) mentioned above.

Excluding the one-off expenses, the Group's net income would have been US$12.0 million, lower versus the recurring net income last year of US$45.5 million mainly due to higher marketing investment in the USA to reinvigorate the business there in line with the Group's long-range plan, lower export sales and significantly reduced PJC pricing.

FY2018 was a year of transition for DMFI marked by new leadership, and a new long-range plan designed to build brands, bring differentiated and innovative products to market, optimise supply chain, and expand distribution channels. Several important initiatives were launched in FY2018 to improve the health of the Group's business in the USA and reverse the past several years of profit erosion:

- Reduced Trade Spend and Supply Chain Cost Reduction projects
- Deprioritised Margin Dilutive Businesses: Private label and USDA reductions
- Accelerated Innovation: New products created for centre store and perimeter / frozen
- Reduced and Idled Excess Production: On path to match supply with demand
- Focus on Branded Share and Distribution Growth: Retail and Foodservice channels

INVENTORIES

DMPL's inventories amounted to US$761.0 million as at 30 April 2018, lower than the US$916.9 million as at 30 April 2017 mainly due to planned reduction and divestiture of Sager Creek.

CAPEX

Capital expenditures (capex) were US$148.2 million in FY2018, slightly higher than the US$145.0 million in the prior year. DMFI accounted for US$37.3 million of Group capex in FY2018, lower than the US$44.6 million in FY2017 due to plant closures, while DMPL ex-DMFI's capex accounted for US$110.8 million, up from US$98.4 million in FY2017 due to higher spending on standing crops.

PREFERENCE SHARE OFFERING

In December 2017, the Company successfully completed the offering and listing of its second tranche of Preference Shares (Series A-2) in the Philippines generating US$100 million in proceeds for a combined US$300 million approximately for 2017, including the US$200 million (Series A-1) raised in April 2017. The Company used the net proceeds to substantially refinance a US$350 million BDO Uni bank, Inc loan due in February 2019.

The coupon rate for Series A-1 is 6.625% while for Series A-2 is 6.5% per annum, both payable semi-annually.

The Preference Shares are redeemable by the Company at its option on the fifth anniversary.

CASH FLOW AND DEBT

The Group's cash flow from operations in FY2018 was US$322.9 million, significantly higher versus prior year's cash flow of US$187.1 million due to better working capital management, in particular the reduction in DMFI's inventory. Improvement in cash flow from operations contributed to the Group's debt reduction efforts.

As mentioned above, the Company successfully completed the offering and listing of its second tranche of Preference Shares in the Philippines generating approximately US$100 million in proceeds.

As of the Company's fiscal year end April 2018, it has also completed the purchase from certain lenders US$124.9 million worth of principal amount (out of a total of US$260 million) of DMFI's Second Lien Term Loans, which have been trading at a discount in the secondary market. The Company purchased the notes at a 30% discount to par value.

The Second Lien Term Loans are the highest-interest bearing loans for DMFI with an interest rate of LIBOR plus 7.25% (currently 9.75% p.a.) and will mature in August 2021.

While the Second Lien Term Loans that have been acquired currently remain on DMFI's balance sheet as an obligation, the intercompany holdings of the loans and related interest expense is eliminated upon consolidation of the DMPL Group, thereby resulting in a reduction of leverage for the Group.

This loan purchase is in line with the Company's plan to delever its balance sheet and improve the capital structure and profitability of the DMPL Group, through a reduction in effective interest expense of US$8-10 million per annum and savings from the purchase price discount for the Second Lien Term Loans. The one-off gain of US$33.6 million booked in FY2018 was a result of principal savings given the 30% purchase discount.

The Group's net debt (cash and bank balances less borrowings) amounted to US$1.4 billion as at 30 April 2018, lower than the US$1.7 billion as at 30 April 2017 due to payment of borrowings, including the partial extinguishment of DMFI's Second Lien Term Loans.

Out of the total net debt of US$1.4 billion, DMFI accounted for US$806.4 million while DMPL ex-DMFI accounted for US$634.5 million. The Group's net debt to equity ratio decreased to 234% from 290% in the prior year.

DIVIDENDS

In October 2017 and April 2018, respectively, the Company paid dividends to holders of the Series A-1 Preference Shares at the fixed rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference Share for the six-month period from 8 April 2017 to 7 October 2017 and US$0.33125 for the six-month period 8 October 2017 to 7 April 2018.

In April 2018, the Company paid dividends to holders of the Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.20403 per Series A-2 Preference Share for the 113-day period from 15 December 2017 to 7 April 2018. The Series A-2 Preference Shares were listed on the Philippine Stock Exchange on 15 December 2017.

No dividends were declared for Ordinary shareholders due to the net loss position of the Company in FY2018.

NEW USA LEADERSHIP TEAM

The Group strengthened its leadership team in the USA to be more strategic, innovative and driven to deliver performance. Mr Gregory Longstreet joined as CEO effective 5 September 2017. He has over 25 years of work experience in the food industry, having held critical commercial roles in sales, marketing and general management, including as President and CEO. While at Dole Foods Company, Greg was the Director of Marketing and New Product

Development of the Packaged division and, at one point, had leadership roles in the Fresh Vegetable division where he led the strategic expansion of Dole Fresh Vegetable foodservice business. In his recent role as President and CEO of CytoSport (of the Hormel Foods Group), Greg's work included innovative brand and product expansion within the beverage, bar and powder segments of the sports nutrition category.

Greg appointed Bibie Wu as Chief Marketing Officer effective 28 February 2018. She has vast consumer packaged goods experience with many well-known and respected brands spanning food at General Mills and Campbells, and laundry and home care at Henkel.

To facilitate more synergies with the Innovation team in bringing DMFI's products to market, R&D is now part of the overall Marketing organisation under the CMO, an important step to drive innovation and support the investment in future products.

Brian Pitzele was appointed as Vice President to lead and strengthen foodservice effective 5 February 2018. Brian has deep experience in the foodservice industry, including more than 30 years at Hormel Foods Corporation, where he held multiple positions in sales, marketing, and management roles.

The "Perimeter & Convenience team" was newly created to unlock growth opportunities via the Group's joint venture with Fresh Del Monte Produce, Inc in the perimeter of store and the rapidly growing convenience store channel.

Under the new leadership team in the USA, the company has become more market-driven, innovative and aligned with consumer preferences.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	**For the full year ended 30 April**		
	FY2018	FY2017	**Comments**
Cost of Goods Sold	80.3	78.0	Higher fixed absorption due to lower volume; higher warehousing
Distribution and Selling Expenses	10.1	9.0	Higher marketing spend related to DMFI's key retail initiatives
G&A Expenses	7.4	7.3	Lower benefits/claims and streamlining savings; lower staff cost
Other Operating Expenses	0.8	–	Higher miscellaneous expense due to the sale of Sager Creek business and plant closures

REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

in US$'000	**For the full year ended 30 April**			
	FY2018	FY2017	**%**	**Comments**
Depreciation and amortization	**(147,845)**	(148,342)	(0.3)	Mainly due to lower depreciation from lower asset base
Reversal/(Provision) of asset impairment	**(24,534)**	330	nm	Mainly on the impairment loss for Sager Creek PPE
Reversal/(Provision) for inventory obsolescence	**(986)**	1,686	(158.5)	Due to timing of the provision
Provision for doubtful debts	**(103)**	(774)	(86.7)	Due to timing of the provision
Net gain/(loss) on disposal of fixed assets	**11,317**	(729)	nm	Mainly on sale of Sager
Foreign exchange gain/(loss)-net	**3,379**	3,361	0.5	Unfavourable impact of peso appreciation for the quarter
Interest income	**37,362**	491	nm	Due to one-off gain on second lien loan purchased at a discount in the secondary market.
Interest expense	**(104,922)**	(109,111)	(3.8)	Lower level of borrowings

Share in net loss of JV, (attributable to the owners of the Company)	**(1,536)**	(1,823)	(15.7)	Due to FieldFresh lower net loss
Taxation	**(14,844)**	(551)	nm	Write off of non-cash deferred tax assets of US$39.8m at DMFI, partially offset by DMFI's higher net operating loss

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances	30 April 2018	30 April 2017	Comments
in US$'000			
Deferred tax assets	79,829	92,786	Due to write-off of non-cash deferred tax assets
Other assets	41,223	27,112	Due to receivable from sale of Sager Creek vegetable business
Biological assets	43,592	45,767	Mainly due to lower field mix
Inventories	760,981	916,892	Mainly due to reduced inventory driven by plant closures
Trade and other receivables	161,627	164,447	Due to timing of collection
Prepaid and other current assets	30,782	43,046	Due to decrease in prepaid taxes, prepaid advertising and business advances
Cash and cash equivalents	24,246	37,571	Due to repayments of borrowings and payment of dividends, partially offset by better working capital management mainly on lower inventories
Financial liabilities – non-current	983,603	1,264,268	Reclassification of loans from current to non-current; purchase of DMFI second lien loans
Other non-current liabilities	35,195	44,018	Lower workers compensation and deferred operating lease liabilities from business combination
Employee benefits– non-current	76,905	87,599	Due to lower employee retirement plan
Financial liabilities – current	481,620	449,698	Due to loan extensions and repricing
Trade and other payables	263,026	299,545	Due to lower trade and accrued expenses
Current tax liabilities	2,008	1,187	Due to timing of tax payment

Key Performance Indicators

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

A. Current Ratio

	30-Apr-18	30-Apr-17	Benchmark
Current Ratio	**1.3**	**1.6**	**Minimum of 1.2**

The decrease in the current ratio is due to reduced inventory driven by plant closure.

B. Debt to Equity

	30-Apr-18	30-Apr-17	Benchmark

Debt to Equity	**3.1**	**3.8**	**Maximum of 2.5**

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

C. Net Profit Margin

	30-Apr-18	30-Apr-17	Benchmark
Net Profit/(Loss) Margin attributable to owners of the company	**-1.66%**	**1.08%**	**Minimum of 3%**

The DMPL Group generated a net loss margin of -1.66% for the full year of FY2018, unfavourable versus prior year's net profit margin 1.08% mainly due to the one-off expenses of US$48.5 related to the sale of Sager Creek vegetable business, closure of two plants in the USA, and write-off of deferred tax assets due to the change in US Federal income tax rate from 35% to 21%, partially offset by the one-off gain of US$25.1 million related to the purchase at a discount of DMFI's second lien loan in the secondary market.

D. Return on Asset

	30-Apr-18	30-Apr-17	Benchmark
Return on Asset	**-2.04%**	**0.72%**	**Minimum of 1.21**

The DMPL Group return on asset of -2.04% for the full year of FY2018, unfavourable versus prior year's return of asset of 0.72% mainly due to the generated net loss for the year driven by the one-off expenses of US$48.5 million as mentioned above.

E. Return on Equity

	30-Apr-18	30-Apr-17	Benchmark
Return on Equity	**-8.40%**	**3.44%**	**Minimum of 8%**

Similar with return on assets, return on equity is unfavourable versus last year to the generated net loss for the year driven by the one-off expenses of US$48.5 million.

Material Changes in Accounts

A. Cash and cash equivalent

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

B. Inventories

Decrease in inventory is mainly due to plant closure the U.S. subsidiary.

C. Property, Plant and Equipment

Decrease in Property and Equipment is mainly attributed to the sale of Sager fixed assets and additional depreciation recorded during the year.

D. Intangible assets

Decrease in Intangibles is mainly attributed to the write-off of Sager related intangibles.

F. Deferred tax assets

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

G. Trade & Other Payables

Decrease in trade and other payable is mainly due to lower trade and accrued expenses
.

H. Loans and Borrowings

Lower than last year due to repayment of borrowings.

Review of Operating Performance for FY2017 vs FY2016

Sales

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

USA

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

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

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

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

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

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

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

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

Philippines

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

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

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

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

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

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

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

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

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

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

S&W in Asia and the Middle East

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

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

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

FieldFresh India (equity accounted)

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

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

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

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

Nice Fruit Joint Venture

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

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

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

Gross Profit and Margin

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

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

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

EBITDA and Net Profit

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

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

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

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

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

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

Non-Recurring Items (in U.S.$m)	**FY2016**	**FY2017**	**Booked under**
Closure of North Carolina plant[1]	(16.3)	(3.7)	CGS and G&A expense
ERP implementation at DMFI[2]	(13.2)	-	G&A expense
Sager Creek integration[1]	(6.9)	-	G&A and other expense
Severance[1]	(7.9)	(10.2)	G&A expense
Others (includes professional fees)	-	(4.0)	G&A expense
Working capital adjustment with previous owner of DMFI[3]	38.0	-	Other operating income
Retirement plan amendment (no tax impact)[4]	39.4	-	G&A expense

[1] *The Group closed one of the plants located in North Carolina, U.S. to streamline operations and improve profitability. It also shifted to a leaner organisation model in the U.S. to drive channel growth and bring down costs in line with competition hence the severance costs.*
[2] *DMFI migrated its ERP to the SAP system in January 2015, raising its processes and systems to global standards. Its parent, DMPL, also uses the same ERP. DMFI incurred additional costs in FY2016 as it stabilised SAP.*
[3] *On 18 February 2014, the Group acquired Del Monte Corporation's consumer products business (through DMPL's subsidiary, DMFI for U.S.$1.675 billion plus working capital adjustments. Since then, there was a dispute between DMFI and the seller on the working capital adjustments calculation. The dispute was settled on 29 April 2016 and, pursuant to such settlement, the seller's successor-in-interest paid U.S.$38.0 million to DMFI.*
[4] *DMFI amended one of its post-employment benefits replacing its retiree medical and dental benefits to contributions to a Health Reimbursement Account. Such amendment requires the re-measurement of the benefit obligation/liability. IFRS requires this to be recognised in the P&L as one-time income and this is non-taxable.*
[5] *Due to continued pre-tax losses, however, there is no cash impact. Please refer to Note 10 of the financial statements for more details*

INVENTORIES

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

DEBT AND CASH FLOW

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

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

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

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

CAPEX

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

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

DIVIDENDS FOR ORDINARY SHARES

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

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

	FY2016	**FY2017**
Dividend for Common Shareholders	U.S.$0.0133 per share	U.S.$0.0061 per share
Payout Rate	50% of FY2016 net profit	50% of FY2017 net profit
Record Date	26 August 2016	To be confirmed
Payment Date	8 September 2016	To be confirmed

PREFERENCE SHARES OFFERING

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

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

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

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

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

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

REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

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

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances *in U.S.$'000*	**30 Apr 2017**	30 Apr 2016 (Restated)	**Comments**
Joint venture	**25,797**	22,820	Driven by additional capital call
Deferred tax assets	**92,786**	99,284	Due to increase in non current deferred charges
Other noncurrent assets	**27,112**	25,941	Due to decrease in DMFI
Biological assets	**45,767**	41,224	Mainly due to translation
Inventories	**916,892**	845,233	Due to DMFI lower sales
Trade and other receivables	**164,447**	175,532	Due to timing of collection
Prepaid and other current assets	**43,046**	35,597	Due to decrease in DMFI
Cash and cash equivalents	**37,571**	47,203	Mainly on increased borrowings
Financial liabilities – non-current	**1,264,268**	1,116,422	Reclassification of loans net of availment and payment
Other non-current liabilities	**44,018**	62,586	Decrease due to settlement of liabilities
Employee benefits - noncurrent	**87,599**	97,118	Due to DMFI decrease in employee retirement plan
Financial liabilities – current	**449,698**	727,360	Due to working capital requirements and refinancing of bridge loans
Trade and other payables	**299,556**	281,043	Due to lower accrued expenses
Current tax liabilities	**1,187**	3,827	Due to timing of tax payment

Key Performance Indicators

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

A. Current Ratio

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

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

B. Debt to Equity

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

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

C. Net Profit Margin

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

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

D. Return on Asset

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

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

E. Return on Equity

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

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

Material Changes in Accounts

A. Cash and cash equivalent

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

B. Inventories

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

C. Property, Plant and Equipment

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

D. Intangible assets

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

F. Deferred tax assets

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

G. Trade & Other Payables

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

H. Loans and Borrowings

Lower than last year due to repayment of borrowings.

<u>Financial Ratios</u>

Supplementary Schedule of Financial Soundness Indicator

Ratio	Formula	30 April 2018	30 April 2017	30 April 2016
(i) Liquidity Analysis Ratios:				
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.3	1.6	1.1
Quick Ratio	(Current Assets - Inventories - Prepaid expenses and other current assets - Biological Assets – Noncurrent assets held for sale) / Current Liabilities	0.2	0.3	0.2
(ii) Solvency Ratio	Total Assets / Total Liabilities	1.3	1.3	1.2
Financial Leverage Ratios:				
Debt Ratio	Total Debt/Total Assets	0.8	0.8	0.9
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	3.1	3.8	6.2
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	4.1	4.8	7.2
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	0.3	1.2	1.7
(v) Debt/EBITDA Ratios	Total Debt/ Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	18.6	11.2	9.7
(vi) Profitability Ratios				
Gross Profit Margin	Revenue - Cost of Sales / Revenue	19.68%	21.97%	21.36%

Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Revenue	(1.66)%	1.08%	2.51%
Net Profit Margin	Net Profit / Revenue	(2.32)%	0.88%	2.64%
Return on Assets	Net Profit / Total Assets	(2.04)%	0.72%	2.22%
Return on Equity	Net Profit / Total Stockholders' Equity	(8.40)%	3.44%	15.91%

BUSINESS OUTLOOK

DMFI faces headwinds due to shifts in consumer demographics, shifts in the way American consumers are eating and shopping, as well as shifts in consumer preferences. It will continue to build on its Del Monte brand heritage and will realign its business with those consumer trends over time. Its plan focuses on business segments which are on-trend and will rationalise non-profitable businesses, in particular the non-branded segment. It will continue to optimise its cost structure and invest in a multiyear restructuring project for its operations and supply chain footprint to more efficiently support its commercial strategy.

With the four new joint ventures with Fresh Del Monte Produce Inc, DMFI has the potential to greatly extend the reach of the Del Monte brand to the growing store perimeter while allowing both companies to optimise economies of scale. Business plans are being finalised for the joint ventures in chilled juices, guacamole and avocado products, and retail food and beverage outlets, while business plans are being executed for prepared refrigerated fruit snacks.

The Group will continue to expand its existing branded business in Asia, through the Del Monte brand in the Philippines, where it is a dominant market leader. S&W, both packaged and fresh, will continue to gain more traction as it leverages its distribution expansion in Asia and the Middle East, while the Group’s joint venture in India will continue to generate higher sales and maintain its positive EBITDA.

The Nice Fruit frozen pineapple plant is in operation, with trial shipments to the USA, Japan and South Korea.

The Group will be exploring e-commerce opportunities for its range of products across markets.

Barring unforeseen circumstances, the Group is expected to be profitable for FY2019.

As part of the Group’s deleveraging plan subject to market conditions, DMPL plans to sell 21% of its stake in wholly-owned subsidiary, Del Monte Philippines, Inc, (DMPI) through a public offering on the PSE. The IPO was deferred due to volatile market conditions. The Company will announce as and when it relaunches this.

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

The FY 2018 Audited Financial Statements of the Company is attached hereto as Annex “A”. The additional components of the FS are hereto attached as follows:

Index to Supplementary Schedules

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

Item 8. Independent Public Accountant and Audit Related Fees

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

(b) Mr Alvin Phua Chun Yen is the partner-in-charge from EY Singapore for the audited financial statements of the Company and the Group for the fiscal year ended 30 April 2018. On the other hand, Ms Catherine E. Lopez is the partner-in-charge from EY Philippines for the audited financial statements of the Company and the Group for the fiscal year ended 30 April 2018.

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

	FY2018 U.S.$	**FY2017 U.S.$**	**FY2016 U.S.$**
1. Audit, other Assurance and Related Fees	340,162	371,223	339,393
2. Tax Fees	-	-	-

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

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

2) There were no disagreements with the former accountant on any matter of accounting principles or policies, financial disclosures, or auditing procedure.

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

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

Part III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

Board of Directors and Senior Management

The following comprises the Company's Board of Directors:

Name	Age	Citizenship	Position
Rolando C. Gapud	76	Filipino	Executive Chairman and Executive Director
Joselito D. Campos, Jr.	67	Filipino	Executive Director
Edgardo M. Cruz, Jr.	63	Filipino	Executive Director
Benedict Kwek Gim Song	71	Singaporean	Lead Independent Director
Godfrey E. Scotchbrook	72	British	Independent Director
Dr. Emil Q. Javier	77	Filipino	Independent Director
Yvonne Goh	65	Singaporean	Independent Director

The following comprises the Group's Senior Management:

Name	Age	Citizenship	Position
Joselito D. Campos, Jr.	67	Filipino	Managing Director and CEO
Luis F. Alejandro	64	Filipino	Chief Operating Officer
Ignacio C. O. Sison	54	Filipino	Chief Corporate Officer
Parag Sachdeva	48	Indian	Chief Financial Officer
Antonio E.S. Ungson	46	Filipino	Chief Legal Counsel and Chief Compliance Officer, and Company Secretary
Ruiz G. Salazar	54	Filipino	Chief Human Resource Officer
Ma. Bella B. Javier	58	Filipino	Chief Scientific Officer

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

Rolando C. Gapud – 76, Filipino
Executive Chairman
Appointed on 20 January 2006 and last re-elected on 30 August 2017

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

Joselito D. Campos, Jr. – 67, 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 Corporation and Ayala-Greenfield Development Corporation, two major Philippines property developers. He is a Director of San Miguel Corporation, one of the largest and oldest business conglomerates in the Philippines. Mr. Campos is the Vice Chairman of the Board of DMFI, the Company's U.S. subsidiary. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of DMPL with the Bharti Group of India. He was formerly Chairman and CEO of United Laboratories, Inc. ("**Unilab**") and its regional subsidiaries and affiliates. Unilab is the Philippines' largest pharmaceutical company with substantial operations in the Asian region. Mr. Campos is the Consul General in the Philippines for the Republic of Seychelles. He is also Chairman of the Metropolitan Museum of Manila, Bonifacio Arts Foundation Inc., The Mind Museum, and the Del Monte Foundation, Inc. He is a Trustee and Global Council Member of the Asia Society in the Philippines; a Trustee of the Philippines-China Business Council and the Philippines Center for Entrepreneurship; a National Advisory Council Member of the World Wildlife Fund-Philippines; and a Director of the Philippine Eagle Conservation Program Foundation, Inc. Mr. Campos holds an MBA from Cornell University.

Edgardo M. Cruz, Jr. – 63, Filipino
Executive Director
Appointed on 02 May 2006 and last re-elected on 28 August 2015

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

Benedict Kwek Gim Song – 71, Singaporean
Lead Independent Director
Appointed on 30 April 2007 and last re-elected on 30 August 2017
Appointed as Lead Independent Director on 11 September 2013

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

Godfrey E Scotchbrook – 72, British
Independent Director
Appointed on 28 December 2000 and last elected on 28 August 2015

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

Dr. Emil Q. Javier – 77, Filipino
Independent Director
Appointed on 30 April 2007 and last re-elected on 30 August 2016

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

Yvonne Goh – 65, Singaporean
Independent Director
Appointed on 4 September 2015 and last re-elected on 30 August 2016

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

Luis F. Alejandro – 64, 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 President and Chief Operating Officer of ABS-CBN Broadcasting Corporation, a leading media conglomerate in the Philippines. Mr. Alejandro is a Director of DMFI, the Company's U.S. subsidiary. He holds a Bachelor's degree in Economics from the Ateneo de Manila University and an MBA from the Asian Institute of Management.

Ignacio C. O. Sison – 54, Filipino
Chief Corporate Officer

Mr. Ignacio C. O. Sison is responsible for DMPL's strategic planning, sustainability, risk management, and investor relations. He has been with DMPL since 1999 and was the group's Chief Financial Officer for nine years. Mr. Sison has over 25 years of finance experience spanning corporate and strategic planning, financial planning, treasury, controllership, and corporate sustainability. Before joining Del Monte Pacific, he was CFO of Macondray and Company, Inc., then DMPL's parent company, for three years. He also worked for Pepsi-Cola Products Philippines and SGV & Co., the largest audit firm in the Philippines. Mr. Sison holds an MSc degree in Agricultural Economics from Oxford University; an MA, 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 from the Lester B. Pearson United World College of the Pacific in Canada. In 2010, Mr. Sison received the Best CFO award from the Singapore Corporate Awards.

Parag Sachdeva – 48, Indian
Chief Financial Officer

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

Antonio E. S. Ungson – 46, Filipino
Chief Legal Counsel, Chief Compliance Officer, and Company Secretary

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

Ruiz G. Salazar – 55, Filipino
Chief Human Resource Officer

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

Ma. Bella B. Javier – 58, Filipino
Chief Scientific Officer

Ms. Ma. Bella B. Javier has more than 30 years of experience in R&D from leading fast moving consumer goods in the food industry. She spent 20 years at Kraft Foods Inc., with her last assignment as the Director for Asia Pacific Beverage Technology and Southeast Asia Development. In her present role, she heads the Consumer Product and Packaging Development and the Quality Assurance functions for the Group. She is driving the Technology Development roadmap for DMPL, including plantation research programs that impact consumer product development. She is 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 (UP). She also sits as Chairman of the Board of UP's Chemistry Alumni Foundation. Ms. Javier was accorded the 2015 UP Distinguished Alumni in the field of Science and Technology.

Directorships in Other Listed Companies

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

Name	Position	Company	Date
Joselito D Campos, Jr	Director	San Miguel Corporation	2010 – Present
Emil Q Javier	Independent Director	Centro Escolar University	2002 – Present
Godfrey E Scotchbrook	Independent Director	Boustead Singapore Ltd. (Singapore)	2000 – Present
	Non-Executive Director	Convenience Retail Asia (HK)	2002 – Present

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

Significant Employees

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

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

Family Relationships

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

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

Involvement in Certain Legal Proceedings

As to the Directors, Executive Officers and Nominees for Election:

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

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

Item 10. Executive Compensation

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

Name and principal position	Year	Salary (in PhP)	Bonus (in PhP)
Chief Executive Officer and most highly compensated executive officers*	FY 2019 (Est)	186,505,944	103,911,332
	FY 2018	183,301,605	148,565,165
	FY 2017	171,898,965	160,536,680
B. All other officers and directors as a group unnamed	FY 2019 (Est)	156,183,627	50,723,454
	FY 2018	158,746,949	52,045,184
	FY 2017	159,340,727	57,905,103

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

Standard Arrangement

The Directors receive a fixed remuneration annually based on the following fee structure:

a. Board Chairman: US$79,200 per annum;
b. Directors: US$43,200 per annum;
c. ARC Chairman: US$19,800 per annum;
d. RSOC Chairman: US$9,900 per annum;
e. NGC Chairman: US$9,900 per annum;
f. ARC Members: US$10,800 per annum;
g. RSOC Members: US$5,400 per annum; and

h. NGC Members: US$5,400 per annum.

The Directors do not receive any allowance for attending Board or Board committee meetings.

Other Arrangements

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

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

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

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

Share Options

There are no outstanding share options as of the date of this Information Statement. All unexercised options which were granted pursuant to the Del Monte Pacific Executive Stock Option Plan 1999 had already lapsed on 6 March 2018.

Share Awards

On 20 September 2017, the following share awards were released to the Directors pursuant to the Del Monte Pacific Restricted Share Plan:

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

**The above share awards had completed vesting on 21 August 2017 and the awards were released on 20 September 2017.*

Compensation Plans

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

Item 11. Security Ownership of Certain Beneficial Owners and Management

i) Security Ownership of Certain Record and Beneficial Owners of More Than 5%

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

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Common Shares Held	% of Total Outstanding Shares

Ordinary Shares	NutriAsia Pacific Limited (“**NAPL**”) Trident Chambers Road Town, Tortola, British Virgin Islands Shareholder	NAPL is the beneficial and record owner of the shares indicated.*	British Virgin Islands	1,196,539,958 Ordinary Shares	61.55%
Ordinary Shares	HSBC (Singapore) Nom’s Pte. Ltd. (“**HSBC**”) 21 Collyer Quay #13-01 HSBC Building Singapore 049320 Shareholder	Bluebell Group Holdings Limited (“**Bluebell**”) is the beneficial owner of the shares indicated.* The shares are held in nominee by HSBC.	British Virgin Islands	189,736,540 Ordinary Shares	9.76%
Ordinary Shares	Lee Pineapple Company Pte. Ltd. (“**Lee**”) 65 Chulia St, #44-01 OCBC Centre Singapore 049513 Shareholder	Lee is the beneficial and record owner of the shares indicated.**	Singapore	100,422,000 Ordinary Shares	5.17%

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

ii) Security Ownership of Management

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

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership		Citizenship	Percent of Class
Ordinary	Joselito D. Campos, Jr.	7,621,466	Direct	Filipino	0.39%
Ordinary	Rolando C. Gapud	2,291,903	Direct	Filipino	0.12%
Ordinary	Edgardo M. Cruz, Jr.	2,984,632	Direct	Filipino	0.15%
Ordinary	Emil Q. Javier	611,828	Direct	Filipino	0.03%
Ordinary	Benedict Kwek Gim Song	117,092	Direct	Singaporean	0.01%
Ordinary	Godfrey E. Scotchbrook	117,092	Direct	British	0.01%
Ordinary	Luis F. Alejandro	3,681,000	Direct	Filipino	0.19%
Preference		15,000	Direct		0.08%
Ordinary	Ignacio C. O. Sison	1,079,736	Direct	Filipino	0.06%
Preference		8,000	Direct		0.04%
Preference	Parag Sachdeva	15,000	Direct	Indian	0.08%
Ordinary	Antonio E. S. Ungson	597,864	Direct	Filipino	0.03%
Ordinary	Ma. Bella B. Javier	392,359	Direct	Filipino	0.02%
Preference		2,000	Direct		0.02%

a) Voting Trust Holders of 5% or More

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

b) Changes in Control

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

Item 12. Certain Relationships and Related Transactions

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

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

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

Related Party Transaction	Relationship	Nature	FY2018 US$'000	FY2017 US$'000	FY2016 US$'000
Del Monte Philippines, Inc (DMPI Retirement Fund)	Retirement fund of the Company's subsidiary	Rental to DMPI Retirement Fund	1,858	1,619	1,395
		Purchases of Services to DMPI Retirement Fund	-	-	-
		Management fees from DMPI Retirement Fund	(4)	(4)	(4)
Del Monte Philippines, Inc (DMPI Provident Fund)	Retirement fund of the Company's subsidiary	Rental to DMPI Provident Fund	-	6	5
NutriAsia Inc (NAI)	Affiliate of the Company	Rental to NAI Retirement Fund	543	541	529
		Purchases of Production Materials	233	160	743
		Toll Pack Fees	572	666	551
		Utilities / Parking Space Rental	160	117	83
		Recharge of Inventory Count Shortage	(33)	-	(25)
		Management fee	(15)	-	-
		Shared IT & Other Services from NAI	(343)	(334)	(215)
		Sale of other raw materials with NAI	(1)	(34)	(13)
		Sale of tomato sauce with NAI	(31)	-	(1,098)
TOTAL			**2,939**	**2,737**	**1,951**

Part IV – CORPORATE GOVERNANCE

Item 13. Annual Corporate Governance

Please refer to the 2017 Integrated Annual Corporate Governance Report (SEC Form i-ACGR) of DMPL, which was filed with the SEC and PSE, and posted in the Company's website www.delmontepacific.com, in compliance with SEC Memorandum Circular No. 15, Series of 2017.

Annex A

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

COMPANY NAME

DEL MONTE PACIFIC LIMITED AND SUBSIDIARIES

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

CRAIGMUIR CHAMBERS, PO BOX 71 ROAD TOWN, TORTOLA BRITISH VIRGIN ISLANDS

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

COMPANY INFORMATION

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

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
1,943,960,024	17 Aug 2018	April 30

CONTACT PERSON INFORMATION

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

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

CONTACT PERSON's ADDRESS

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

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

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

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of **Del Monte Pacific Limited and its Subsidiaries** (collectively referred to as the "**Company**") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at April 30, 2018, and 2017 and for each of the three years in the period ended April 30, 2018, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing and, in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature______________________________
Rolando C. Gapud, Executive Chairman

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

Signature______________________________
Parag Sachdeva, Chief Financial Officer

Signed on the 13th day of July 2018.

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

Before me, a Notary Public in and for Makati City, personally appeared on this 13th day of July 2018, the following:

Name	Passport No.	Date/Place Issued
Joselito D. Campos, Jr.	P0033661A	24 Aug 2016 / Manila
Parag Sachdeva	Z4816522	16 May 2018 / Manila

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

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

JUANITO H. VINCULADO
NOTARY PUBLIC
UNTIL DEC. 31, 2019
PTR 11631662J LAS PINAS 1/5/18
IBP 14464 / 9/11/2017 PPLM
ROLL NO. 41092 / MCLE V-0021209
NOT APPT NO. M-88 1/18/18 MAKATI
333, ALFARO PLACE, LEVISTE, MAKATI

Doc. No. 227
Page No. 47
Book No. 32
Series of 2018.

FOREIGN SERVICE OF THE
REPUBLIC OF THE PHILIPPINES

EMBASSY OF THE PHILIPPINES)
Consular Section) S.S.
Singapore)

CERTIFICATE OF AUTHENTICATION

I, **J. ANTHONY A. REYES, Consul** of the Republic of the Philippines in Singapore, duly commissioned and qualified, do hereby certify that

TAN MARY

before whom the annexed instrument has been executed, to wit:

NOTARIAL CERTIFICATE WITH ANNEXED STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

was at the time he/she signed the same **NOTARY PUBLIC** and that his/her signature affixed thereto is genuine.

The Embassy assumes no responsibility for the contents of the annexed instrument.

IN WITNESS HEREOF, I have hereunto set my hand and affixed the seal of the Embassy of the Philippines in Singapore this day of **19 July 2018** .

Service No.: 04815
O.R. No. : 2-294409
Fee Paid : $42.50

J. ANTHONY A. REYES
Consul

"Validity of this Certification shall follow the validity of the attached/underlying document."

NOTARIAL CERTIFICATE

TO ALL TO WHOM THESE PRESENTS SHALL COME

I, **TAN MARY,** Notary Public, duly authorized appointed and practising in the Republic of Singapore do hereby **CERTIFY** that I was present on the 18th day of July, 2018 and did see **ROLANDO C. GAPUD** (holder of Passport PHL No. EC6238195), Executive Chairman, Board of Directors of **DEL MONTE PACIFIC LIMITED** described in the **STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS** duly sign, seal and execute the same in my presence and I **FURTHER CERTIFY** that the signature appearing thereon is the proper handwriting of the said **ROLANDO C. GAPUD.**

IN FAITH AND TESTIMONY WHEREOF I have hereunto subscribed my name and affixed my Seal of Office this 18th day July, Two Thousand and Eighteen.

REPUBLIC OF SINGAPORE
NOTARY PUBLIC

Which I attest

Notary Public,
Singapore

NOTARY PUBLIC
Tan Mary
N2018/0326
1 Apr 2018 – 31 Mar 2019
SINGAPORE

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

The management of **Del Monte Pacific Limited and its Subsidiaries** (collectively referred to as the "**Company**") is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at April 30, 2018, and 2017 and for each of the three years in the period ended April 30, 2018, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the Company in accordance with Philippine Standards on Auditing and, in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

Signature____
Rolando C. Gapud, Executive Chairman

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

Signature____
Parag Sachdeva, Chief Financial Officer

Signed on the 18th day of July 2018.

NOTARY PUBLIC
Tan Mary
N2018/0326
1 Apr 2018 – 31 Mar 2019
SINGAPORE

18th July, 2018

REPUBLIC OF SINGAPORE
NOTARY PUBLIC

Del Monte Pacific Limited and its Subsidiaries

Financial Statements
30 April 2018 and 2017

and

Independent Auditor’s Report

SGV

Building a better working world

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

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

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

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Del Monte Pacific Limited

Opinion

We have audited the accompanying consolidated financial statements of Del Monte Pacific Limited and its Subsidiaries (the Group) and the separate financial statements of Del Monte Pacific Limited (the Company), which comprise the statements of financial position as at 30 April 2018 and 2017, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for each of the three years in the period ended 30 April 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Group and the Company present fairly, in all material respects, the financial position of the Group and the Company as at 30 April 2018 and 2017, and their financial performance and their cash flows for each of the three years in the period ended 30 April 2018 in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

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

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

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

Fair value of biological assets

Why significant	How our audit addressed the matter
The gain on changes in the fair value of produce prior to harvest and harvested produce amounted to US$45.1 million for the year ended 30 April 2018. The valuation of biological assets was significant to our audit because the estimation process is complex, involves significant management estimate, and is based on assumptions that can be affected by natural phenomena. The key assumptions for the fair value of harvested produce include selling prices and gross margins. The key assumptions for the fair value of produce prior to harvest include future selling prices, gross margin, estimated tonnage of harvests and future growing costs. Refer to Note 11 to the financial statements.	We obtained an understanding of management's fair value measurement methodology and their process in valuing the biological assets. We tested the key assumptions, which include selling prices and gross margin for harvested produce; and future selling prices, gross margin, estimated tonnage of harvests and future growing costs for produce prior to harvest, by comparing them to external data such as selling prices in the principal market and historical information. We also assessed the methodology used in estimating the fair value. We also assessed the adequacy of the related disclosures on the assumptions underlying the measurement of these biological assets.

Recoverability of goodwill and indefinite life trademarks

Why significant	How our audit addressed the matter
As at 30 April 2018, goodwill is carried at US$203.4 million, which represents 14% of the total noncurrent assets. Indefinite life trademarks were carried at US$408.0 million, which represents 27% of the total noncurrent assets.	
a. Goodwill and indefinite life trademarks allocated to Del Monte Foods, Inc. and its subsidiaries The Group's goodwill is allocated to a Cash Generating Unit (CGU), Del Monte Foods, Inc. and its subsidiaries. Included within the CGU are the indefinite life trademarks "Del Monte" and "College Inn" in the United States of America (USA) amounting to US$394.0 million. The Group uses the value in use to estimate the recoverable value of the CGU. The annual impairment test is significant to our audit because the valuation process is complex, involves significant management judgment, and is based on certain key assumptions, such as cash flow projections covering a five-year period and the perpetual growth rate and discount rate of the CGU. Refer to Note 8 to the financial statements.	We obtained an understanding of the Group's impairment assessment process and the related controls. We tested the key assumptions, which include revenue growth, gross margin and EBITDA margin, discount rate, long-term growth rate by comparing them to available market and historical information and management plans. Given the complexity of the valuation process, our internal valuation specialist was involved in performing some of these procedures. We also focused on the adequacy of the Group's disclosures in Note 8 to the financial statements, about those assumptions to which the outcome of the impairment test was most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of the goodwill and indefinite life trademarks allocated to Del Monte Foods, Inc. and its subsidiaries.
b. Other indefinite life trademarks As at 30 April 2018, other indefinite life trademarks were carried at US$14.0 million which comprises of the following trademarks: "Del Monte" in the Philippines and India, "S&W" in Asia, and "Todays" in the Philippines. The annual impairment tests are significant to our audit because the valuation process is complex, involves significant management judgment and estimates based on assumptions that can be affected by future market and economic conditions as well as trademark and royalty rates in the market.	We assessed the reasonableness of the forecasted revenue and royalty rates used to derive the recoverable value of the brand and trademarks by comparing against available market and historical information. We also evaluated the significant assumptions in the financial forecast of the CGU, which include revenue growth rates, EBITDA and long-term margins, terminal value growth rate and discount rate, by comparing them against available market information, historical data and management plans.

Why significant	How our audit addressed the matter
The Group used the Royalty Savings Approach in valuing its Philippines and Asia S&W trademarks. This approach relies on the forecasted revenue for the related brand or trademark and applies the royalty rates in the market. For the India trademark, the Group used the discounted cash flow of the related CGU. This method relies on forecasted financial results which uses significant assumptions such as revenue growth rates, EBITDA and long-term margins, terminal value growth rate and discount rate. Refer to Notes 7 and 8 to the financial statements.	Given the complexity of the valuation process, our internal specialist was involved in performing some of these procedures.

Recoverability of deferred tax assets

Why significant	How our audit addressed the matter
As at 30 April 2018, the Group has recognized net deferred tax assets of US$79.8 million, which includes deferred tax assets recognized by Del Monte Foods, Inc., a subsidiary in the USA, amounting to US$77.8 million. The recoverability of the deferred tax asset was significant to our audit because it involves significant management judgment and is based on assumptions that are affected by future market or economic conditions. The key assumptions in the taxable income forecast include revenue growth rates and gross and EBITDA margins. Refer to Note 9 to the financial statements.	We assessed the recognition of deferred tax assets by comparing it to the taxable income forecast. We tested the key assumptions in the taxable income forecast such as revenue growth rates and gross and EBITDA margins against available market information, management plans, historical performance and industry/market outlook. We compared the consistency of management's taxable income forecasts with those included in the budget approved by the Board of Directors. We assessed the robustness of management’s forecasting process by comparing the actual results of the subsidiary against the forecast used in prior year. We involved our internal specialist in reviewing the temporary differences.

Valuation of defined benefit liability

Why significant	How our audit addressed the matter
The Group has defined benefit plans in the Philippines and the USA, giving rise to defined benefit liability of US$65.1 million and pension asset amounting to US$10.6 million as at 30 April 2018 which are measured using projected unit credit valuation methods. We considered this to be a key audit matter because of the magnitude of the amounts, management's judgment in the use of assumptions such as future salary increases, discount rates, mortality rates and health care trends and technical expertise required to determine these amounts. Refer to Note 21 to the financial statements.	Our procedures included, among others, involving our internal specialist to assist us in reviewing the valuation methodology and the actuarial and demographic assumptions used by management to value the Group's various pension obligations. We evaluated the competence, capabilities and objectivity of management's specialists. We evaluated the key actuarial assumptions such as future salary increases, discount rates, mortality rates and health care trends by comparing them to market data and historical information. We tested the employees' payroll data on a sample basis, and reviewed the reconciliation of the membership census data used in the actuarial models to the payroll data of the Group.

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended 30 April 2018, but does not include the financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended 30 April 2018 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

SYCIP GORRES VELAYO & CO.

Catherine E. Lopez

Catherine E. Lopez
Partner
CPA Certificate No. 86447
SEC Accreditation No. 0468-AR-3 (Group A),
May 1, 2016, valid until May l, 2019
Tax Identification No. 102-085-895
BIR Accreditation No. 08-001998-65-2018,
February 26, 2018, valid until February 25, 2021
PTR No. 6621274, January 9, 2018, Makati City

July 13, 2018

Del Monte Pacific Limited and its Subsidiaries

Statements of financial position
As at 30 April 2018 and 2017

(In US$'000)

		Group		Company	
	Note	**30 April 2018**	**30 April 2017**	**30 April 2018**	**30 April 2017**
Noncurrent assets					
Property, plant and equipment - net	5	**610,889**	657,185	**–**	–
Investments in subsidiaries	6	**–**	–	**707,644**	831,888
Investments in joint ventures	7	**25,195**	25,797	**1,636**	1,924
Intangible assets and goodwill	8	**714,651**	741,026	**–**	–
Deferred tax assets - net	9	**79,829**	92,786	**9**	2
Biological assets	11	**1,629**	1,420	**–**	–
Pension assets	21	**10,607**	5,517	**–**	–
Other noncurrent assets	10	**41,223**	27,112	**–**	–
Due from a related company	37	**–**	–	**88,880**	–
		1,484,023	1,550,843	**798,169**	833,814
Current assets					
Biological assets	11	**41,963**	44,347	**–**	–
Inventories	12	**760,981**	916,892	**–**	–
Trade and other receivables	13	**161,627**	164,447	**180,948**	119,703
Prepaid expenses and other current assets	14	**30,782**	43,046	**212**	328
Cash and cash equivalents	15	**24,246**	37,571	**2,709**	6,767
		1,019,599	1,206,303	**183,869**	126,798
Noncurrent assets held for sale	16	**5,504**	–	**–**	–
		1,025,103	1,206,303	**183,869**	126,798
Total assets		**2,509,126**	2,757,146	**982,038**	960,612
Equity					
Share capital	17	**49,449**	39,449	**49,449**	39,449
Share premium	18	**478,323**	390,320	**478,462**	390,459
Retained earnings	18	**95,505**	159,169	**95,505**	159,169
Reserves	18	**(64,082)**	(71,860)	**(64,082)**	(71,860)
Equity attributable to owners of the Company	38	**559,195**	517,078	**559,334**	517,217
Non-controlling interests	38	**49,065**	61,477	**–**	–
Total equity		**608,260**	578,555	**559,334**	517,217
Noncurrent liabilities					
Loans and borrowings	19	**983,603**	1,264,268	**129,594**	281,854
Employee benefits	21	**76,905**	87,599	**3**	–
Environmental remediation liabilities	22	**144**	6,198	**–**	–
Deferred tax liabilities - net	9	**7,128**	3,913	**–**	–
Other noncurrent liabilities	20	**35,195**	44,018	**–**	–
		1,102,975	1,405,996	**129,597**	281,854
Current liabilities					
Loans and borrowings	19	**481,620**	449,698	**206,034**	43,070
Employee benefits	21	**37,645**	22,165	**–**	–
Trade and other current liabilities	23	**276,618**	299,545	**87,073**	118,471
Current tax liabilities		**2,008**	1,187	**–**	–
		797,891	772,595	**293,107**	161,541
Total liabilities		**1,900,866**	2,178,591	**422,704**	443,395
Total equity and liabilities		**2,509,126**	2,757,146	**982,038**	960,612

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

Del Monte Pacific Limited and its Subsidiaries

Income statements
Years ended 30 April 2018, 2017 and 2016
(In US$'000)

	Note	<--- Group		--->	<--- Company		--->
		Year ended 30 April 2018	**Year ended 30 April 2017**	**Year ended 30 April 2016**	**Year ended 30 April 2018**	**Year ended 30 April 2017**	**Year ended 30 April 2016**
Revenue	24	**2,197,309**	2,252,783	2,274,085	**–**	–	–
Cost of sales	25	**(1,764,835)**	(1,757,891)	(1,788,269)	**–**	–	–
Gross profit		**432,474**	494,892	485,816	**–**	–	–
Distribution and selling expenses	25	**(221,433)**	(203,168)	(201,031)	**–**	–	–
General and administrative expenses	25	**(163,378)**	(165,074)	(147,837)	**(8,823)**	(15,906)	(13,968)
Other income (expenses) - net		**(18,162)**	960	31,038	**839**	673	67
Results from operating activities		**29,501**	127,610	167,986	**(7,984)**	(15,233)	(13,901)
Finance income	26	**41,472**	5,809	2,231	**1,086**	47	2
Finance expense	26	**(105,653)**	(111,068)	(99,581)	**(16,275)**	(22,829)	(21,703)
Net finance expense		**(64,181)**	(105,259)	(97,350)	**(15,189)**	(22,782)	(21,701)
Share in net income (loss) of joint ventures and subsidiaries	29	**(1,552)**	(1,909)	(1,717)	**(13,303)**	62,393	92,585
Profit (loss) before taxation	25	**(36,232)**	20,442	68,919	**(36,476)**	24,378	56,983
Tax expense	27	**(14,844)**	(551)	(8,943)	**(16)**	(12)	(5)
Profit (loss) for the year		**(51,076)**	19,891	59,976	**(36,492)**	24,366	56,978
Profit (loss) attributable to:							
Owners of the Company		**(36,492)**	24,366	56,978	**(36,492)**	24,366	56,978
Non-controlling interests		**(14,584)**	(4,475)	2,998	**–**	–	–
		(51,076)	19,891	59,976	**(36,492)**	24,366	56,978
Earnings per share							
Basic earnings (loss) per share (US cents)	28	**(2.70)**	1.21	2.93			
Diluted earnings (loss) per share (US cents)	28	**(2.70)**	1.21	2.93			

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

Del Monte Pacific Limited and its Subsidiaries

Statements of comprehensive income
Years ended 30 April 2018, 2017 and 2016
(In US$'000)

	Note	Year ended 30 April 2018	Year ended 30 April 2017	Year ended 30 April 2016
Group				
Profit (loss) for the year		**(51,076)**	19,891	59,976
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss:				
Currency translation differences		**(13,428)**	(18,276)	(13,476)
Effective portion of changes in fair value of cash flow hedges		**9,330**	18,140	(10,553)
Income tax effect on cash flow hedges	9	**(4,098)**	(6,893)	4,090
		(8,196)	(7,029)	(19,939)
Items that will not be reclassified to profit or loss:				
Remeasurement of retirement plans	21	**23,329**	20,337	(428)
Income tax effect on remeasurement of retirement plans	9	**(5,472)**	(6,360)	7,647
Gain on property revaluation	5	**–**	4,119	–
Tax impact on revaluation reserve	9	**–**	(1,236)	(1,504)
		17,857	16,860	5,715
Other comprehensive income (loss) for the year, net of tax		**9,661**	9,831	(14,224)
Total comprehensive income (loss) for the year		**(41,415)**	29,722	45,752
Total comprehensive income (loss) attributable to:				
Owners of the Company		**(28,824)**	31,675	42,614
Non-controlling interests		**(12,591)**	(1,953)	3,138
		(41,415)	29,722	45,752

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

Del Monte Pacific Limited and its Subsidiaries

Statements of comprehensive income
Years ended 30 April 2018, 2017 and 2016
(In US$'000)

	Year ended 30 April 2018	Year ended 30 April 2017	Year ended 30 April 2016
Company			
Profit (loss) for the year	**(36,492)**	24,366	56,978
Other comprehensive income			
Items that will or may be reclassified subsequently to profit or loss:			
Share in currency translation differences of subsidiaries	**(13,428)**	(18,274)	(13,478)
Share in effective portion of changes in fair value of cash flow hedges of a subsidiary	**8,777**	16,224	(9,323)
Income tax effect on cash flow hedges	**(4,098)**	(6,165)	3,543
	(8,749)	(8,215)	(19,258)
Items that will not be reclassified to profit or loss:			
Share in remeasurement of retirement plans of subsidiaries	**16,417**	12,641	6,398
Share in the revaluation reserve of a subsidiary, net of tax	**–**	2,883	(1,504)
	16,417	15,524	4,894
Other comprehensive income (loss) for the year, net of tax	**7,668**	7,309	(14,364)
Total comprehensive income (loss) for the Year	**(28,824)**	31,675	42,614

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

Del Monte Pacific Limited and its Subsidiaries

Statements of changes in equity
Years ended 30 April 2018, 2017 and 2016

(In US$'000)

		<---------- Attributable to owners of the Company ---------->											
	Note	**Share capital**	**Share premium**	**Translation reserve**	**Revaluation reserve**	**Remeasure -ment of retirement plans**	**Hedging reserve**	**Share option reserve**	**Reserve for own shares**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total equity**
Group													
2018													
At 30 April 2017		39,449	390,320	(78,087)	10,885	1,808	(7,443)	1,779	(802)	159,169	517,078	61,477	578,555
Total comprehensive income (loss) for the year													
Loss for the year		–	–	–	–	–	–	–	–	(36,492)	(36,492)	(14,584)	(51,076)
Other comprehensive income													
Currency translation differences		–	–	(13,428)	–	–	–	–	–	–	(13,428)	–	(13,428)
Remeasurement of retirement plans, net of tax	21	–	–	–	–	16,417	–	–	–	–	16,417	1,440	17,857
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	4,679	–	–	–	4,679	553	5,232
Total other comprehensive income (loss)		–	–	(13,428)	–	16,417	4,679	–	–	–	7,668	1,993	9,661
Total comprehensive income (loss) for the year		–	–	(13,428)	–	16,417	4,679	–	–	(36,492)	(28,824)	(12,591)	(41,415)
Transactions with owners of the Company recognised directly in equity													
Contributions by and distributions to owners of the Company													
Issuance of preference shares	17	10,000	90,000	–	–	–	–	–	–	–	100,000	–	100,000
Transaction costs from issue of preference shares		–	(2,085)	–	–	–	–	–	–	–	(2,085)	–	(2,085)
Share options expired		–	138	–	–	–	–	(138)	–	–	–	–	–
Release of share awards		–	(50)	–	–	–	–	(466)	516	–	–	–	–
Value of employee services received for issue of share options	25	–	–	–	–	–	–	198	–	–	198	179	377
Dividends	18	–	–	–	–	–	–	–	–	(27,172)	(27,172)	–	(27,172)
Total contributions by and distributions to owners		10,000	88,003	–	–	–	–	(406)	516	(27,172)	70,941	179	71,120
At 30 April 2018	18	49,449	478,323	(91,515)	10,885	18,225	(2,764)	1,373	(286)	95,505	559,195	49,065	608,260

Del Monte Pacific Limited and its Subsidiaries

Statements of changes in equity (cont'd)
Years ended 30 April 2018, 2017 and 2016
(In US$'000)

	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure -ment of retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		<--				**Attributable to owners of the Company**					-->		
Group													
2017													
At 30 April 2016		19,449	214,843	(59,813)	8,002	(10,833)	(17,502)	1,031	(802)	160,631	315,006	61,971	376,977
Total comprehensive income (loss) for the year													
Profit (loss) for the year		–	–	–	–	–	–	–	–	24,366	24,366	(4,475)	19,891
Other comprehensive income													
Currency translation differences		–	–	(18,274)	–	–	–	–	–	–	(18,274)	(2)	(18,276)
Gain on property revaluation, net of tax		–	–	–	2,883	–	–	–	–	–	2,883	–	2,883
Remeasurement of retirement plans, net of tax	21	–	–	–	–	12,641	–	–	–	–	12,641	1,336	13,977
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	10,059	–	–	–	10,059	1,188	11,247
Total other comprehensive income (loss)		–	–	(18,274)	2,883	12,641	10,059	–	–	–	7,309	2,522	9,831
Total comprehensive income (loss) for the year		–	–	(18,274)	2,883	12,641	10,059	–	–	24,366	31,675	(1,953)	29,722
Transactions with owners of the Company recognised directly in equity													
Contributions by and distributions to owners of the Company													
Issuance of preference shares	17	20,000	180,000	–	–	–	–	–	–	–	200,000	–	200,000
Transaction costs from issue of preference shares		–	(4,523)	–	–	–	–	–	–	–	(4,523)	–	(4,523)
Reclassification of non-controlling interest contribution		–	–	–	–	–	–	–	–	–	–	1,317	1,317
Value of employee services received for issue of share options	25	–	–	–	–	–	–	748	–	–	748	142	890
Dividends	18	–	–	–	–	–	–	–	–	(25,828)	(25,828)	–	(25,828)
Total contributions by and distributions to owners		20,000	175,477	–	–	–	–	748	–	(25,828)	170,397	1,459	171,856
At 30 April 2017	18	39,449	390,320	(78,087)	10,885	1,808	(7,443)	1,779	(802)	159,169	517,078	61,477	578,555

Del Monte Pacific Limited and its Subsidiaries
Statements of changes in equity (cont'd)
Years ended 30 April 2018, 2017 and 2016

(In US$'000)

	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure-ment of retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		<---------- Attributable to owners of the Company									---------->		
Group													
2016													
At 1 May 2015		19,449	214,843	(46,335)	9,506	(17,231)	(11,722)	318	(629)	103,653	271,852	58,644	330,496
Total comprehensive income for the year													
Profit for the year		–	–	–	–	–	–	–	–	56,978	56,978	2,998	59,976
Other comprehensive income													
Currency translation differences		–	–	(13,478)	–	–	–	–	–	–	(13,478)	2	(13,476)
Tax impact on revaluation reserve		–	–	–	(1,504)	–	–	–	–	–	(1,504)	–	(1,504)
Remeasurement of retirement plans, net of tax	21	–	–	–	–	6,398	–	–	–	–	6,398	821	7,219
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	(5,780)	–	–	–	(5,780)	(683)	(6,463)
Total other comprehensive income (loss)		–	–	(13,478)	(1,504)	6,398	(5,780)	–	–	–	(14,364)	140	(14,224)
Total comprehensive income (loss) for the year		–	–	(13,478)	(1,504)	6,398	(5,780)	–	–	56,978	42,614	3,138	45,752
Transactions with owners of the Company recognised directly in equity													
Contributions by and distributions to owners of the Company													
Acquisition of treasury shares		–	–	–	–	–	–	–	(173)	–	(173)	–	(173)
Value of employee services received for issue of share options	25	–	–	–	–	–	–	713	–	–	713	–	713
Capital injection by non-controlling interests		–	–	–	–	–	–	–	–	–	–	189	189
Total contributions by and distributions to owners		–	–	–	–	–	–	713	(173)	–	540	189	729
At 30 April 2016	18	19,449	214,843	(59,813)	8,002	(10,833)	(17,502)	1,031	(802)	160,631	315,006	61,971	376,977

Del Monte Pacific Limited and its Subsidiaries
Statements of changes in equity (cont'd)
Years ended 30 April 2018, 2017 and 2016
(In US$'000)

Company	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total equity
2018											
At 30 April 2017		39,449	390,459	(78,087)	10,885	1,808	(7,443)	1,779	(802)	159,169	517,217
Total comprehensive income for the year											
Loss for the year		–	–	–	–	–	–	–	–	(36,492)	(36,492)
Other comprehensive income											
Currency translation differences		–	–	(13,428)	–	–	–	–	–	–	(13,428)
Remeasurement of retirement plans, net of tax	21	–	–	–	–	16,417	–	–	–	–	16,417
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	4,679	–	–	–	4,679
Total other comprehensive income (loss)		–	–	(13,428)	–	16,417	4,679	–	–	–	7,668
Total comprehensive income (loss) for the year		–	–	(13,428)	–	16,417	4,679	–	–	(36,492)	(28,824)
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Issuance of preference shares	17	10,000	90,000	–	–	–	–	–	–	–	100,000
Transaction costs from issue of preference shares		–	(2,085)	–	–	–	–	–	–	–	(2,085)
Value of employee services received for issue of share options	25	–	–	–	–	–	–	198	–	–	198
Share options expired			138					(138)	–	–	–
Release of share awards		–	(50)	–	–	–	–	(466)	516	–	–
Dividends	18	–	–	–	–	–	–	–	–	(27,172)	(27,172)
Total contributions by and distributions to owners		10,000	88,003	–	–	–	–	(406)	516	(27,172)	70,941
At 30 April 2018		49,449	478,462	(91,515)	10,885	18,225	(2,764)	1,373	(286)	95,505	559,334

Del Monte Pacific Limited and its Subsidiaries
Statements of changes in equity (cont'd)
Years ended 30 April 2018, 2017 and 2016
(In US$'000)

Company	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total equity
2017											
At 30 April 2016		19,449	214,982	(59,813)	8,002	(10,833)	(17,502)	1,031	(802)	160,631	315,145
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	–	–	24,366	24,366
Other comprehensive income											
Currency translation differences		–	–	(18,274)	–	–	–	–	–	–	(18,274)
Gain on property revaluation, net of tax		–	–	–	2,883	–	–	–	–	–	2,883
Remeasurement of retirement plans, net of tax	21	–	–	–	–	12,641	–	–	–	–	12,641
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	10,059	–	–	–	10,059
Total other comprehensive income (loss)		–	–	(18,274)	2,883	12,641	10,059	–	–	–	7,309
Total comprehensive income (loss) for the year		–	–	(18,274)	2,883	12,641	10,059	–	–	24,366	31,675
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Issuance of preference shares	17	20,000	180,000	–	–	–	–	–	–	–	200,000
Transaction costs from issue of preference shares		–	(4,523)	–	–	–	–	–	–	–	(4,523)
Value of employee services received for issue of share options	25	–	–	–	–	–	–	748	–	–	748
Dividends	18	–	–	–	–	–	–	–	–	(25,828)	(25,828)
Total contributions by and distributions to owners		20,000	175,477	–	–	–	–	748	–	(25,828)	170,397
At 30 April 2017	18	39,449	390,459	(78,087)	10,885	1,808	(7,443)	1,779	(802)	159,169	517,217

Del Monte Pacific Limited and its Subsidiaries
Statements of changes in equity (cont'd)
Years ended 30 April 2018, 2017 and 2016
(In US$'000)

Company	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total equity
2016											
At 1 May 2015		19,449	214,982	(46,335)	9,506	(17,231)	(11,722)	318	(629)	103,653	271,991
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	–	–	56,978	56,978
Other comprehensive income											
Currency translation differences		–	–	(13,478)	–	–	–	–	–	–	(13,478)
Tax impact on revaluation reserve		–	–	–	(1,504)	–	–	–	–	–	(1,504)
Remeasurement of retirement plans, net of tax	21	–	–	–	–	6,398	–	–	–	–	6,398
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	(5,780)	–	–	–	(5,780)
Total other comprehensive income (loss)		–	–	(13,478)	(1,504)	6,398	(5,780)	–	–	–	(14,364)
Total comprehensive income (loss) for the year		–	–	(13,478)	(1,504)	6,398	(5,780)	–	–	56,978	42,614
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Acquisition of treasury shares		–	–	–	–	–	–	–	(173)	–	(173)
Value of employee services received for issue of share options	25	–	–	–	–	–	–	713	–	–	713
Total contributions by and distributions to owners		–	–	–	–	–	–	713	(173)	–	540
At 30 April 2016	18	19,449	214,982	(59,813)	8,002	(10,833)	(17,502)	1,031	(802)	160,631	315,145

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

Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows
Years ended 30 April 2018, 2017 and 2016
(In US$'000)

	Note	Group Year ended 30 April 2018	Group Year ended 30 April 2017	Group Year ended 30 April 2016	Company Year ended 30 April 2018	Company Year ended 30 April 2017	Company Year ended 30 April 2016
Cash flows from operating activities							
Profit (loss) for the year		**(51,076)**	19,891	59,976	**(36,492)**	24,366	56,978
Adjustments for:							
Amortisation of intangible assets	8	**7,784**	9,347	9,327	**–**	–	–
Depreciation of property, plant and equipment	5	**140,061**	138,995	139,991	**–**	–	–
Impairment loss (reversal of impairment) of property, plant and equipment	5	**24,534**	(330)	4,928	**–**	–	–
Loss (gain) on disposal of property, plant and equipment	25	**(11,317)**	729	1,052	**–**	–	–
Equity-settled share-based payment transactions	25	**377**	890	713	**30**	96	161
Share in net loss (profit) of joint ventures and subsidiaries		**1,552**	1,909	1,717	**13,303**	(62,393)	(92,585)
Finance income	26	**(41,472)**	(5,809)	(2,231)	**(1,086)**	(47)	(2)
Finance expense	26	**105,653**	111,068	99,581	**16,275**	22,829	21,703
Tax expense - current	27	**11,701**	6,730	12,729	**25**	14	5
Tax credit - deferred	27	**3,143**	(6,179)	(3,786)	**(9)**	(2)	–
Ineffective portion of cash flow hedges		**846**	(1,070)	5,193	**–**	–	–
Defined benefit plan amendment	21	**–**	–	(39,422)	**–**	–	–
Impairment losses on noncurrent assets held for sale	25	**–**	–	1,659	**–**	–	–
		191,786	276,171	291,427	**(7,954)**	(15,137)	(13,740)
Changes in:							
Other assets		**(5,169)**	1,786	(13,277)	**–**	–	–
Inventories		**147,643**	(64,858)	(103,705)	**–**	–	–
Biological assets		**(34,575)**	(12,550)	(8,427)	**–**	–	–
Trade and other receivables		**12,716**	(331)	22,851	**(1)**	(5)	(2)
Prepaid expenses and other current assets		**10,600**	(8,602)	(2,787)	**(143)**	(102)	(83)
Trade and other payables		**(11,777)**	(7,255)	(97,072)	**(6,833)**	3,360	2,834
Employee benefits		**16,298**	5,052	18,989	**–**	–	–
Operating cash flows		**327,522**	189,413	107,999	**(14,931)**	(11,884)	(10,991)
Taxes paid		**(4,574)**	(2,344)	(38)	**(22)**	–	–
Net cash flows provided by (used in) operating activities		**322,948**	187,069	107,961	**(14,953)**	(11,884)	(10,991)

Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows (cont'd)
Years ended 30 April 2018, 2017 and 2016
(In US$'000)

	Note	<------------------ Group	------------------	------------------>	<--------------- Company	--------------	-------------->
		Year ended 30 April 2018	**Year ended 30 April 2017**	**Year ended 30 April 2016**	**Year ended 30 April 2018**	**Year ended 30 April 2017**	**Year ended 30 April 2016**
Cash flows from investing activities							
Interest received		**550**	476	357	**5**	–	–
Proceeds from disposal of property, plant and equipment and noncurrent assets held for sale		**41,241**	2,191	3,775	**–**	–	–
Acquisitions of property, plant and equipment		**(110,738)**	(144,123)	(137,230)	**–**	–	–
Investments in joint ventures	7	**(949)**	(3,570)	(1,947)	**(949)**	–	–
Repayments from joint venture		**–**	–	–	**6,013**	–	–
Advances to joint venture		**–**	–	–	**(1,570)**	–	–
Advances to related company		**–**	–	–	**(97,335)**	–	–
Dividend income		**–**	–	–	**57,989**	–	–
Net cash flows used in investing activities		**(69,896)**	(145,026)	(135,045)	**(35,847)**	–	–
Cash flows from financing activities							
Interest paid		**(94,961)**	(103,098)	(85,682)	**(12,370)**	(24,183)	(19,907)
Proceeds from borrowings	19	**807,822**	930,901	1,113,193	**154,570**	52,650	233,000
Repayment of borrowings	19	**(1,053,042)**	(1,056,280)	(986,800)	**(145,500)**	(205,580)	(207,000)
Proceeds from issuance of share capital	17	**100,000**	200,000	–	**100,000**	200,000	–
Payment of transaction costs related to issuance of share capital		**(2,085)**	(4,523)	–	**(2,085)**	(4,523)	–
Capital injection by non-controlling interests of subsidiaries		**–**	–	189	**–**	–	–
Acquisition of treasury shares		**–**	–	(173)	**–**	–	(173)
Repayments of advances from related companies		**–**	–	–	**(281,994)**	247	(6,170)
Advances from related companies	37	**–**	–	–	**262,025**	25,542	5,485
Payment of debt related costs		**(4,515)**	–	–	**(730)**	–	–
Dividends paid	18	**(27,172)**	(25,828)	–	**(27,172)**	(25,828)	–
Net cash flows provided by (used in) financing activities		**(273,953)**	(58,828)	40,727	**46,744**	18,325	5,235

Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows (cont'd)
Years ended 30 April 2018, 2017 and 2016
(In US$'000)

	Note	Group Year ended 30 April 2018	Group Year ended 30 April 2017	Group Year ended 30 April 2016	Company Year ended 30 April 2018	Company Year ended 30 April 2017	Company Year ended 30 April 2016
Net increase (decrease) in cash and cash equivalents		**(20,901)**	(16,785)	13,643	**(4,056)**	6,441	(5,756)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		**7,576**	7,153	(2,058)	**(2)**	(35)	(9)
Cash and cash equivalents at beginning of year		**37,571**	47,203	35,618	**6,767**	361	6,126
Cash and cash equivalents at end of year	15	**24,246**	37,571	47,203	**2,709**	6,767	361

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

These notes form an integral part of the financial statements.

The accompanying financial statements were approved and authorised for issuance by the Board of Directors (the "Board" or "BOD") on 13 July 2018.

1. Domicile and activities

Del Monte Pacific Limited (the "Company") was incorporated as an international business company in the British Virgin Islands on 27 May 1999 under the International Business Companies Act (Cap. 291) of the British Virgin Islands. It was automatically re-registered as a company on 1 January 2007 when the International Business Companies Act was repealed and replaced by the Business Companies Act 2004 of the British Virgin Islands.

The registered office of the Company is located at Craigmuir Chambers, Road Town, Tortola, British Virgin Islands.

The principal activity of the Company is that of investment holding. Its subsidiaries are principally engaged in growing, processing, and selling canned and fresh pineapples, pineapple juice concentrate, tropical mixed fruit, canned peaches and pears, canned vegetables, tomato-based products, and certain other food and beverage products mainly under the brand names of "Del Monte", "S&W", "Today's", "Contadina", "College Inn" and other brands. The Company's subsidiaries also produce and distribute private label food products.

The immediate holding company is NutriAsia Pacific Limited ("NAPL") whose ultimate shareholders are NutriAsia Inc. ("NAI") and Well Grounded Limited ("WGL"), which at 30 April 2018, 2017 and 2016, held 57.8% and 42.2% interests in NAPL, respectively, through their intermediary company, NutriAsia Holdings Limited. NAPL, NAI and WGL were incorporated in the British Virgin Islands.

On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Ordinary Shares of the Company were also listed on the Philippine Stock Exchange Inc. ("PSE") on 10 June 2013. The first tranche of the Company's Preference Shares was listed on 7 April 2017 and the second tranche on 15 December 2017.

On 6 August 2010, the Company established DM Pacific Limited-ROHQ ("ROHQ"), the regional operating headquarters of the Company in the Philippines. The ROHQ is registered with and licensed by the Securities and Exchange Commission ("SEC") to engage in general administration and planning, business planning and coordination, sourcing and procurement of raw materials and components, corporate financial advisory, marketing control and sales promotion, training and personnel management, logistics services, research and product development, technical support and maintenance, data processing and communication, and business development. The ROHQ commenced its operations in October 2015.

The financial statements of the Group as at and for the year ended 30 April 2018 comprise the Company and its subsidiaries (together referred to as the "Group", and individually as "Group entities"), and the Group's interests in joint ventures.

2. Going concern – The Company

The Company's current liabilities are higher by US$109.2 million compared to current assets as at 30 April 2018 (30 April 2017: US$34.7 million).

Management believes that the Company will be able to pay its liabilities as and when they fall due. Accordingly, the use of going concern assumption is appropriate taking into account the following:

- the Group's net current assets position of US$227.2 million as at 30 April 2018 (30 April 2017: US$433.7 million) and the Company expects dividend payment from its subsidiaries;
- the Group and the Company is getting new lines with banks for a period of more than 12 months. Additionally, Group continues to improve debt-equity ratio and bring the same down through raising additional equity.

3. Basis of preparation

3.1 Statement of compliance

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

3.2 Basis of measurement

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

3.3 Functional and presentation currency

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

3.4 Use of estimates and judgements

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

Judgements

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

Note 5 – Bearer plants
Note 6 – Determination of control over subsidiaries
Note 7 – Classification of the joint arrangement
Note 16 – Classification of assets held for sale
Note 36 – Contingencies

Estimates and underlying assumptions

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

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

Note 5 – Useful lives of property, plant and equipment, revaluation of freehold land, estimate of yield for bearer plant's depreciation
Note 5 – Impairment of property, plant and equipment
Note 6 – Recoverability of investments in subsidiaries
Note 7 – Recoverability of investments in joint ventures
Note 8 – Useful lives of intangible assets and impairment of goodwill and intangible assets
Note 9 – Realisability of deferred tax assets
Note 11 – Future cost of growing crops and fair value of livestock, harvested crops, and produce prior to harvest and future volume of harvest
Note 12 – Allowance for inventory obsolescence and net realisable value
Note 13 – Impairment of trade receivables
Note 16 – Estimation of fair value less cost to sell of assets held for sale
Note 20 – Measurement of workers' compensation accruals
Note 21 – Measurement of employee benefit obligations
Note 23 – Estimation of trade promotion accruals
Note 22 – Estimation of environmental remediation liabilities
Note 27 – Measurement of tax
Note 34 – Determination of fair values
Note 36 – Contingencies

3.5 Measurement of fair value

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

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

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

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

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

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

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

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

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

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

The Group applied for the first time certain pronouncements, which are effective for annual periods beginning on or after 1 May 2017.

Amendments to IFRS 12*, Disclosure of Interests in Other Entities, Clarification of the Scope of the Standard (Part of Annual* Improvements to IFRSs 2014 - 2016 Cycle*).* The amendments clarify that the disclosure requirements in IFRS 12, other than those relating to summarized financial information, apply to an entity's interest in a subsidiary, a joint venture or an associate (or a portion of its interest in a joint venture or an associate) that is classified (or included in a disposal group that is classified) as held for sale. Adoption of these amendments did not have any impact on the Group's consolidated financial statements.

Amendments to IAS 7*, Statement of Cash Flows, Disclosure Initiative.* The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses).

The Group has provided the required information in Note 40 to the consolidated financial statements. As allowed under the transition provisions of the standard, the Group did not present comparative information for the year ended 30 April 2017.

Amendments to IAS 12*, Income Taxes, Recognition of Deferred Tax Assets for Unrealised Losses*. The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions upon the reversal of the deductible temporary difference related to unrealised losses. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The amendments have no significant effect on the Group's financial position and performance.

4. Significant accounting policies

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

4.1 Basis of consolidation

(i) Business combination

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

The Group measures goodwill at the acquisition date as:

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

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

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

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

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in the income statement.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation are measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets, at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other components of non-controlling interests are measured at acquisition-date fair value unless another measurement is required by another standard.

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

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

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

(ii) Investments in subsidiaries

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

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

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

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

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

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Company's accounting policies.

All intra-group assets and liabilities, equity, income expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

(iii) Acquisition under common control

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

(iv) Loss of control

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

(v) Goodwill

Goodwill that arises upon the acquisition of subsidiaries is included in intangible assets. For the measurement of goodwill on initial recognition, see Note 8.

Subsequent measurement

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

Impairment of goodwill is discussed in Note 4.11.

(vi) Investments in joint ventures

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

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Investments in joint ventures are accounted for using the equity method. They are recognised initially at cost, which includes transactions costs.

Subsequent to the initial recognition, the financial statements include the Group's share of profit or loss and other comprehensive income of the joint ventures, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

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

Impairment of investments in joint ventures is discussed in Note 4.11.

(vii) Transactions eliminated on consolidation

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

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

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

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

4.2 Foreign currency

(i) Foreign currency transactions

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

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

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

(ii) Foreign operations

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

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

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

4.3 Current versus Noncurrent Classification

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

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

All other assets are classified as noncurrent.

A liability is current when:

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

The Group classifies all other liabilities as noncurrent.

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

4.4 Intangible assets

(i) Indefinite useful life intangible assets

Intangible assets are measured at cost less accumulated impairment losses.

The Group assess intangible assets having indefinite useful life if there is no foreseeable limit to the period over which the assets are expected to generate cash inflows for the entity.

(ii) Research and development

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

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

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

(iii) Other intangible assets

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

(iv) *Subsequent expenditure*

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

(v) Amortisation

Amortisation is calculated based on the cost of the asset.

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

Trademarks	-	10 to 20 years
Customer relationships	-	20 years

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

4.5 Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss (FVPL), held-to-maturity (HTM) financial assets, loans and receivables and available-for-sale (AFS) financial assets. The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at FVPL and other financial liabilities. The classification depends on the purpose for which the investments were acquired and whether they are quoted in an active market. Classification is determined at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date. The Group has no financial assets and liabilities at FVPL, HTM financial assets, and AFS financial assets as at 30 April 2018 and 2017, and 2016.

(i) Non-derivative financial assets

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

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

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

Non-derivative financial assets comprise of loans and receivables.

Loans and receivables

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

Loans and receivables comprise of due from a related party, note receivable under "Other noncurrent assets", trade and other receivables, refundable deposits, and cash and cash equivalents. Cash and cash equivalents comprise of cash on hand, cash in banks and short-term placements.

(ii) Non-derivative financial liabilities

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

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

When a financial liability (or part of a liability) is extinguished, the difference between the carrying amount of the financial liability (or part of a liability) and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in income statement. If the Group repurchases only a part of a financial liability, it calculates the carrying value of the part disposed of by allocating the previous carrying amount of the financial liability between the part that continues to be recognised and the part that is derecognised based on the relative fair values of those parts on the date of the repurchase.

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

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

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

(iii) Derivative financial instruments, including hedge accounting

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

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

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

Cash flow hedges

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

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

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

4.6 Property, plant and equipment

(i) Recognition and measurement

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

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

A bearer plant is a pineapple and papaya living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Costs related to bearer plants are capitalised up to point of maturity of the bearer plants, including costs during the ratoon crop cycle. These costs include land preparation, cultural, spraying and plantation overhead costs.

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

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

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

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

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

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

4.7 Biological assets

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

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

Bearer Plants

Bearer plants are measured at cost less accumulated depreciation recognised at point of harvest. Bearer plants are presented as part of property, plant and equipment. Costs to grow include purchase cost of various chemicals and fertilizers, land preparation expenses and direct expenses during the cultivation of the primary ratoon and, if needed, re-ratoon crops. The accumulated costs are deferred and are amortised as raw product costs upon harvest. Raw product cost is recognised as depreciation based on the actual volume of harvest in a given period.

Units-of-production method is used for depreciating the bearer plants. Depreciation is charged according to the cost of fruits harvested at plant crop and ratoon crop harvest months.

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

Breeding and Dairy Herd

The breeding and dairy herd are measured at cost. The breeding and dairy herd have useful lives of 3 ½ to 6 years. The cost method was used since fair value cannot be measured reliably. The breeding and dairy herd have no active markets and no similar assets are available in the relevant markets. In addition, existing sector benchmarks are irrelevant and estimates necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result in a reliable basis for determining the fair value. Breeding and dairy herd are classified as noncurrent assets in the statement of financial position of the Group.

Growing Herd

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

Cattle for Slaughter

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

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

Agricultural Produce

The Group's growing produce are measured at their fair value from the time of maturity of the bearer plant until harvest. The Group uses the future selling prices and gross margin of finished goods, adjusted to remove the margin associated to further processing, less future growing cost as the basis of fair value. The Group's harvested produce to be used in processed products are measured at fair value at the point of harvest based on the estimated selling prices reduced by cost to sell and adjusted for margin associated to further processing. The Group's harvested produce to be sold as fresh fruits are measured at fair value at the point of harvest based on the average selling price of fresh fruit reduced by cost to sell.

Cutmeat

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

4.8 Leases

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

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

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

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

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

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

A series of transactions that involve the legal form of a lease is linked and is accounted for as one transaction when the overall economic effect cannot be understood without reference to the series of transactions as a whole. This is the case, for example, when the series of transactions are closely interrelated, negotiated as a single transaction, and takes place concurrently or in a continuous sequence. This requires an evaluation of the substance of the lease arrangement, including the conveyance of the right to use an asset for an agreed period of time.

Group as Lessee

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

4.9 Inventories

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

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

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

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

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

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

4.10 Cash equivalents

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

4.11 Impairment

(i) Non-derivative financial assets

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

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

Loans and receivables

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

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

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

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

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

(ii) Non-financial assets

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

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

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

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss recognised in prior periods for an asset other than goodwill is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Joint ventures and investments in subsidiaries

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

Goodwill

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

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

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

Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

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

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

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

4.12 Noncurrent assets held for sale

Noncurrent assets held for sale are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognised in the consolidated income statement. Once classified as held-for-sale, property, plant and equipment are no longer depreciated. If it is no longer highly probable that an asset will be recovered primarily through sale, the asset ceases to be classified as held-for-sale and is measured at the lower of its carrying amount before the asset was classified as held-for-sale adjusted for any depreciation that would have been recognised had the asset not been reclassified as held for sale and its recoverable amount at the date of the subsequent reclassification. The required adjustment to the carrying amount of an asset that ceases to be classified as held-for-sale is included in the consolidated income statement. The Group classified certain assets in Plymouth, Indiana and Siloam Springs, Arkansas as held-for-sale as of 30 April 2018 (see Note 16). The Group did not have any assets held for sale as of 30 April 2017.

4.13 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the income statement in the periods during which services are rendered by employees.

(ii) Defined benefit pension plan

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

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

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

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

When the plan amendment or curtailment occurs, the Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs. The gain or loss on settlement is the difference between the present value of the defined benefit obligation being settled as determined on the date of settlement and the settlement price, including any plan assets transferred and any payments made directly by the Group in connection with the settlement. In fiscal 2016, a plan amendment was implemented for certain medical and dental benefits (see Note 21).

Multi-employer plans

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

(iii) Other plans

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

(iv) Other long-term employee benefits

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

(v) Termination benefits

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

(vi) Short-term employee benefits

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

(vii) Share-based payment transactions

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

Share awards

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

Share options

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

4.14 Share Capital and Retained earnings

(i) Share capital

Ordinary shares

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

Preference shares

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

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

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

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

Share premium

Share premium represents the excess of consideration received over the par value of ordinary and preference shares net of transaction costs from issuance of share capital, share options exercised and released of share awards granted.

(ii) Retained Earnings

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

(iii) Dividends

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

4.15 Provisions

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

(i) Environment remediation liabilities

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

(ii) Retained insurance liabilities

The Group accrues for retained insurance risks associated with the deductible portion of any potential liabilities that might arise out of claims of employees, customers or other third parties for personal injury or property damage occurring in the course of the Group's operations.

A third-party actuary is engaged to assist the Group in estimating the ultimate cost of certain retained insurance risks. Additionally, the Group's estimate of retained insurance liabilities is subject to change as new events or circumstances develop which might materially impact the ultimate cost to settle these losses.

4.16 Revenue recognition

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue is recognised when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognised as a reduction of revenue as the sales are recognised.

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

Direct trade promotions such as retail store displays, listing fees, and volume incentives are recognised as reduction from revenue at the point of sale.

4.17 Lease payments

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

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

4.18 Finance income and finance costs

Finance income comprises interest income earned mainly from bank deposits and due from a related party of the Company. Interest income is recognised as it accrues in the income statement, using the effective interest method.

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

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

4.19 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 joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

4.20 Earnings per share

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

4.21 Segment reporting

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

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

4.22 Contingencies

A contingent liability is:

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

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

- (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

4.23 New standards and interpretations issued but not yet adopted

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company and the Group do not expect that the future adoption of the said pronouncements will have a significant impact on its financial statements. The Company and the Group intends to adopt the following pronouncements when they become effective.

Applicable for annual periods beginning on or after 1 May 2018

- IFRS 9 *Financial Instruments (2014)*

IFRS 9 (2014) replaces IAS 39 *Financial Instruments: Recognition and Measurement* and supersedes the previously published versions of IFRS 9 that introduced new classifications and measurement requirements (in 2009 and 2010) and a new hedge accounting model (in 2013). IFRS 9 includes revised guidance on the classification and measurement of financial assets, including a new expected credit loss model for calculating impairment, guidance on own credit risk on financial liabilities measured at fair value and supplements the new general hedge accounting requirements published in 2013. IFRS 9 incorporates new hedge accounting requirements that represent a major overhaul of hedge accounting and introduces significant improvements by aligning the accounting more closely with risk management. The new standard is to be generally applied retrospectively for annual periods beginning on or after 1 January 2018, subject to certain exemptions provided by the standard. The Company and the Group is still determining the optimal transition approach to adopting IFRS 9. The assessments made by the Company and Group below is preliminary and incomplete, and therefore may be subject to change.

Classification – Financial assets

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. It contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). It eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

Based on its assessment, the Company and Group does not believe that the new classification requirements will have a material impact on its accounting for trade and other receivables, and notes receivable which are expected to be similarly accounted for as at amortised cost.

Impairment

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to the Group's financial assets measured at amortised cost and any contract assets recognised under IFRS 15 *Revenue from Contracts with Customers*.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. Lifetime ECL measurement always applies for trade receivables and contract assets without a significant financing component.

The Company and Group is still assessing and has not yet reasonably estimated the quantitative impact on its financial statements resulting from the new impairment requirements of IFRS 9.

Hedge Accounting

When initially applying IFRS 9, there is an accounting policy choice to continue to apply the hedge accounting requirements of IAS 39 instead of the requirements in IFRS 9. The Group expects to apply the new requirements of IFRS 9.

IFRS 9 requires the Group to ensure that hedge accounting relationships are aligned with the Group's risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness. IFRS 9 also introduces new requirements on rebalancing hedge relationships and prohibiting voluntary discontinuation of hedge accounting.

Under the new model, it is possible that more risk management strategies, particularly those involving a risk component (other than foreign currency risk) of a non-financial item, will be likely to qualify for hedge accounting.

Under IAS 39, for all cash flow hedges, the amounts accumulated in the cash flow hedging reserve are reclassified to profit or loss as a reclassification adjustment in the same period as the hedged expected cash flows affect profit or loss. However, under IFRS 9, for cash flow hedges associated with forecast non-financial asset purchases, the amounts accumulated in the cash flow hedging reserve will instead be included directly in the initial cost of the non-financial asset when it is recognised.

The types of hedge accounting relationships that the Group currently designates are expected to meet the requirements of IFRS 9 and are aligned with the entity's risk management strategy and objective.

The Group is still assessing and has not yet reasonably estimated the quantitative impact on its financial statements resulting from the new hedge accounting requirements of IFRS 9.

The amendment is not applicable to the Company.

- IFRS 15 *Revenue from Contracts with Customers* replaces IAS 11 *Construction Contracts*, IAS 18 *Revenue*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 18 *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services*

The new standard introduces a new and more comprehensive revenue recognition model for contracts with customers which specifies that revenue should be recognised when (or as) a company transfers control of goods or services to a customer at the amount to which the company expects to be entitled.

IFRS 15 requires a contract with a customer to be legally enforceable and to meet certain criteria to be within the scope of the standard and for the general model to apply. It introduces detailed guidance on identifying performance obligations which requires entities to determine whether promised goods or services are distinct. It also introduces detailed guidance on determining transaction price, including guidance on variable consideration and consideration payable to customers. The transaction price will then be generally allocated to each performance obligation in proportion to its stand-alone selling price. Depending on whether certain criteria are met, revenue is recognised over time, in a manner that best reflects the company's performance, or at a point in time, when control of the goods or services is transferred to the customer.

The standard does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties. Furthermore, if a contract with a customer is partly in the scope of another IFRS, then the guidance on separation and measurement contained in the other IFRS takes precedence.

The Group plans to adopt the standard retrospectively in the first quarter of fiscal 2019 with the cumulative effect of initially applying it recognised at the date of initial application ("cumulative effect method"). The Group is currently assessing the potential impact on its financial statements resulting from the application of IFRS 15.

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

The interpretation clarifies that the transaction date to be used for translation for foreign currency transactions involving an advance payment or receipt is the date on which the entity initially recognises the prepayment or deferred income arising from the advance consideration. For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date. The interpretation applies when an entity pays or receives consideration in a foreign currency and recognises a non-monetary asset or liability before recognising the related item.

- Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions*

The IASB issued amendments to IFRS 2 Share-based Payment in relation to the classification and measurement of share-based payment transactions.

The amendments address three main areas:

- *The effects of vesting conditions on the measurement of a cash-settled share-based payment transaction.* The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments.

- *The classification of a share-based payment transaction with net settlement features for withholding tax obligations.* This amendment adds an exception to address the narrow situation where the net settlement arrangement is designed to meet an entity's obligation under tax laws or regulations to withhold a certain amount in order to meet the employee's tax obligation associated with the share-based payment. This amount is then transferred, normally in cash, to the tax authorities on the employee's behalf. To fulfil this obligation, the terms of the share-based payment arrangement may permit or require the entity to withhold the number of equity instruments that are equal to the monetary value of the employee's tax obligation from the total number of equity instruments that otherwise would have been issued to the employee upon exercise (or vesting) of the share-based payment ('net share settlement feature'). Where transactions meet the criteria, they are not divided into two components but are classified in their entirety as equity-settled share-based payment transactions, if they would have been so classified in the absence of the net share settlement feature.

- *The accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled.* The amendment clarifies that, if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. Any difference (whether a debit or a credit) between the carrying amount of the liability derecognised and the amount recognised in equity on the modification date is recognised immediately in profit or loss.

- Amendments to IAS 28 *Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice*

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.

If an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

The amendments should be applied retrospectively and are effective from 1 May 2018, with earlier application permitted. If an entity applies those amendments for an earlier period, it must disclose that fact.

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

The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach.

Temporary exemption from IFRS 9

The optional temporary exemption from IFRS 9 is available to entities whose activities are predominantly connected with insurance. The temporary exemption permits such entities to continue to apply IAS 39 Financial Instruments: *Recognition and Measurement* while they defer the application of IFRS 9 until 1 January 2021 at the latest. Predominance must be initially assessed at the annual reporting date that immediately precedes 1 April 2016 and before IFRS 9 is implemented. Also the evaluation of predominance can only be reassessed in rare cases. Entities applying the temporary exemption will be required to make additional disclosures.

The overlay approach

The overlay approach is an option for entities that adopt IFRS 9 and issue insurance contracts, to adjust profit or loss for eligible financial assets; effectively resulting in IAS 39 accounting for those designated financial assets. The adjustment eliminates accounting volatility that may arise from applying IFRS 9 without the new insurance contracts standard. Under this approach, an entity is permitted to reclassify amounts between profit or loss and other comprehensive income for designated financial assets.

An entity must present a separate line item for the amount of the overlay adjustment in profit or loss, as well as a separate line item for the corresponding adjustment in other comprehensive income.

The temporary exemption is first applied for reporting periods beginning on or after 1 May 2018. An entity may elect the overlay approach when it first applies IFRS 9 and apply that approach retrospectively to financial assets designated on transition to IFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying IFRS 9.

- Amendments to IAS 40 *Transfers of Investment Property*

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with IAS 8 is only permitted if that is possible without the use of hindsight. Early application of the amendments is permitted and must be disclosed.

<u>Applicable for the first annual reporting period that begins on or after 1 May 2019</u>

- IFRS 16 *Leases* supersedes IAS 17 *Leases* and the related interpretations

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

Early application is permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16. The Group is assessing the potential impact on its financial statements resulting from the application of IFRS 16.

- IFRIC-23 *Uncertainty over Income Tax Treatments* clarifies how to apply the recognition and measurement requirements in IAS 12 Income Taxes when there is uncertainty over income tax treatments.

Under the interpretation, whether the amounts recorded in the financial statements will differ to that in the tax return, and whether the uncertainty is disclosed or reflected in the measurement, depends on whether it is probable that the tax authority will accept the entity's chosen tax treatment. If it is not probable that the tax authority will accept the entity's chosen tax treatment, the uncertainty is reflected using the measure that provides the better prediction of the resolution of the uncertainty – either the most likely amount or the expected value. The interpretation also requires the reassessment of judgements and estimates applied if facts and circumstances change – e.g. as a result of examination or action by tax authorities, following changes in tax rules or when a tax authority's right to challenge a treatment expires.

The interpretation is effective for annual periods beginning on or after 1 May 2019. Earlier application is permitted.

- Amendments to IAS 19 *Plan Amendment, Curtailment or Settlement*

The amendments clarify that on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the period and the effect of the asset ceiling is disregarded when calculating the gain or loss on any settlement of the plan and is dealt with separately in other comprehensive income.

The amendments apply for plan amendments, curtailments or settlements that occur on or after the beginning of the first annual reporting period that begins on or after 1 May 2019. Earlier application is permitted.

- *Annual Improvements to IFRSs 2015-2017 Cycle*

This cycle of improvements contains amendments to four standards. The following are the amendments relevant to the Group:

- *Previously held interests in a joint operations (Amendments to IFRS 3 Business Combinations and IFRS 11 Joint Arrangements).* The amendments clarify that, when an entity obtains control of a business that is joint operations, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

  An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 May 2019. Earlier application is permitted.

- *Previously held interests in a joint operations (Amendments to IFRS 11 Joint Arrangements).* The amendments clarify that a party that participates in, but does not have joint control of, a joint operation constitutes a business as defined in IFRS 3, *Business Combinations*. The amendments clarify that the previously held interests in that joint operations are not remeasured.

  An entity applies those amendments to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 May 2019. Earlier application is permitted.

- *Income tax consequences of payments on financial instruments classified as equity (Amendments to IAS 12 Income Taxes).* The amendments clarify that all income tax consequences of dividends, including payments on financial instruments classified as equity, are recognised consistently with the transactions that generated the distributable profits (i.e. income statement, OCI or equity).

  The amendments are effective for annual periods beginning on or after 1 May 2019. Earlier application is permitted. When an entity first applies those amendments, it shall apply them to the income tax consequences of dividends recognised on or after the beginning of the earliest comparative period.

- *Borrowing costs eligible for capitalisation (Amendments to IAS 23 Borrowing Costs).* The amendments clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale are included in that general pool.

- Amendments to IFRS 10 and IAS 28 *Sale or contribution of assets between an investor and its associate or joint venture.*

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3, *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investor's interests in the associate or joint venture. In December 2015, the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting.

- Amendments to IFRS 9 *Prepayment features with negative compensation*

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The basis for conclusions to the amendments clarified that the early termination can result from a contractual term or from an event outside the control of the parties to the contract, such as a change in law or regulation leading to the early termination of the contract.

- Amendments to IAS 28 *Long-term interests in associate and joint ventures*

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The Board also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28.

The amendments are effective for annual periods beginning on or after 1 May 2019. Earlier application is permitted.

Applicable for the first annual reporting period that begins on or after 1 May 2021

- *IFRS 17 Insurance Contracts.*

The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.

In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

The main features of the new accounting model for insurance contracts are as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows)
- A Contractual Service Margin (CSM) that is equal and opposite to any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profit of the insurance contracts to be recognised in profit or loss over the service period (i.e., coverage period)
- Certain changes in the expected present value of future cash flows are adjusted against the CSM and thereby recognised in profit or loss over the remaining contractual service period
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice
- The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income based on the concept of services provided during the period
- Amounts that the policyholder will always receive, regardless of whether an insured event happens (non-distinct investment components) are not presented in the income statement, but are recognised directly on the balance sheet
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense
- Extensive disclosures to provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts

IFRS 17 is effective for reporting periods starting on or after 1 May 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

5. Property, plant and equipment - net

	<--At cost			--------------------------------->	At appraised value	
	Buildings, land improvements and leasehold improvements US$'000	**Machineries and equipment US$'000**	**Construction -in-progress US$'000**	**Bearer Plants US$'000**	**Freehold land US$'000**	**Total US$'000**
Group						
Cost/Valuation						
At 30 April 2017	216,617	546,529	37,707	219,443	68,000	1,088,296
Additions	5,309	5,146	54,947	82,796	–	148,198
Disposals	(907)	(24,751)	–	–	(86)	(25,744)
Write off – closed fields	–	–	–	(34,038)	–	(34,038)
Reclassifications	(1,652)	31,580	(35,812)	–	(369)	(6,253)
Currency realignment	(1,417)	(6,420)	(901)	(7,777)	(436)	(16,951)
At 30 April 2018	217,950	552,084	55,941	260,424	67,109	1,153,508
At 1 May 2016	212,311	499,213	38,291	193,414	65,762	1,008,991
Additions	217	4,393	69,293	71,126	–	145,029
Revaluation	–	–	–	–	4,119	4,119
Disposals	(208)	(3,860)	–	–	–	(4,068)
Write off – closed fields	–	–	–	(32,402)	–	(32,402)
Write off – closed plant	(2,210)	(3,728)			(397)	(6,335)
Reclassifications	9,056	61,795	(69,270)	–	(890)	691
Currency realignment	(2,549)	(11,284)	(607)	(12,695)	(594)	(27,729)
At 30 April 2017	216,617	546,529	37,707	219,443	68,000	1,088,296

	<---At cost			--->	At appraised value	
	Buildings, land improvements and leasehold improvements US$'000	**Machineries and equipment US$'000**	**Construction -in-progress US$'000**	**Bearer Plants US$'000**	**Freehold land US$'000**	**Total US$'000**
Group						
Accumulated depreciation and impairment losses						
At 30 April 2017	46,577	250,542	–	133,992	–	431,111
Charge for the year	11,284	51,553	–	77,224	–	140,061
Impairment loss	11,278	8,959	–	–	4,297	24,534
Write off – closed fields	–	–	–	(34,038)	–	(34,038)
Disposals	(130)	(7,449)	–	–	–	(7,579)
Reclassification	(700)	(91)	–	–	–	(791)
Currency realignment	(746)	(5,116)	–	(4,817)	–	(10,679)
At 30 April 2018	67,563	298,398	–	172,361	4,297	542,619
At 1 May 2016	38,638	212,935	–	95,795	390	347,758
Charge for the year	9,630	51,809	–	77,556	–	138,995
Reversal of impairment loss	(178)	(152)	–	–	–	(330)
Disposals	(49)	(1,918)	–	–	–	(1,967)
Write off – closed fields	–	–	–	(32,402)	–	(32,402)
Write off – closed plant	(2,210)	(3,735)	–	–	(390)	(6,335)
Currency realignment	746	(8,397)	–	(6,957)	–	(14,608)
At 30 April 2017	46,577	250,542	–	133,992	–	431,111

	<-------At cost			------->	At appraised value	
	Buildings, land improvements and leasehold improvements US$'000	**Machineries and equipment US$'000**	**Construction -in-progress US$'000**	**Bearer Plant US$'000**	**Freehold land US$'000**	**Total US$'000**
Carrying amounts						
At 30 April 2018	150,387	253,686	55,941	88,063	62,812	610,889
At 30 April 2017	170,040	295,987	37,707	85,451	68,000	657,185

The Group has amounts in accrued liabilities relating to property, plant and equipment acquisitions of US$6.4 million as of 30 April 2018 (30 April 2017: US$2.1 million). Down payments made by the Group for the acquisition of property, plant and equipment amounted to US$2.9 million as of 30 April 2018 (30 April 2017: US$3.0 million). Additional fields closed and written off in 2018 amounted to US$34.0 million (2017: US$32.0 million).

Bearer Plants

	Group	
	30 April 2018	**30 April 2017**
Hectares planted with growing crops:		
– Pineapples	16,402	16,572
– Papaya	59	733
Fruits harvested from the growing crops: (in metric tons)		
– Pineapples	743,008	749,099
– Papaya	987	11,455

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

Leasehold Improvements

As at 30 April 2018 and 2017, the Group has no significant legal or constructive obligation to dismantle any of its leasehold improvements as the lease contracts provide, among other things, that the improvements introduced on the leased assets shall become the property of the lessor upon termination of the lease.

Freehold Land

The table below summarises the valuation of freehold land held by the Group as at 30 April 2018 in various locations:

Located in	**Valuation US$'000**	**Date of Valuation**
The Philippines	8,847	2016 (Various)
United States of America	44,885	31 December 2016
Singapore	9,080	9 September 2016
	62,812	

The Group engaged independent appraisers to determine the fair values of its freehold land. Revaluations are performed at regular intervals to ensure that the fair value of the freehold land does not differ materially from its carrying amount. Management evaluated that the fair values of its freehold land at the respective valuation dates approximate their fair values as of the reporting date. The assumptions used in determining the fair value are disclosed in Note 34.

The Group reclassified US$0.4 million of its freehold land as held-for-sale and disposed US$0.1 million during the fiscal year.

The carrying amount of the Group's freehold land as at 30 April 2018 would be US$47.5 million (30 April 2017: US$52.7 million) had the freehold land been carried at cost less impairment losses.

Construction-in-Progress

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

Major items in the Construction in Progress (CIP) include construction of in-house Tetra Pak line, increase tropical product line capacity and acquisition of Klearcan can-making facility. Most of the CIP items are expected to be completed within fiscal year 2019.

Plant closures and divestiture of Sager Creek business

In connection with the plant closures, the Group recognised impairment losses amounting to US$24.7 million in fiscal year 2018.

Plymouth Plant

The Group closed its Plymouth, Indiana plant during fiscal year 2018. In connection with the plant closure, the Group recognised impairment losses on related property, plant and equipment amounting to US$7.0 million in fiscal year 2018.

Under the termination plan, approximately 100 employees were affected, all of which were terminated by the end of fiscal year 2018. The Group recognised provisions for employee severance benefits amounting to US$2.3 million, with US$0.2 million outstanding as of 30 April 2018. The employee severance benefits are presented under "Employee benefits".

The Group reclassified the plant's land and building as held-for-sale as of 30 April 2018 (see Note 16).

Sager Creek - Siloam Springs, Arkansas

The Group also closed its Country production plant in Siloam Springs, Arkansas. The operations ceased in 20 September 2018.

Under the termination plan, approximately 230 employees were affected, the majority of which were terminated by the end of fiscal year 2018. The Group recognised provisions for employee severance benefits amounting to US$2.3 million, with US$0.4 million outstanding as of 30 April 2018. The employee severance benefits are presented under "Employee benefits".

The Group reclassified the plant's office building as held-for-sale as of 30 April 2018 (see Note 16).

Northwest Arkansas Distribution and Warehouse Facilities

The Group announced on 19 January 2018 its intention to close its distribution and warehouse facilities in Northwest Arkansas. These closures will take place during the first half of fiscal year 2019.

Under the termination plan, approximately 125 employees were affected, the majority of which were terminated by the end of fiscal year 2018. The Group recognised provisions for employee severance benefits amounting to US$1.3 million, with US$1.1 million outstanding as of 30 April 2018. The employee severance benefits are presented under “Employee benefits”.

Sager Creek – Turkey, North Carolina

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

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

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

Source of estimation uncertainty

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

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

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

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

The recoverable amount of the impaired assets was based on fair value less cost to sell, which is subject to estimation.

6. Investments in subsidiaries

	30 April 2018 US$'000	30 April 2017 US$'000
Unquoted equity shares, at cost	640,699	640,699
Amounts due from subsidiaries (nontrade)	75,243	75,243
	715,942	715,942
Accumulated share in profit and other comprehensive income at the beginning of the year	115,946	44,956
Share in net profit of subsidiaries	(12,066)	62,627
Dividend declared by subsidiaries	(120,000)	–
Share in other comprehensive income of subsidiaries, net of tax	7,668	7,309
Others	154	1,054
	(8,298)	115,946
Interests in subsidiaries at the end of the year	707,644	831,888

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

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2018 %	Effective equity held by the Group 30 April 2017 %
Held by the Company				
Del Monte Pacific Resources Limited ("DMPRL") [6]	Investment holding	British Virgin Islands	100.00	100.00
DMPL India Pte Ltd ("DMPLI") [2]	Investment holding	Singapore	100.00	100.00
DMPL Management Services Pte Ltd [2]	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00
GTL Limited [6]	Trading food products mainly under the brand names: "Del Monte" and buyer's own label	Federal Territory of Labuan, Malaysia	100.00	100.00
S&W Fine Foods International Limited ("S&W") [6]	Selling processed and fresh food products under the "S&W" trademark; Owner of the "S&W" trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe and Africa	British Virgin Islands	100.00	100.00
DMPL Foods Limited ("DMPLFL") [7]	Investment holding	British Virgin Islands	89.43	89.43
Held by DMPRL				
Central American Resources, Inc. ("CARI")[6]	Investment holding	Panama	100.00	100.00

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2018 %	Effective equity held by the Group 30 April 2017 %
Held by CARI				
Del Monte Philippines, Inc ("DMPI") [1]	Growing, processing and distribution of food products mainly under the brand name "Del Monte"	Philippines	100.00	100.00
Dewey Limited ("Dewey") [7]	Mainly investment holding	Bermuda	100.00	100.00
Pacific Brands Philippines, Inc [1]	Inactive	State of Delaware, U.S.A.	100.00	100.00
South Bukidnon Fresh Trading Inc ("SBFTI") [1]	Production, packing, sale and export of food products	Philippines	100.00	100.00
Held by DMPI				
Philippines Packing Management Services Corporation [1]	Management, logistics and support services	Philippines	100.00	100.00
Del Monte Txanton Distribution Inc ("DMTDI") [b] [1]	Trading, selling and distributing food, beverages and other related products	Philippines	40.00	40.00
Held by Dewey				
Dewey Sdn. Bhd. [3]	Owner of various trademarks	Malaysia	100.00	100.00
Held by DMPLI				
Del Monte Foods India Private Limited ("DMFIPL") [a] [4]	Manufacturing, processing and distributing food, beverages and other related products	Mumbai, India	–	100.00
DMPL India Limited [4]	Investment holding	Mauritius	94.94	94.94
Held by S&W				
S&W Japan Limited [7]	Support and marketing services for S&W	Japan	100.00	100.00
Held by DMPLFL				
Del Monte Foods Holdings Limited ("DMFHL") [1]	Investment holding	British Virgin Islands	89.43	89.43
Held by DMFHL				
Del Monte Foods Holdings II, Inc. ("DMFHII") [5]	Investment holding	State of Delaware, U.S.A.	89.43	–

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2018 %	Effective equity held by the Group 30 April 2017 %
Held by DMFHII				
Del Monte Foods Holdings Inc. ("DMFHI") [5]	Investment holding	State of Delaware, U.S.A.	89.43	89.43
Held by DMFHI				
Del Monte Foods, Inc. ("DMFI") [5]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A	89.43	89.43
Held by DMFI				
Sager Creek Foods, Inc. (formerly Vegetable Acquisition Corp.) [5]	Manufacturing, processing and distributing food, beverages and other related products	State of Delaware, U.S.A.	89.43	89.43
Del Monte Andina C.A. [8]	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	–	–
Del Monte Colombiana S.A. [3]	Manufacturing, processing and distributing food, beverages and other related products	Colombia	73.31	73.31
Industrias Citricolas de Montemorelos, S.A. de C.V. (ICMOSA) [3]	Manufacturing, processing and distributing food, beverages and other related products	Mexico	89.43	89.43
Del Monte Peru S.A.C. [7]	Distribution of food, beverages and other related products	Peru	89.43	89.43
Del Monte Ecuador DME C.A. [7]	Distribution of food, beverages and other related products	Ecuador	89.43	89.43
Hi-Continental Corp. [7]	Lessee of real property	State of California, U.S.A.	89.43	89.43
College Inn Foods [7]	Inactive	State of California, U.S.A.	89.43	89.43
Contadina Foods, Inc. [7]	Inactive	State of Delaware, U.S.A.	89.43	89.43

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2018 %	Effective equity held by the Group 30 April 2017 %
Held by DMFI (cont'd)				
S&W Fine Foods, Inc. [7]	Inactive	State of Delaware, U.S.A.	89.43	89.43
Del Monte Ventures, LLC ("DM Ventures") [c]	Investment holding	State of Delaware, U.S.A.	89.43	–
Held by DM Ventures				
Del Monte Avo, LLC [c]	Development, production, marketing, sale and distribution of UHP avocado products	State of Delaware, U.S.A.	51.00	–
Del Monte Chilled Fruit Snacks, LLC [c]	Development, production, marketing, sale and distribution of processed refrigerated fruit products	State of Delaware, U.S.A.	51.00	–
Held by Del Monte Andina C.A.				
Del Monte Argentina S.A. [8]	Inactive	Argentina	–	–

(a) 0.1% held by DMPRL. DMFIPL had been dissolved effective 23 June 2017.

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

(c) In connection with the 27 June 2017 Settlement Agreement which resulted to the dismissal of the license dispute filed with the U.S. District Court for the Southern District of New York in December 2013, DMFI and Fresh Del Monte (FDP) entered into four joint venture agreements. To effect these joint ventures, the Group incorporated its subsidiary, Del Monte Ventures, LLC on 21 June 2017 which acquired interests in four joint venture entities which were all incorporated in the state of Delaware, USA. These joint ventures will pursue sales of expanded refrigerated offerings across all distribution and sales channels, and will establish a new retail food and beverage concept. These joint ventures will initially focus on the U.S. market, with the potential for expansion into other territories. These joint venture entities are in their pre-operating stages and have no material assets or liabilities as of 30 April 2018.

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

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

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

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

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

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

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

[8] Not required to be audited in the country of incorporation. The Venezuelan entity was deconsolidated in 2015.

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

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

Source of estimation uncertainty

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

7. Investments in joint ventures

Name of joint venture	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2018 %	30 April 2017 %
FieldFresh Foods Private Limited ("FFPL") *	Production and sale of fresh and processed fruits and vegetable food products	India	47.47	47.47
Nice Fruit Hong Kong Limited (NFHKL) #	Production and sale of frozen fruits and vegetable food products	Hong Kong	35.00	35.00

* Audited by Deloitte Haskins & Sells, Gurgaon, India.
\# Audited by Ernst and Young Hong Kong. Not material to the Group as at 30 April 2018.

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

	Year ended 30 April 2018 US$'000	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**
Revenue	76,588	72,914	65,838
Loss from continuing operations [a]	(633)	(3,140)	(3,398)
Other comprehensive income	–	–	(3)
Total comprehensive income	(633)	(3,140)	(3,401)
[a] Includes:			
- depreciation	151	177	168
- interest expense	1,522	2,086	2,605
Noncurrent assets	14,657	15,877	17,110
Current assets	21,882	20,907	23,842
Noncurrent liabilities	(17,992)	(19,927)	(25,271)
Current liabilities	(13,684)	(11,616)	(14,283)
Net assets	4,863	5,241	1,398
Proportion of the Group's ownership including non-controlling interest	50%	50%	50%
	2,432	2,621	699
Goodwill	20,000	20,000	20,000
Translation adjustment	1,125	1,251	(38)
Carrying amount of investment	23,557	23,872	20,661

	Year ended 30 April 2018 US$'000	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**
Group's interest in net assets of FFPL at beginning of the year	23,872	20,661	20,419
Capital injection during the year	–	4,887	1,950
Group's share of:			
- loss from continuing operations	(315)	(1,676)	(1,705)
- other comprehensive income	–	–	(3)
total comprehensive income	(315)	(1,676)	(1,708)
Carrying amount of interest at end of the year	23,557	23,872	20,661

The interest in the net assets of an immaterial joint venture, NFHKL, is as follows:

	Year ended 30 April 2018 US$'000	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**
Group's interest in net assets of NFHKL at beginning of the year	1,925	2,159	2,171
Capital injection during the year	950	–	–
Group's share of:			
- loss from continuing operations	(1,237)	(234)	(12)
- other comprehensive income	–	–	–
total comprehensive income	(1,237)	(234)	(12)
Carrying amount of interest at end of the year	1,638	1,925	2,159

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

	Year ended 30 April 2018 US$'000	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000
Group's interest in joint ventures			
FFPL	23,557	23,872	20,661
NFHKL	1,638	1,925	2,159
Carrying amount of investments in joint ventures	**25,195**	**25,797**	**22,820**

Determination of joint control and the type of joint arrangement

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

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

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

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

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

Source of estimation uncertainty

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

Since its acquisition, the Indian sub-continent trademark and the investment in FFPL were allocated to the Indian sub-continent cash-generating unit ("Indian sub-continent CGU"). The recoverable amount of Indian sub-continent CGU was estimated using the discounted cash flows based on five-year cash flow projections.

Key assumptions used in discounted cash flow projection calculations

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

	30 April 2018 %	30 April 2017 %
Pre-tax discount rate	14.1	13.2
Revenue growth rate	15.0 – 20.0	15.0 – 20.0
EBITDA margin	7.0 – 12.0	4.0 – 11.0
Long-term EBITDA margin	11.6	10.8
Terminal value growth rate	5.0	5.0

In fiscal year 2018, discount rate is a pre-tax measure estimated based on past experience, and industry average weighted average cost of capital, which is based on a possible rate of debt leveraging of 15.7% (2017: 14.7%) at a market interest rate of 9.5% (2017: 9.7%).

Revenue growth rate is expressed as compound annual growth rates in the initial five years of the plan. In the first year of the business plan, revenue growth rate was projected at 18% (2017: 15%) based on the near-term business plan and market demand. The annual revenue growth included in the cash flow projections for four years was projected at the growth rate based on the historical growth in volume and prices and industry growth.

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

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

Sensitivity to changes in assumptions

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

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

	Change required for carrying amount to equal the recoverable amount	
	31 March 2018 %	31 March 2017 %
Group		
Discount rate	5.4	3.8
Revenue growth rate	(5.0)	(1.0)

8. Intangible assets and goodwill

	Note	Goodwill US$'000	Indefinite life trademarks US$'000	Amortisable trademarks US$'000	Customer relationships US$'000	Total US$'000
Cost						
At 1 May 2017		203,432	408,043	36,080	120,500	768,055
Disposal	5	–	–	(11,900)	(13,500)	(25,400)
At 30 April 2018		203,432	408,043	24,180	107,000	742,655
At 1 May 2016		203,432	408,043	36,080	120,500	768,055
At 30 April 2017		203,432	408,043	36,080	120,500	768,055
Accumulated amortisation						
At 1 May 2017		–	–	6,405	20,624	27,029
Amortisation	25	–	–	1,731	6,053	7,784
Disposal	5	–	–	(2,520)	(4,289)	(6,809)
At 30 April 2018		–	–	5,616	22,388	28,004
At 1 May 2016		–	–	4,096	13,586	17,682
Amortisation	25	–	–	2,309	7,038	9,347
At 30 April 2017		–	–	6,405	20,624	27,029
Carrying amounts						
At 30 April 2018		203,432	408,043	18,564	84,612	714,651
At 30 April 2017		203,432	408,043	29,675	99,876	741,026

Goodwill

Goodwill arising from the acquisition of Consumer Food Business was allocated to DMFI and its subsidiaries, which is considered as one CGU.

Indefinite life trademarks

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

America trademarks

The indefinite life trademarks of US$394 million arising from the acquisition of Consumer Food Business relate to those of DMFI for the use of the "Del Monte" trademark in the United States and South America market, and the "College Inn" trademark in the United States, Australia, Canada and Mexico.

The Philippines trademarks

A subsidiary, Dewey, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines ("The Philippines trademarks") with carrying value amounting to US$1.8 million.

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-licenses to others ("Indian sub-continent trademark"). This led to the acquisition of a joint venture, FFPL in 2007 and the grant of trademarks to FFPL to market the Company's product under the "Del Monte" brand name. The trademark has a carrying value of US$4.1 million.

Asia S&W trademark

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

Impairment test

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

Philippines trademarks

In 2018 and 2017, the recoverable amounts of these intangible assets were based on fair value less cost of disposal. The key assumptions used in the estimation of the fair value less cost of disposal are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

	2018	2017
	%	%
Royalty rate	3.0	6.0
Discount rate	9.0	9.0
Revenue growth rate (five years average)	11.0	16.0

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital.

The cash flow projections included specific estimates for five years.

Revenue growth was projected taking into account the average growth levels experienced over the past five years and estimated sales volume and price growth for the next five years. It was assumed that sales price would increase in line with forecast inflation over the next five years.

Asia S&W trademark

In 2017, the recoverable amount of Asia S&W trademark was based on VIU. The key assumptions used in the estimation of the VIU are set out below.

	%
Revenue growth rate (five years average)	23.0
Gross margin	33.0 – 40.0
EBITDA margin	15.0 – 20.0
Discount rate	9.0

The cash flow projections included specific estimates for five years.

Revenue growth was projected taking into account the average growth levels experienced over the past five years and estimated sales volume and price growth for the next five years.

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital.

In 2018, the recoverable amount was based on fair value less cost of disposal using the relief from royalty method (RFR). The key assumptions used in the estimation of the fair value less cost of disposal are set out below.

	%
Royalty rate	3.0
Revenue growth rate (five years average)	14.0
Discount rate	9.0

Indian sub-continent trademark

The Indian sub-continent trademark and the investment in FFPL were allocated to Indian sub-continent CGU (see Note 7).

America trademarks and Goodwill

In 2017, the recoverable amount of the CGU was based on fair value less costs of disposal using market approach, being greater than the VIU. In 2018, the recoverable value was based on VIU:

	30 April 2018 US$'000	**30 April 2017 US$'000**
Value-in-use	2,630,000	1,870,000
Fair value less costs of disposal – market approach	1,920,000	1,990,000
Recoverable amount	2,630,000	1,990,000

The Americas trademarks were also included in the CGU used in the goodwill impairment testing.

As of valuation date in January 2018 and 2017, the estimated recoverable amount of the CGU exceeded its carrying amount by approximately US$1,156.4 million and US$177.7 million, respectively. Therefore, the CGU is not impaired.

Value-in-use
The VIU is the present value of expected cash flows, discounted at a risk-adjusted weighted average cost of capital.

The key assumptions used in the estimation of the recoverable amount using the VIU approach are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

	2018	**2017**
	%	**%**
Pre-tax discount rate	9.1	11.1
Terminal value growth rate	2.0	2.0
Long-term EBITDA margin	13.0	13.3
Revenue growth rate	(16.1) – 11.3	(6.2) – 5.8
Gross margin	14.3 – 25.4	18.4 – 27.0

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible range of debt leveraging of 44% as of 30 April 2018 (30 April 2017: 35%) at a risk free interest rate of 3.5% as of 30 April 2018 (30 April 2017: 3.5%).

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate consistent with the assumption that a market participant would make.

Budgeted EBITDA was estimated taking into account past experience adjusted as follows:

- Revenue growth was projected taking into account the average growth levels experienced over the past five years and estimated sales volume and price growth for the next five years. It was assumed that sales price would increase in line with forecast inflation over the next five years.
- The amounts are probability-weighted.

Fair value less costs of disposal

Fair value less costs of disposal is determined using the market approach, which makes use of prices and other relevant information generated by market transactions involving similar companies.

The Market Comparable Method was used in applying the Market Approach, making use of market price data of companies engaged in the same or similar line of business as that of DMFI and its subsidiaries. Stocks of these companies are traded in a free and open market or in private transactions. The process involves the identification of comparable companies, calculation and application of market multiples representing ratios of invested capital or equity to financial measures of DMFI and its subsidiaries, application of an appropriate control premium to the companies being compared, and adjustment for any non-operating assets or liabilities or working capital excess/deficit to arrive at an indication of Business Enterprise Value.

The approach involves the use of both observable inputs and unobservable inputs (e.g. projected revenue and EBITDA, and adjusted market multiples). Accordingly, the fair value measurement is categorised under level 3 of the fair value hierarchy.

Comparable companies were selected from comprehensive lists and directories of public companies in the packaged foods industry. Potential comparable companies were analysed based on various factors, including, but not limited to, industry similarity, financial risk, company size, geographic diversification, profitability, growth characteristics, financial data availability, and active trading volume. The following comparable companies were selected:

- B&G Foods Inc.
- Campbell Soup Company
- ConAgra Foods, Inc.
- General Mills, Inc.
- Hormel Foods Corporation
- Seneca Foods Corp.
- Treehouse Foods, Inc.

Calculation of the market multiples considered Market Value of Invested Capital (MVIC), the sum of the market values of a comparable company's common stock, interest-bearing debt and preferred stock, assuming that the book value of the comparable companies' debt approximated the market value of the debt. Adjustments to the market multiples were made to reflect the difference between the estimated size of DMFI and its subsidiaries and each comparable company, improving comparability based on relative size difference prospects. Relative size adjustment factors were calculated based on a regression of a Price / Earnings ratio using size as an independent variable. The market multiples selected and applied to the DMFI and its subsidiaries' financial results in the analysis were as follows:

	2018		2017	
	Selected multiple	**Assigned weight**	**Selected multiple**	**Assigned weight**
MVIC/Revenue – Last twelve months	1.1x	25%	1.0x	50%
MVIC/Revenue – Projected	1.3x	25%	1.1x	0%
MVIC/EBITDA – Last twelve months	13.3x	25%	13.6x	50%
MVIC/EBITDA – Projected	12.5x	25%	11.9x	0%

Sensitivity analysis

Management has identified that a reasonably possible change in the market multiples could cause the carrying amount to exceed the recoverable amount. The following table shows the amount to which the market multiples would need to change independently for the estimated recoverable amount of the DMFI CGU to be equal to its carrying amount.

	Breakeven Multiple	
	2018	**2017**
MVIC/Revenue – Last twelve months	0.7x	0.9x
MVIC/Revenue – Projected	0.8x	–
MVIC/EBITDA – Last twelve months	12.6x	12.1x
MVIC/EBITDA – Projected	9.6x	–

The following table shows the amount to which the discount rate, and long-term EBITDA margin would need to change independently for the estimated recoverable amount of the DMFI CGU to be equal to its carrying amount.

	2018	2017
	%	%
Discount rate	12.2	7.9
Long-term EBITDA margin	7.7	13.6

Source of estimation uncertainty

Goodwill and the indefinite life trademarks are assessed for impairment annually. The impairment assessment requires an estimation of the VIU and fair value less costs of disposal of the CGU to which the goodwill and indefinite life trademarks are allocated.

Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the CGU and apply an appropriate discount rate in order to calculate the present value of those cash flows. Actual cash flows will differ from these estimates as a result of differences between assumptions used and actual operations.

Estimating fair value less costs of disposal requires the Group to calculate market multiples, derived from market price data of comparable companies, to be applied to the Group's financial measures. The estimated fair value would change depending on the assumptions used, such as the annual revenue growth rate, EBITDA margin, and adjusted market multiples.

Amortisable trademarks and customer relationships

	Net carrying amount		Remaining amortisation period (years)	
	30 April 2018	30 April 2017	2018	2017
	US$'000	US$'000		
Asia S&W trademark	4	22	0.2	1.2
America S&W trademark	1,162	1,363	5.8	6.8
America Contadina trademark	17,398	18,497	15.8	16.8
Sager Creek trademarks	–	9,793	–	9.9
	18,564	29,675		

Asia S&W trademark

The amortisable trademark pertains to "Label Development" trademark.

America trademarks

The amortisable trademarks relate to the exclusive right to use of the "S&W" trademark in the United States, Canada, Mexico and certain countries in Central and South America and "Contadina" trademark in the United States, Canada, Mexico South Africa and certain countries in Asia Pacific, Central America, Europe, Middle East and South America market.

Management has included these trademarks in the CGU impairment assessment and concluded that no impairment exists at the reporting date.

Sager Creek trademarks

The trademarks were acquired when the Group acquired the Sager Creek business in March 2015. Sager Creek's well-known brands include Veg-All, Freshlike, Popeye, Princella and Allens', among others. Management has included these trademarks in the CGU impairment assessment and the Group did not recognise any impairment for these trademarks as of 30 April 2017. The Sager Creek trademarks were included in the sale of certain assets of Sager Creek in September 2017 (see Note 5).

Customer relationships

Customer relationships relate to the network of customers where DMFI has established relationships with the customers, particularly in the United States market through contracts. The Sager Creek customer relationships were included in the sale of certain assets of Sager Creek in September 2017.

	30 April 2018 US$'000	30 April 2017 US$'000
Net carrying amount	84,612	99,876
Remaining amortisation period	15.8	5.9 – 16.8

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

Source of estimation uncertainty

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

9. Deferred tax

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Deferred tax assets and liabilities of the Group are attributable to the following:

	Assets		Liabilities	
	30 April 2018 US$'000	**30 April 2017 US$'000**	**30 April 2018 US$'000**	**30 April 2017 US$'000**
Group				
Provisions	3,291	5,437	–	–
Employee benefits	23,348	36,554	–	–
Property, plant and equipment - net	–	–	(26,227)	(40,216)
Intangible assets and goodwill	–	–	(50,944)	(64,890)
Effective portion of changes in fair value of cash flow hedges	1,166	5,809	–	–
Tax loss carry-forwards	119,599	138,299	–	–
Inventories	2,547	1,518	–	–
Biological assets	–	–	(2,390)	(2,436)
Others	2,311	8,798	–	–
Deferred tax assets/(liabilities)	152,262	196,415	(79,561)	(107,542)
Set off of tax	(72,433)	(103,629)	72,433	103,629
Deferred Taxes	79,829	92,786	(7,128)	(3,913)

Movements in deferred tax assets and deferred tax liabilities of the Group during the year are as follows:

	At 1 May 2017 US$'000	**Recognised in profit or loss US$'000**	**Recognised in other comprehensive income US$'000**	**Currency realignment US$'000**	**At 30 April 2018 US$'000**
30 April 2018					
Provisions	5,437	(1,967)	–	(179)	3,291
Employee benefits	36,554	(4,166)	(5,472)	(3,568)	23,348
Property, plant and equipment - net	(40,216)	13,881	–	108	(26,227)
Intangible assets and goodwill	(64,890)	13,946	–	–	(50,944)
Effective portion of changes in fair value of cash flow hedges	5,809	(545)	(4,098)	–	1,166
Tax loss carry-forwards	138,299	(18,700)	–	–	119,599
Inventories	1,518	1,029	–	–	2,547
Biological assets	(2,436)	(156)	–	202	(2,390)
Others	8,798	(6,465)	(19)	(3)	2,311
	88,873	(3,143)	(9,589)	(3,440)	72,701

	At 1 May 2016 US$'000	**Recognised in profit or loss US$'000**	**Recognised in other comprehensive income US$'000**	**Currency realignment US$'000**	**At 30 April 2017 US$'000**
30 April 2017					
Provisions	6,675	(203)	–	(1,035)	5,437
Employee benefits	43,485	(416)	(6,360)	(155)	36,554
Property, plant and equipment - net	(34,667)	(4,445)	(1,236)	132	(40,216)
Intangible assets and goodwill	(44,794)	(20,096)	–	–	(64,890)
Effective portion of changes in fair value of cash flow hedges	13,403	(701)	(6,893)	–	5,809
Tax loss carry-forwards	103,643	34,670	–	(14)	138,299
Inventories	3,256	(1,738)	–	–	1,518
Biological assets	(1,616)	(831)	–	11	(2,436)
Others	8,807	(61)	–	52	8,798
	98,192	6,179	(14,489)	(1,009)	88,873

The total amount of potential income tax consequences that would arise from the payment of cash dividends by a subsidiary to the Company, on the total retained earnings as at 30 April 2018, is approximately US$14.4 million (30 April 2017: US$8.5 million).

In 2017, no provision has been made in respect of this potential income tax as it is the Company's intention to reinvest these reserves and not to distribute them as dividends.

In 2018, the Group plans to declare stock dividends from the excess reserves. No provision has been made because stock dividends are exempt from tax.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised with respect to the following items.

	30 April 2018 US$'000	30 April 2017 US$'000
Deductible temporary differences	9,281	28,858
Tax losses and tax credits	549	5,745
	9,830	34,603

The tax losses will expire in 2019 and 2020. The tax carry forwards will expire between 2024 and 2027. Deferred tax assets have not been recognised with respect to these items because it is not probable that future taxable profits will be available to utilise the benefits.

Sources of estimation uncertainty

As of 30 April 2018, deferred tax assets amounting to US$119.6 million (30 April 2017: US$138.3 million) have been recognised in respect of the tax loss carry forwards because management assessed that it is probable that future taxable profit will be available against which DMFI can utilise these benefits. Management expects profitable growth coming from revenue strategies and cost efficiencies in the future. To the extent that profitable growth does not materialise in the future periods, net deferred tax assets of DMFI of US$77.8 million may not be realised. The majority of the tax loss for 30 April 2018 can be carried forward indefinitely and tax loss carry forwards prior to 30 April 2018 may be utilised up to a 20-year period.

10. Other noncurrent assets

	Group	
	30 April 2018 US$'000	30 April 2017 US$'000
Advances to growers	13,358	11,867
Note receivables	7,744	–
Land expansion (development costs of acquired leased areas)	6,353	3,295
Advance rentals and deposits	6,233	6,289
Excess insurance	5,960	4,279
Prepayments	268	508
Others	1,307	874
	41,223	27,112

Excess insurance relate mainly to reimbursements from insurers to cover certain workers' compensation claims liabilities (see Note 20).

The note receivables of US$7.7 million relates to the sale of certain assets of Sager Creek which is payable in three years until 2020 (see Note 5). The note receivables are payable in four installments bearing interest of 3.50% per annum for the first installment and 5.22% from the second installment up to the final installment. The current portion of US$2.6 million is presented under "Trade and other receivables".

Land expansion comprises development costs of newly acquired leased areas including costs such as creation of access roads, construction of bridges and clearing costs. These costs are amortised on a straight-line basis over the lease periods of 10 years or lease term, whichever is shorter.

11. Biological assets

	Group	
	30 April 2018 US$'000	**30 April 2017 US$'000**
Livestock		
At beginning of the year	1,420	1,448
Purchases of livestock	909	776
Sales of livestock	(646)	(717)
Currency realignment	(54)	(87)
At end of the year	1,629	1,420
Agricultural produce		
At beginning of the year (at cost)	23,307	26,395
Additions	10,458	13,547
Harvested	(9,452)	(15,079)
Currency realignment	(840)	(1,556)
At end of the year	23,473	23,307
Fair value gain on produce prior to harvest	18,490	21,040
At end of the year	41,963	44,347

	Group	
	30 April 2018 US$'000	**30 April 2017 US$'000**
Current	41,963	44,347
Noncurrent	1,629	1,420
Totals	43,592	45,767

	Note	Group 30 April 2018 US$'000	30 April 2017 US$'000
Fair value gain (loss) recognised under:			
Inventories		9,174	4,535
Cost of sales	25	36,651	33,501
Growing crops		(721)	7,610
Fair value gain recognised under revenues		45,104	45,646

Livestock

Livestock comprises growing herd and breeding and dairy herd that are stated at cost and cattle for slaughter that is stated at fair value less point-of-sale costs. The fair value is determined based on the actual selling prices approximating those at year end less estimated point-of-sale costs.

Risk Management strategy related to agricultural activities

(i) *Regulatory and environmental risks*

The Group is subject to laws and regulations in the Philippines in which it operates its agricultural activities. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

(ii) *Supply and demand risks*

The Group is exposed to risks arising from fluctuations in the price and sales volume of pineapples and papayas. When possible, the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing.

(iii) *Climate and other risks*

The Group's pineapple plantations are exposed to the risk of damage from climate changes, diseases, forest fires, flood, and other natural forces. To manage these risks, the Group develops and executes a long-term strategic plan and annual operating plan, supported by a contingency plan and risk management measures ensuring business continuity should there be a natural catastrophe. The Group is also insured against natural disasters such as floods and earthquakes.

Source of estimation uncertainty

The fair values of the harvested pineapple fruits are based on the most reliable estimate of selling prices, in both local and international markets at the point of harvest, as determined by the Group. For the pineapple variety being sold as fresh fruits, the market price is based on the selling price of fresh fruits as sold in the local and international markets. For the pineapple variety being processed as cased goods, the market price is derived from average sales price of the processed product adjusted for margin related to further processing. Changes in fair values of agricultural produce after initial recognition are included in the carrying amount of cased goods at the reporting date.

The fair values of the growing pineapple crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest, as determined by the Group. Fair value is initially recognised when the pineapple fruit develops when the bearer plant has reached maturity to bear fruit. The fair value is approximated by the estimated selling price at point of harvest less future growing costs to be incurred until harvest. Such future growing costs decreases as the growing crops near the point of harvest.

Bearer plants are stated at cost which comprises actual costs incurred in nurturing the crops reduced by the equivalent amortisation of fruits harvested which considers the future volume of harvests. 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 cost is developed by allocating 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. The Group reviews and monitors the estimated future volume of harvests regularly.

The valuation techniques and significant unobservable inputs used in determining the fair value of these biological assets are discussed in Note 34.

12. Inventories

	Group	
	30 April 2018 US$'000	**30 April 2017 US$'000**
Finished goods		
- at cost	554,712	708,637
- at net realisable value	33,448	30,902
Semi-finished goods		
- at cost	454	299
- at net realisable value	18,945	7,235
Raw materials and packaging supplies		
- at net realisable value	153,422	169,819
	760,981	916,892

Inventories recognised as an expense in cost of sales amounted to US$1,241.2 million for the year ended 30 April 2018 (30 April 2017: US$1,288.0 million) (see Note 25).

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

		Group	
	Note	**30 April 2018 US$'000**	**30 April 2017 US$'000**
At beginning of the year		15,086	12,715
Allowance for the year	25	21,823	7,415
Write-off against allowance		(9,284)	(4,350)
Currency realignment		(1,009)	(694)
At end of the year		26,616	15,086

The allowance for inventory obsolescence recognised during the period is included in "Cost of sales".

In connection with the sale of Sager Creek, the Group has directly written down related inventories to their net realisable values resulting in a loss of US$13.1 million in fiscal year 2018.

Source of estimation uncertainty

The Group recognises allowance on inventory obsolescence when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items. Obsolescence is also established when inventory items are no longer marketable. Obsolete goods when identified are charged to income statement and are written off. In addition to an allowance for specifically identified obsolete inventory, estimation is made on a group basis based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Group reviews on a monthly basis the condition of its inventory. The assessment of the condition of the inventory either increases or decreases the expenses or total inventory.

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

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

13. Trade and other receivables

		Group		Company	
		30 April 2018 US$'000	30 April 2017 US$'000	30 April 2018 US$'000	30 April 2017 US$'000
Trade receivables		145,094	147,167	–	–
Nontrade receivables	10	21,946	23,812	8	7
Amounts due from joint venture (nontrade)		1,570	–	1,570	6,013
Amounts due from subsidiaries (nontrade)	37	–	–	179,370	113,683
Allowance for doubtful accounts - trade		(2,440)	(2,022)	–	–
Allowance for doubtful accounts - nontrade		(4,543)	(4,510)	–	–
Trade and other receivables		161,627	164,447	180,948	119,703

The amounts due from subsidiaries and joint venture are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from these outstanding balances.

Non trade receivables consist of vendor rebates, plant receivables, claims from third party service providers, advances to growers, which are claimed upon delivery of fruits, and fuel withdrawals applied against truckers' bills when due.

The ageing of trade and nontrade receivables at the reporting date is:

	Group			
	Gross		Impairment losses	
At 30 April 2018	**Trade US$'000**	**Nontrade US$'000**	**Trade US$'000**	**Nontrade US$'000**
Not past due	116,543	6,630	–	–
Past due 0 - 60 days	13,457	1,612	–	–
Past due 61 - 90 days	2,677	1,640	–	–
Past due 91 - 120 days	1,123	617	–	–
More than 120 days	11,294	13,017	(2,440)	(4,543)
	145,094	23,516	(2,440)	(4,543)

	Group			
	Gross		Impairment losses	
At 30 April 2017	**Trade US$'000**	**Nontrade US$'000**	**Trade US$'000**	**Nontrade US$'000**
Not past due	114,730	14,767	–	–
Past due 0 - 60 days	22,997	871	–	–
Past due 61 - 90 days	1,758	245	–	–
Past due 91 - 120 days	1,286	112	–	–
More than 120 days	6,396	7,817	(2,022)	(4,510)
	147,167	23,812	(2,022)	(4,510)

The recorded impairment loss falls within the Group's historical experience in the collection of trade and other receivables. Therefore, management believes that there is no significant additional credit risk beyond what has been recorded.

	Company			
	Gross		Impairment losses	
At 30 April 2018	**Trade US$'000**	**Nontrade US$'000**	**Trade US$'000**	**Nontrade US$'000**
Not past due	–	180,948	–	–
Past due 0 - 60 days	–	–	–	–
Past due 61 - 90 days	–	–	–	–
Past due 91 - 120 days	–	–	–	–
More than 120 days	–	–	–	–
	–	180,948	–	–

	Company			
	Gross		Impairment losses	
At 30 April 2017	**Trade US$'000**	**Nontrade US$'000**	**Trade US$'000**	**Nontrade US$'000**
Not past due	–	119,703	–	–
Past due 0 - 60 days	–	–	–	–
Past due 61 - 90 days	–	–	–	–
Past due 91 - 120 days	–	–	–	–
More than 120 days	–	–	–	–
	–	119,703	–	–

Movements in allowance for impairment during the year are as follows:

	Note	Trade US$'000	Group Nontrade US$'000	Total US$'000
At 1 May 2017		2,022	4,510	6,532
Provision for the year	25	460	42	502
Currency realignment		(42)	(9)	(51)
At 30 April 2018		2,440	4,543	6,983

	Note	Trade US$'000	Group Nontrade US$'000	Total US$'000
At 1 May 2016		1,640	4,454	6,094
Provision for the year	25	679	112	791
Write-off against allowance		(386)	(43)	(429)
Currency realignment		89	(13)	76
At 30 April 2017		2,022	4,510	6,532

Allowance for doubtful accounts are based on specific and collective impairment assessment by the Group.

Source of estimation uncertainty

The Group maintains allowance for impairment of accounts receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behaviour and known market factors. The Group reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Group made different judgement or utilised different estimates. An increase in the Group's allowance for impairment would increase the Group's recorded operating expenses and decrease current assets.

14. Prepaid expense and other current assets

	Note	Group 30 April 2018 US$'000	Group 30 April 2017 US$'000	Company 30 April 2018 US$'000	Company 30 April 2017 US$'000
Prepaid expenses		24,931	29,698	179	328
Down payment to contractors and suppliers		4,166	9,933	–	–
Derivative asset	33	305	2,685	–	–
Others		1,380	730	33	–
		30,782	43,046	212	328

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

15. Cash and cash equivalents

	<------------ Group --------->		<----------- Company ------->	
	30 April 2018 US$'000	**30 April 2017 US$'000**	**30 April 2018 US$'000**	**30 April 2017 US$'000**
Cash on hand	51	48	–	–
Cash in banks	17,370	33,141	2,709	6,767
Cash equivalents	6,825	4,382	–	–
Cash and cash equivalents	24,246	37,571	2,709	6,767

Certain cash in bank accounts earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 3.38% (30 April 2017: 0.01% to 1.74% per annum). Cash equivalents are short-term placements which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest rate of 0.38% (30 April 2017: 0.38%) per annum.

16. Noncurrent assets held for sale

The Group classifies noncurrent assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. The criteria are reviewed periodically if still met, otherwise revert back to property, plant and equipment.

In 2017, several assets were sold resulting in a gain of US$0.3 million recognised in "Other income (expenses) - net" in the income statement of the Group. The remaining unsold assets amounting to US$0.7 million have been reclassified out of assets held for sale and back to property, plant and equipment.

In 2018, management committed to a plan to sell certain assets of the Group's Plymouth, Indiana plant. Additionally, an office building in Siloam Springs, Arkansas was vacated and put up for sale. Accordingly, these assets were presented as assets held for sale. Efforts to sell the assets have started and a sale was expected within twelve months from the date of reclassification.

Sale of business

Sager Creek

On 18 September 2017, the Group entered into an agreement with McCall Farms Inc. ("McCall Farms") to sell certain assets of its Sager Creek vegetable business ("Sager Creek") for $55.0 million in total consideration. The Group previously acquired Sager Creek in March 2015. Sager Creek was a producer of specialty vegetables for the foodservice and retail markets headquartered in Siloam Springs, Arkansas.

The Group received $30.0 million at closing on 18 September 2017 and $15.0 million on 27 February 2018. The remaining $10.0 million, including interest, is due in installments: $2.5 million on 28 February 2019; $5.0 million on 28 February 2020; and $2.5 million on 1 December 2020. The Group has recorded current receivables of $2.6 million in "Trade and other receivables" and noncurrent receivables of $7.7 million in "Other noncurrent assets". As of 30 April 2018, the Group recognised a gain on sale amounting to $16.5 million.

The carrying amounts of the assets sold in September 2017 included the following:

	Amount US$'000
Trademark	9,379
Customer relationship	9,211
Property, plant and equipment	16,794
Inventories	3,169
	38,553

17. Share capital

	30 April 2018		30 April 2017	
	No. of shares ('000)	US$'000	No. of shares ('000)	US$'000
Authorised:				
Ordinary shares of US$0.01 each	3,000,000	30,000	3,000,000	30,000
Preference shares of US$1.00 each	600,000	600,000	600,000	600,000
	3,600,000	630,000	3,600,000	630,000
Issued and fully paid:				
Ordinary shares of US$0.01 each	1,944,936	19,449	1,944,936	19,449
Preference shares of US$1.00 each	30,000	30,000	20,000	20,000
	1,974,936	49,449	1,964,936	39,449

Reconciliation of number of outstanding ordinary shares in issue:

	Note	Year ended 30 April 2018	Year ended 30 April 2017
		No. of shares ('000)	('000)
At beginning of the year		1,943,214	1,943,214
Release of share awards	31	746	–
At end of the year		1,943,960	1,943,214

Reconciliation of number of outstanding preference shares in issue:

	Year ended 30 April 2018	Year ended 30 April 2017
	No. of shares ('000)	('000)
At beginning of the year	20,000	–
Issuance of shares	10,000	20,000
At end of the year	30,000	20,000

The following summarizes the information on the Company's registration of securities under the Securities Regulation Code (SRC):

Ordinary Shares

Date of SEC Approval	Authorised Shares	No. of Shares Issued	Issue/Offer Price
28 May 2013*	2,000,000,000	1,297,500,491	Php29.80
15 October 2014	3,000,000,000	5,500,000	Php17.00
14 January 2015**	3,000,000,000	641,935,335	Php10.60

**The SEC issued an order rendering effective the registration of its issued shares. Company was listed by way of introduction on The Philippine Stock Exchange, Inc. on 10 June 2013.*
***The rights shares were considered exempt from registration pursuant to Section 10(e) and 10(l) of the SRC. The exemption from registration was confirmed by the SEC in a letter dated 14 January 2015.*

Preference Shares

Date of SEC Approval	Authorised Shares	No. of Shares Issued	Issue/Offer Price
21 March 2017	600,000,000	20,000,000 Series A-1 Preference Shares	US$10.00
21 March 2017* / 27 November 2017**	600,000,000	10,000,000 Series A-2 Preference Shares	US$10.00

**No Order of Registration was issued for the second tranche offer of preference shares.*
***Date of issuance of the SEC Permit to Sell.*

The total number of ordinary shareholders as at 30 April 2018 and 2017 is 7,752 and 7,939, respectively. Additionally, the total number of Series A-1 preference shareholders as at 30 April 2018 and 2017 is 14 and 7, respectively. The total number of Series A-2 preference shareholders as at 30 April 2018 is 20.

The holders of ordinary shares are entitled to receive dividends after dividend of preference shares are paid, as declared from time to time, and are entitled to one vote per share at meetings of the Company. The preference shares are cumulative, non-voting, redeemable at the option of the issuer, non-participating and non-convertible. The preference share has a par value of US$1.0 per share and were issued at US$10.0 per share. Ordinary shares rank equally with regard to the Company's residual assets after preference shares are paid.

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

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

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

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

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

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

The Company also issued share awards under the Del Monte Pacific Restricted Share Plan (“Del Monte Pacific RSP”) (see Note 31) during the current financial year.

Capital management

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

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

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

18. Retained Earnings and Reserves

Retained earnings

Dividends

<u>*Ordinary shares*</u>

On 23 August 2017, the Company declared a dividend of 0.61 US cents (US$0.0061) per share to stockholders on record as at 28 August 2017. The final dividend was paid on 8 September 2017.

On 29 June 2016, the Company declared a dividend of 1.33 US cents (US$0.0133) per share to stockholders on record as at 26 August 2016. The final dividend was paid on 8 September 2016.

<u>*Preference shares*</u>

On 3 April 2018, the Company declared dividends to holders of Series A-1 Preference Shares, at the fixed rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference Share for the six-month period from 8 October 2017 to 7 April 2018. The Company also declared dividends to holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.20403 per Series A-2 Preference Share for the 113-day period from 15 December 2017 to 7 April 2018. The final dividends were paid on 10 April 2018.

On 29 September 2017, the Company declared dividends to holders of Series A-1 Preference Shares, at the fixed rate of 6.625% per annum, or equivalent to US$0.33125 per Series A-1 Preference Share for the six-month period from 7 April 2017 to 7 October 2017. The final dividend was paid on 9 October 2017.

The cumulative undeclared dividends on the preference shares amounted to US$1.3 million as of 30 April 2018 (30 April 2017: US$0.8 million).

The retained earnings is restricted for the payment of dividends to the extent representing the accumulated equity in net earnings of the subsidiaries amounting to US$433.5 million as at 30 April 2018 (30 April 2017: US$471.0 million). The accumulated equity in net earnings of the subsidiaries is not available for dividend distribution until such time that the Company receives the dividends from the subsidiaries. As at 30 April 2018 and 2017, joint ventures have no undistributed net earnings.

<u>*Share premium*</u>

Under the British Virgin Islands law in whose jurisdiction the Company operates, the Company's share premium and retained earnings form part of the Company's surplus that may be available for dividend distribution provided that the solvency test is met by the Company. The Group's share premium is shown net of a merger deficit of US$0.14 million, which arose from the acquisition of a subsidiary, DMPRL, under common control in 1999.

The share premium account includes any premium received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account, net of any related income tax effects.

Reserves

	<--------- Group --------->		<------- Company ------->	
	30 April 2018 US$'000	**30 April 2017 US$'000**	**30 April 2018 US$'000**	**30 April 2017 US$'000**
Translation reserve	(91,515)	(78,087)	(91,515)	(78,087)
Revaluation reserve	10,885	10,885	10,885	10,885
Remeasurement of retirement plan	18,225	1,808	18,225	1,808
Hedging reserve	(2,764)	(7,443)	(2,764)	(7,443)
Share option reserve	1,373	1,779	1,373	1,779
Reserve for own shares	(286)	(802)	(286)	(802)
	(64,082)	(71,860)	(64,082)	(71,860)

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

The revaluation reserve relates to surplus on the revaluation of freehold land of the Group. The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect the income statement of the Group (see Note 20).

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

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. As at 30 April 2018, the Group held 975,802 (30 April 2017: 1,721,720) of the Company's shares.

19. Loans and borrowings

	<------------- Group ------------->		<----------- Company ----------->	
	30 April 2018 US$'000	**30 April 2017 US$'000**	**30 April 2018 US$'000**	**30 April 2017 US$'000**
Current liabilities				
Unsecured bank loans	471,204	280,584	206,034	43,070
Secured bank loans	10,416	169,114	–	–
	481,620	449,698	206,034	43,070
Noncurrent liabilities				
Unsecured bank loans	187,584	341,974	129,594	281,854
Secured bank loans	796,019	922,294	–	–
	983,603	1,264,268	129,594	281,854
	1,465,223	1,713,966	335,628	324,924

Terms and debt repayment schedule

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

	Currency	Nominal interest rate % p. a.	Year of maturity	30 April 2018 Face value US$'000	30 April 2018 Carrying amount US$'000	30 April 2017 Face value US$'000	30 April 2017 Carrying amount US$'000
Group							
Unsecured bank loans	PHP	3.00-4.50%	2018	61,856	61,856	117,835	117,835
Unsecured bank loans	USD	2.00-3.40%	2018	413,444	413,444	222,869	222,869
Unsecured bridging loan	USD	5.29%	2019	54,000	53,894	154,000	152,440
Unsecured bridging loan	USD	4.50%	2020	130,000	129,594	130,000	129,414
Secured bank loan under ABL Credit Agreement	USD	Base rate Tranche A – 5.75% Tranche B – 6.25%	2019/2020	10,000	6,442	168,000	166,730
Secured First lien term loan	USD	Higher Libor of rate + 3.25% or 5.15% Base rate 7.0%	2021	681,600	671,247	686,925	668,109
Secured Second lien term Loan	USD	Higher of Libor + 7.25% or 9.06%	2021	135,055	128,746	260,000	256,569
				1,485,955	1,465,223	1,739,629	1,713,966

	Currency	Nominal interest rate % p.a.	Year of maturity	30 April 2018 Face value US$'000	30 April 2018 Carrying amount US$'000	30 April 2017 Face value US$'000	30 April 2017 Carrying amount US$'000
Company							
Unsecured bank loans	USD	1.60-2.95%	2018	152,140	152,140	43,070	43,070
Unsecured bridging loans	USD	4.50-5.29%	2019/2020	184,000	183,488	284,000	281,854
				336,140	335,628	327,070	324,924

The unsecured bridging loans of US$54 million as at 30 April 2018 (30 April 2017: US$154 million) is the remaining balance for the bridging loan that were obtained by the Company to finance the acquisition of Sager Creek and its related costs. In 2017, the Company signed a two-year extension of the US$350.0 million BDO loans from 10 February 2017 to 2019 on the same terms and conditions. In April 2017, DMPL settled US$196.0 million of the US$350.0 million BDO loan using the proceeds from the issuance of preference shares. In December 2017, DMPL settled an additional US$100.0 million using the proceeds from the 10,000,000 Series A-2 Preference Shares (see Note 17).

Long-term Borrowings

Long-term Borrowings	**Principal Amount (In '000)**	**Interest Rate** % p.a.	**Year of Maturity**	**Payment Terms (e.g. annually, quarterly, etc.)**	**Interest already paid 1 May 2017 to 30 April 2018 (In '000)**
Senior secured variable rate first lien term loan	USD 710,000	Higher of Libor +3.25% or 5.15%	2021	0.25% quarterly principal payments from 30 April 2014 to 31 January 2021; Balance due in full at its maturity, 18 February 2021.	USD 31,391
Senior secured second lien variable rate term loan	USD 135,055	Higher of Libor + 7.25% or 9.06%	2021	Due in full at its maturity, 18 August 2021.	USD 24,628
BDO Long-term Loan	USD 30,000	4.50%	2020	Quarterly interest payment and principal on maturity date.	USD 1,376
BDO Long-term Loan	USD 100,000	4.50%	2020	Quarterly interest payment and principal on maturity date.	USD 4,588
BDO Long-term Loan	PHP 3,000,000	3.5% for the first 60 days; 4.5% for the remaining term + 5% GRT	2020	Quarterly interest payment and principal on maturity date	PHP140,981

Loans and borrowings are stated net of unamortised debt issuance cost. The balance of unamortised debt issuance cost follows:

		<-------- Group ------->		**<--------- Company -------->**	
	Note	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**
Beginning of year		25,663	32,527	2,146	2,136
Additions		4,223	1,749	730	1,750
Amortisation	26	(9,154)	(8,613)	(2,364)	(1,740)
End of year		20,732	25,663	512	2,146

DMFI is a party to a First Lien term loan credit agreement and a Second Lien term loan credit agreement (the "Term Loan Credit Agreements") with the lenders party thereto, Citibank, N.A., as administrative agent and collateral agent, and the other agents named therein, that provided for a US$710.0 million First Lien Term Loan and a US$260.0 million Second Lien Term Loan with terms of seven years and seven years plus six months, respectively.

Interest Rates. Loans under the First and Second Lien Term Loans bear interest at a rate equal to an applicable margin, plus a LIBOR rate (with a floor of 1.00%). As of 30 April 2018, the interest rate for First Lien Term Loans is 5.15% (30 April 2017: 4.31%) and the interest rate for Second Lien Term Loans is 9.06% (30 April 2017: 8.31%).

Principal Payments. The First Lien Term Loan generally requires quarterly scheduled principal payments of 0.25% of the outstanding principal per quarter from 30 April 2014 to 31 January 2021. The balance is due in full on the maturity date of 18 February 2021. Scheduled principal payments with respect to the First Lien Term Loan are subject to reduction following any mandatory or voluntary prepayments on terms and conditions set forth in the First Lien Term Loan Credit Agreement.

The Second Lien Term Loan is due in full at its maturity date of 18 August 2021.

The Term Loan Credit Agreements also require DMFI to prepay outstanding loans under the First Lien Term Loan and the Second Lien Term Loan, subject to certain exceptions, with, among other things:

- 50% (which percentage will be reduced to 25% if the leverage ratio is 4.0x or less and to 0% if the leverage ratio is 3.0x or less) of the annual excess cash flow, as defined in the First Lien Term Loan Credit Agreement;
- 100% of the net cash proceeds of certain casualty events and non-ordinary course asset sales or other dispositions of property for a purchase price above US$2.0 million, in each case, subject to DMFI's right to reinvest the proceeds; and
- 100% of the net cash proceeds of any incurrence of debt, other than proceeds from debt permitted under the First Lien Term Loan Credit Agreement.

On 14 March 2018, the Company, a trust owned by DMFHII and certain seller lenders entered into a Purchase Agreement wherein the Company, or its designated affiliate, agreed to purchase certain Second Lien term loans from the seller lenders at an amount equal to 70% of the principal amount of the loans to be sold, plus accrued and unpaid interest thereon. On 27 March 2018, DMFI, DMFHI and the lenders signed the second amendment to the Second Lien term loan allowing the Company, or its eligible assignee, to purchase any and all loans outstanding under the amended agreement which were duly submitted by the lenders for purchase at a price equal to 70% of the principal amount.

In March 2018, DMFHII, the affiliate assignee, through a trust, purchased DMFI's Second Lien term loans with principal amount of US$125.9 million from seller lenders for US$88.2 million. The pre-tax net gain from the purchase of the loans amounting to US$33.6 million, net of transaction costs amounting to US$3.2 million, was recognised in the Group's consolidated financial statements and is presented under "Finance income" in the consolidated income statement. The non-controlling interests of DMPLFL agreed to waive its share in any economic benefits arising from the Group's purchase of the Second Lien term loans. DMFHII agreed to make an equity contribution to DMFI in the amount equivalent to the interest received from DMFI.

To finance the purchase of the Second Lien term loans, the Company extended a loan to DMFHII amounting to US$88.2 million. Such loan is subject to interest of 12.95%, subject to quarterly repricing, and will mature on 18 August 2021. The interest income earned by the Company on this loan amounted to US$1.0 million in 2018.

Ability to Incur Additional Indebtedness. DMFI has the right to request an additional US$100 million plus an additional amount of secured indebtedness under the First Lien Term Loan and the Second Lien Term Loan. Lenders under this facility are under no obligation to provide any such additional loans, and any such borrowings will be subject to customary conditions precedent, including satisfaction of a prescribed leverage ratio, subject to the identification of willing lenders and other customary conditions precedent.

ABL Credit Agreement

DMFI is a party to a credit agreement (the "ABL Credit Agreement") with Citibank, N.A., as administrative agent, and the other lenders and agents parties thereto, as amended, that provides for senior secured financing of up to US$442.6 million (with all related loan documents, and as amended from time to time, the ABL Facility) with a term of five years until 18 February 2019, prior to an amendment in 2018.

On 23 April 2018, the Group amended and restated the ABL Credit Agreement. The US$442.6 million facility was divided into two tranches: "Tranche A" with an amount up to US$46.5 million and "Tranche B" with an amount up to US$442.6 million. Any drawdown or repayment are to be made in proportion to the two tranches and maximum borrowings cannot exceed the Tranche B commitments. As of 30 April 2017, the Group's commitment could not exceed US$450 million. Tranche A matures 18 February 2019 and Tranche B matures 19 November 2020. Proceeds of US$40.0 million from the amended ABL Agreement were used to pay-off the balance of the previous credit agreement. The Group fully amortised the deferred financing fees related to the previous credit agreement of US$0.9 million from the amendment.

Interest Rates. Borrowings under the ABL Credit Agreement bear interest at an initial interest rate equal to an applicable margin, plus, at the Group's option, either (i) a LIBOR rate, or (ii) a base rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) Citibank, N.A.'s "prime commercial rate" and (c) the one month LIBOR rate plus 1.00%. The applicable margin with respect to LIBOR borrowings is 2.00% for Tranche A and 2.50% for Tranche B at 30 April 2018, respectively, (and may decrease to 1.75% and 2.25%, respectively, or increase to 2.25% and 2.75%, respectively, depending on average excess availability) (30 April 2017: 2.25%; 30 April 2016: 2.0%) and with respect to base rate borrowings is 1.00% for Tranche A and 1.50% for Tranche B at 30 April 2018, respectively (and may decrease to 0.75% and 1.25% , respectively, or increase to 1.25% and 1.75%, respectively, depending on average excess availability) (30 April 2017: 1.25%; 30 April 2016: 1.0%).

Commitment Fees. In addition to paying interest on outstanding principal under the ABL Credit Agreement, the Group is required to pay a commitment fee that was initially 0.375% per annum in respect of the unutilised commitments thereunder. The commitment fee rate on Tranche A from time to time is 0.250% or 0.500% depending on the amount of unused commitments under the ABL Credit Agreement for the prior fiscal quarter. The commitment fee rate on Tranche B is 0.500%. The Group must also pay customary letter of credit fees between 1.75% to 2.75% based on average excess availability, and fronting fees equal to 0.125% of the face amount for each letter of credit issued.

Availability under the ABL Credit Agreement. Availability under the ABL Credit Agreement is subject to a borrowing base. The borrowing base, determined at the time of calculation, is an amount equal to: (a) 85% of eligible accounts receivable and (b) the lesser of (1) 75% of the net book value of eligible inventory and (2) 85% of the net orderly liquidation value of eligible inventory, of the Group at such time, less customary reserves. The ABL Credit Agreement will terminate, and the commitments thereunder will mature, on 18 February 2019 for Tranche A and 19 November 2020 for Tranche B. As of 30 April 2018, under Tranche A and Tranche B of the ABL Credit Agreement there were US$1.0 million and US$9.0 million (30 April 2017: US$168.0 million) of loans outstanding, respectively, and US$1.6 million and US$15.3 million of letters of credit issued, respectively (30 April 2017: US$14.0 million). The Group's net availability under the ABL Credit Agreement was US$415.7 million as of 30 April 2018 (30 April 2017: US$260.5 million). The weighted average interest rate on the ABL Credit Agreement was approximately 6.20% on 30 April 2018 (30 April 2017: 3.39%; 30 April 2016: 3.15%).

The ABL Credit Agreement includes a sub limit for letters of credit and for borrowings on same day notice, referred to as "swingline loans."

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

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

Security Interests

Indebtedness under the First Lien Term Loan is generally secured by (i) a first priority pledge of all of the equity interests of DMFHL, (ii) a second priority lien on all ABL Priority Collateral of DMFHL and (iii) a first priority lien on substantially all other properties and assets of DMFHL. The Second Lien Term Loan is generally secured by (i) a second priority pledge of all of the equity interests of DMFHL, (ii) a third priority lien on all ABL Priority Collateral of DMFHL and (iii) a second priority lien on substantially all other properties and assets of DMFHL. The ABL Credit Agreement is generally secured by a first priority lien on DMFI's inventories and accounts receivable and by a third priority lien on substantially all other assets.

Restrictive and Financial Covenants

The Term Loan Credit Agreements and the ABL Credit Agreement contain restrictive covenants that limit DMFI's ability and the ability of its subsidiaries to take certain actions.

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

Financial Maintenance Covenants. The Term Loan Credit Agreements and ABL Credit Agreement generally do not require that DMFI comply with financial maintenance covenants.

The ABL Credit Agreement, however, contains a financial covenant that applies if availability under the ABL Credit Agreement (US$415.7 million at 30 April 2018; US$260.5 million at 30 April 2017) falls below a certain level. As of 30 April 2018 and 2017, the financial covenant was not applicable.

Minimum Consolidated EBITDA. Beginning in 1 May 2019, the DMFHL Group will be subjected to an EBITDA financial covenant. Consolidated Trailing Twelve Month EBITDA of the Borrower and the Guarantors as of the last day of any fiscal quarter shall not be lower than specified amounts in the Credit Agreement.

Effect of Restrictive and Financial Covenants. The restrictive and financial covenants in the Term Loan Credit Agreements and the ABL Credit Agreement may adversely affect DMFI's ability to finance its future operations or capital needs or engage in other business activities that may be in its interest, such as acquisitions.

The Group is compliant with its loan covenants as of 30 April 2018 and 2017.

Unsecured Bank Loans

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

BDO bank loans

	Principal US$'000	Debt-to equity ratio	Interest coverage
Unsecured bridging loan	54,000	8.0x	1.5x
Unsecured bridging loan	130,000	3.0x*	2.0x**

**applicable for FY2018 to FY2020*
***applicable for FY2017 to FY2020*

The Company and the Group is compliant with its loan covenants as at 30 April 2018 and 2017.

Ability to Incur Additional Indebtedness. On 12 December 2017, the Company entered into a Third Amendment Agreement with BDO that gives the Company the right to reborrow up to an aggregate amount of US$200 million, subject to the terms of such amendment agreement.

20. Other noncurrent liabilities

	Group	
	30 April 2018 US$'000	30 April 2017 US$'000
Workers' compensation	22,209	23,410
Accrued lease liabilities	7,555	7,036
Derivative liabilities	1,803	8,442
Accrued vendors liabilities	1,208	–
Due to related party - non current	684	–
Deferred rental liabilities	333	3,818
Other payables	1,403	1,312
	35,195	44,018

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

Derivative liabilities

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

As of 30 April 2018 and 2017, the Group designated each of its derivative contracts as a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognised asset or liability ("cash flow hedge"). The following cash flow hedges were outstanding for the Group:

		Group	
	Note	**30 April 2018 US$'000**	**30 April 2017 US$'000**
Interest rate swap	32	(5,017)	(17,891)
Peso foreign exchange contracts		–	2,565
Commodity contracts		259	38
Total		(4,758)	(15,288)
Included in :			
Prepaid expense and other current assets	14	305	2,685
Trade and other payables	23	(3,260)	(9,531)
Other noncurrent liabilities		(1,803)	(8,442)
		(4,758)	(15,288)

The effect of economic hedges in the consolidated income statement were as follows:

	Group	
	30 April 2018 US$'000	**30 April 2017 US$'000**
Commodity contracts	(1,381)	(984)
Foreign exchange contracts	(3,422)	787

At 30 April 2018, US$3.5 million (30 April 30 2017: US$7.6 million) are expected to be reclassified from OCI to the consolidated income statement within the next 12 months.

21. Employee benefits

	Group	
	30 April 2018 US$'000	**30 April 2017 US$'000**
Pension asset	10,607	5,517
Total pension asset (noncurrent)	10,607	5,517
Post-retirement benefit obligation	34,594	39,017
Executive retirement plan	5,169	5,423
Cash incentive award	7,459	3,707
Short-term employee benefits	30,278	16,558
Other plans	6,499	7,114
Net defined benefit liability	30,551	37,945
Total employee benefit liability	114,550	109,764
Current	37,645	22,165
Noncurrent	76,905	87,599
	114,550	109,764

The Group contributes to the following post-employment defined benefit plans:

The DMPI Plan

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

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

DMPI expects to pay US$1.80 million in contributions to the pension plan in fiscal year 2019.

The ROHQ Plan

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

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

ROHQ expects to pay US$0.06 million in contributions to the pension plan in fiscal year 2019.

The DMFI Plan

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

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

The second part is an arrangement which provides for grandfathered and suspended hourly participants a traditional pension benefit based upon service, final average compensation and age at termination. This plan was frozen since 31 December 1995, which the active participation of certain participants was grandfathered and the active participation of other participants was suspended.

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

DMFI does not expect to make contributions to the plan in 2019.

Movement in net defined benefit liability (asset)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability (asset) and its components:

	Defined benefit obligation		Fair value of plan assets		Net defined benefit liability (asset)	
	30 April 2018 US$'000	30 April 2017 US$'000	30 April 2018 US$'000	30 April 2017 US$'000	30 April 2018 US$'000	30 April 2017 US$'000
Group						
Balance, Beginning	418,602	438,697	(347,157)	(346,580)	71,445	92,117
Included in profit or loss:						
Current service cost	9,620	10,595	–	–	9,620	10,595
Plan administration cost	–	–	926	691	926	691
Interest cost/ (income)	16,688	17,819	(13,845)	(14,188)	2,843	3,631
	444,910	467,111	(360,076)	(360,077)	84,834	107,034
Included in OCI						
Remeasurements loss/(gain):						
- Actuarial loss/(gain) arising from:						
- financial assumptions	(17,043)	3,293	–	–	(17,043)	3,293
- demographic assumptions	(2,396)	(7,045)	–	–	(2,396)	(7,045)
- experience adjustment	(6,755)	(3,875)	–	–	(6,755)	(3,875)
- Return on plan assets excluding interest income	–	–	(6,976)	(10,477)	(6,976)	(10,477)
- Effect of movements in exchange rates	(1,158)	(2,389)	1,519	2,201	361	(188)
	(27,352)	(10,016)	(5,457)	(8,276)	(32,809)	(18,292)
Others						
Contributions	–	–	(2,080)	(15,513)	(2,080)	(15,513)
Benefits paid	(32,453)	(38,493)	30,674	36,709	(1,779)	(1,784)
	(32,453)	(38,493)	28,594	21,196	(3,859)	(17,297)
Changes arising from the effect of the asset ceiling	–	–	–	–	6,372	–
Balance, Ending	385,105	418,602	(336,939)	(347,157)	54,538	71,445

Represented by:

	Net defined benefit liability/(asset) 30 April 2018 US$'000	30 April 2017 US$'000
Net defined benefit asset	(10,607)	(5,517)
Post-retirement benefit obligation	34,594	39,017
Net defined benefit liability	30,551	37,945
	54,538	71,445

During fiscal year 2016, a change to the post-retirement benefits plan of certain non-union employees were made where current retiree medical and dental benefits were replaced for contributions to a health reimbursement arrangement (HRA) account. As a result of the plan amendment, the Group's defined benefit obligation decreased by US$40.7 million. A corresponding reduction against past service cost was recognised as part of "General and administrative expenses" account in the 2016 income statement of the Group.

Plan assets

Plan assets comprise:

	Group	
	30 April 2018 US$'000	**30 April 2017 US$'000**
Interest-bearing cash/bank deposits	10,791	5,710
Real estate	15,176	15,130
Common collective trust funds:		
Fixed income	74,884	88,577
Equity fund	107,320	113,164
Mutual funds -		
Equity fund	8,647	9,143
Debt instruments:		
Corporate	41,491	39,348
Government	44,566	50,613
Others	6,272	5,958
Equity securities -		
Quoted	15,069	3,053
Others	12,723	16,461
Fair value of plan assets	336,939	347,157

The BOD of DMFI reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching (ALM) strategy and investment risk management policy. DMFI's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Group monitors how the duration and expected yield of the investments match the expected cash outflows arising from the retirement benefit obligation.

DMFI's investment objectives are to ensure that the assets of its qualified defined benefit plan are invested to provide an optimal rate of investment return on the total investment portfolio, consistent with the assumption of a reasonable risk level, and to ensure that pension funds are available to meet the plan's benefit obligations as they become due.

DMFI believes that a well-diversified investment portfolio, including both equity and fixed income components, will result in the highest attainable investment return with an acceptable level of overall risk. DMFI's investment policies and procedures are designed to ensure that the plan's investments are in compliance with the Employee Retirement Income Security Act (ERISA).

Actuarial valuation

The funded obligations and plan assets are measured and valued with the advice of qualified actuary who carries out a full valuation annually. The last valuation of these obligations and plan was performed in April 2018 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 30 April 2018.

The principal actuarial assumptions used for accounting purposes expressed as weighted average were:

	<------------- DMFI ------------>	
	30 April 2018	**30 April 2017**
Discount rate (per annum)	4.05% – 4.25%	4.15% – 4.25%
Future salary increases (per annum)	3.00% – 4.00%	3.00% – 4.00%
Current health care cost trend rate (per annum)	7.10%	7.30%/7.50%
Ultimate health care cost trend rate	4.50%	4.00%
Mortality rate	RP-2014 adjusted backward to 2006 with MP-2014 and projected forward using MP-2017	RP-2014 adjusted backward to 2006 with MP-2014 and projected forward using MP-2016

	<------------- DMPI ------------>	
	30 April 2018	**30 April 2017**
Discount rate (per annum)	7.88%	5.08%
Future salary increases (per annum)	6.00%	6.80%

	<------------- ROHQ ------------>	
	30 April 2018	**30 April 2017**
Discount rate (per annum)	8.04%	–
Future salary increases (per annum)	6.00%	–

Since the defined benefit plans and other benefits liabilities are measured on a discounted basis, the discount rate is a significant assumption. The discount rate was determined based on an analysis of interest rates for high-quality, long-term corporate debt at each measurement date. In order to appropriately match the bond maturities with expected future cash payments, the Group utilised differing bond portfolios to estimate the discount rates for the defined benefits pension plans and for the post-retirement benefits.

The discount rate used to determine the defined benefit plans and for the post-retirement benefits projected benefit obligation as of the balance sheet date is the rate in effect at the measurement date. The same rate is also used to determine the defined benefit pension plans and post-retirement benefits for the following fiscal year. The long-term rate of return for defined benefits pension plans' assets is based on the Group's historical experience; the defined benefits pension plans' investment guidelines and the Group's expectations for long-term rates of return. The defined benefits pension plans' investment guidelines are established based upon an evaluation of market conditions, tolerance for risk and cash requirements for benefit payments. Assumptions regarding future mortality have been based on published statistics and mortality tables.

As at 30 April 2018, the weighted average duration of DMPI's and ROHQ's defined benefit retirement obligation is 8.5 years and 8.8 years, respectively.

The projected future benefit payments for the DMPI and ROHQ plans as of 30 April 2018 are as follows:

	DMPI US$'000	ROHQ US$'000	Total Expected Benefit Payments US$'000
2019	4,229	1	4,230
2020	2,556	2	2,558
2021	2,386	3	2,389
2022	2,551	4	2,555
2023	2,037	5	2,042
2024 to 2028	15,351	580	15,931

The weighted average duration of DMFI's defined benefit retirement obligation for each year are as follows.

	Duration (years)	
	30 April 2018	30 April 2017
Qualified retirement plan	9.3	9.9
Post-retirement benefits plan	11.1	12.4
Executive retirement plans	6.5 - 10.7	5.6 - 11.7

The projected future benefit payments for the DMFI plan as of 30 April 2018 are as follows:

	Normal Retirement US$'000	Other than Normal Retirement US$'000	Total US$'000
Less than one year	28,541	2,472	31,013
More than one year to five years	109,416	9,759	119,175
More than five years	122,406	11,352	133,758

The weighted-average asset allocation of the Group's pension plan assets and weighted-average target allocation as of the measurement date from date of incorporation is as follows:

	30 April 2018	Target Allocation Range
Equity securities	39%	31-51%
Debt securities	27%	42-64%
Other	34%	2-19%
Total	100%	

	30 April 2017	Target Allocation Range
Equity securities	40%	31-51%
Debt securities	53%	42-64%
Other	7%	2-19%
Total	100%	

The plan exposes the Group to market risk.

The BOD of DMFI approves the percentage of asset to be allocated for fixed income instruments and equities. The retirement plan has set maximum exposure limits for each type of permissible investments in marketable securities and deposit instruments. The BOD of DMFI may, from time to time, in the exercise of its reasonable discretion and taking into account existing investment opportunities, review and revise such allocation and limits.

Source of estimation uncertainty

Pension expense and pension assets/liabilities are determined using certain actuarial estimates and assumptions relating to the discount rate used in valuing the subsidiary's defined benefit obligations and future experiences such as the rate of return on plan assets, future salary increases, retirement date or age, mortality and turnover rate of covered employees. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognised in the financial statements.

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of reporting period would have increased (decreased) as a result of a change in the respective assumptions by the respective percentages below.

Defined benefit obligation	**<------------------------------DMFI---------------------------->**			
	2018		**2017**	
	0.5% increase US$'000	0.5% decrease US$'000	0.5% increase US$'000	0.5% decrease US$'000
Discount rate (per annum)	(13,502)	14,646	(15,217)	16,578
Future salary increases (per annum)	1,364	(1,318)	1,522	(1,482)

Defined benefit obligation	**<------------------------------DMPI---------------------------->**			
	2018		**2017**	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Discount rate (per annum)	(1,858)	2,139	(2,465)	2,954
Future salary increases (per annum)	1,901	(1,683)	1,424	(1,174)

Defined benefit obligation	<------	**ROHQ**	------	------>
	2018		**2017**	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Discount rate (per annum)	(30)	31	–	–
Future salary increases (per annum)	34	(28)	–	–

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 30 April 2018 and are applied to adjust the defined benefit obligation at the end of the report period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumption shown.

Sensitivity analysis

Post-retirement benefit obligation	<------	**DMFI**	------	------>
	2018		**2017**	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Health care cost trend rates (per annum)	2,991	(2,501)	3,994	(3,284)

Accumulated post-retirement benefit obligation

The accumulated post-retirement benefit obligation is computed in accordance with IAS 19 *Employee Benefits*. This quantity is the actuarial present value of all benefits attributed under the projected unit credit method to service rendered prior to a particular date. Prior to an employee's full eligibility date, the accumulated post-retirement benefit obligation as of a particular date for an employee is the portion of the expected post-retirement benefit obligation attributed to that employee's service rendered to that date; on and after the full eligibility date, the accumulated and expected post-retirement benefit obligations for an employee are the same.

Source of estimation uncertainty

Accumulated post-retirement benefit obligation is determined using certain actuarial estimates and assumptions relating to the annual rate(s) of change in the cost of health care benefits currently provided by the post-retirement benefit plans due to factors other than changes in the composition of the plan population by age and dependency status, for each year from the measurement date until the end of the period in which benefits are expected to be paid. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognised in the financial statements.

Multi-employer plans

The Group participates in several multi-employer pension plans, which provide defined benefits to covered union employees. Contributions rates to the multi-employer plans are provided in the collective bargaining agreements for the covered union employees. The contribution rates are expressed in terms of specific amounts to be contributed based on hours worked by covered union employees. The Group made contributions of US$6.1 million and US$7.1 million during fiscal years 2018 and 2017, respectively.

The risks of participating in the multi-employer pension plans are as follows:

- assets contributed to the multi-employer plan by the Group may be used to provide benefits to employees of other participating employers;

- if a participating employer stops contributing to the plan, the unfunded obligations of the plan allocable to such withdrawing employer may be partially borne by the Group; and

- if the Group stops participating in some of its multi-employer pension plans, the Group may be required to pay those plans an amount based on its allocable share of the underfunded status of the plan, referred to as a withdrawal liability.

Defined Contribution Plans

The Group participates in two defined contribution plans. Group contributions to these defined contribution plans are based on employee contributions and compensation. The expense recognised under these plans for the year ended 30 April 2018 was US$4.8 million (30 April 2017: US$4.3 million; 30 April 2016: US$5.1 million).

Other plans

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

22. Environmental remediation liabilities

	Group	
	30 April 2018 US$'000	30 April 2017 US$'000
At beginning of the year	6,198	6,313
Provision made during the period	31	80
Reversal during the period	(5,837)	–
Provisions used during the period	(78)	(195)
Reclassification	(170)	–
At end of the year	144	6,198

Provision for environmental remediation relates to legal or constructive obligations incurred by the Group in connection with its operations. In connection with sales of property in Rochelle, Illinois and Turkey, North Carolina, US$4.0 million and US$1.8 million, respectively, of environmental provisions were released in fiscal year 2018.

23. Trade and other current liabilities

	Note	Group 30 April 2018 US$'000	Group 30 April 2017 US$'000	Company 30 April 2018 US$'000	Company 30 April 2017 US$'000
Trade payables		156,450	162,505	479	783
Deferred revenue		13,592	–	–	–
Accrued operating expenses:					
Advertising		12,582	12,220	–	–
Professional fees		10,189	13,591	1,725	2,796
Trade promotions		32,145	40,294	–	–
Accrued interest		9,594	11,133	–	–
Taxes and insurance		7,355	8,639	–	–
Freight and warehousing		5,214	6,320	–	–
Plant closure costs		3,025	–	–	–
Miscellaneous		3,625	5,256	2,765	1,991
Other payables		7,339	4,623	39	–
Accrued payroll expenses		5,583	8,282	2,874	4,467
Overdrafts		3,606	12,191	–	–
Derivative liabilities	20	3,260	9,531	–	–
Withheld from employees (taxes and social security cost)		1,527	1,692	35	20
VAT payables		1,215	131	136	131
Advances from customers		317	3,137	–	–
Amounts due to subsidiaries (non-trade)	37	–	–	79,020	108,283
		276,618	299,545	87,073	118,471

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

Accrued miscellaneous include interest, utilities, customer deposits, freight and warehousing and customs and other importation incidental costs.

Sources of estimation uncertainty

The determination of the unbilled trade promotion accrual requires significant estimation of the lag time when the services are performed and billings are received.

24. Revenue

Revenue of the Group comprises gross invoiced sales of goods, net of discounts and returns, and is recognised when goods are delivered, and title has passed to customers. All intra-group transactions have been excluded from Group revenue.

Revenue for fiscal year ended 30 April 2018 is net of discounts of US$87.1 million, returns of US$20.6 million and direct promotions of US$486.5 million. Revenue for fiscal year ended 30 April 2017 is net of discounts of US$86.0 million, returns of US$20.1 million and direct promotions of US$491.2 million. Revenue for fiscal year ended 30 April 2016 is net of discounts of US$85.2 million, returns of US$19.0 million and direct promotions of US$485.2 million.

25. Profit (loss) before taxation

Profit (loss) before taxation is arrived at after charging (crediting):

		Group			Company		
	Note	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**
Inventories recognised as cost of sales	12	1,241,195	1,288,042	1,316,517	–	–	–
Depreciation of property, plant and equipment	5	140,061	138,995	139,991	–	–	–
Operating lease rentals	35	62,272	64,951	52,141			–
Changes in fair value of agricultural produce harvested and sold	11	36,651	33,501	22,060	–	–	–
Impairment loss (reversal of impairment) on property, plant and equipment	5	24,534	(330)	4,928	–	–	–
Allowance for inventory obsolescence	12	21,823	7,415	2,926	–	–	–
Research and development expenses		13,522	2,779	12,615	–	–	–
Amortisation of intangible assets	8	7,784	9,347	9,327	–	–	–
Impairment of (reversal of allowance for) trade and nontrade receivables	13	502	791	(1,355)	–	–	–
Audit fees							
- paid to the auditors of the Company		340	371	339	340	371	339
- paid to other auditors		1,064	1,553	2,374	–	–	354
Non-audit fees							
- paid to other auditors		150	667	579	11	14	99
Loss (gain) on disposal of property, plant and equipment	5	(11,317)	729	1,052	–	–	–
Impairment loss on noncurrent assets held for sale	16	–	–	1,659	–	–	–
Income from post-closing working capital amount		–	–	(38,000)	–	–	–

		Group			Company		
	Note	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**
Staff costs							
Wages and salaries		353,944	385,192	375,982	3,533	3,792	8,768
Social security costs		17,063	18,760	20,471	–	–	–
Pension costs - defined benefit pension plan*		13,390	14,917	(23,392)	–	–	–
Pension costs - provident fund		5,366	4,825	5,131	–	–	–
Equity-settled share-based payment transactions	31	377	890	713	30	96	161

**includes effect of post-retirement medical plan amendment and enhanced early retirement program*

Other expenses not included above are advertising and marketing costs, freight, warehousing costs and others.

26. Net finance expense

	Note	<--- Group	--->		<--- Company	--->	
		Year ended 30 April 2018 US$'000	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**
Finance income							
Interest income from							
bank deposits	19,37	269	129	365	5	4	2
due from a related party		–	–	–	1,079		
others		871	362	–	–	–	–
Gain on purchase of second lien term loan	19	33,623	–	–	–	–	–
Foreign exchange gain		6,709	5,318	1,866	2	43	–
		41,472	5,809	2,231	1,086	47	2
Finance expense							
Interest expenses on							
bank loans		(93,169)	(101,375)	(89,843)	(13,910)	(21,047)	(19,809)
Amortisation of debt issue cost, discount	19	(9,154)	(8,613)	(8,775)	(2,364)	(1,740)	(1,884)
Foreign exchange loss		(3,330)	(1,080)	(963)	(1)	(42)	(10)
		(105,653)	(111,068)	(99,581)	(16,275)	(22,829)	(21,703)
Net finance expense		(64,181)	(105,259)	(97,350)	(15,189)	(22,782)	(21,701)

As discussed in Note 19, the Group recognised a gain of US$33.6 million on derecognition of a portion of the Second Lien term loan.

27. Tax expense (credit) - net

	Note		Group	
		Year ended 30 April 2018 US$'000	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**
Current tax expense				
- current year		11,701	6,730	12,729
Deferred tax credit				
- origination and reversal of temporary differences	9	3,143	(6,179)	(3,786)
		14,844	551	8,943
Reconciliation of effective tax rate				
Profit (loss) before taxation		(36,232)	20,442	68,919
Taxation on profit at applicable tax rates		42,296	9,898	18,600
Non-deductible expenses		(515)	(9,347)	(9,657)
Change in tax rate		(26,937)	–	–
		14,844	551	8,943

	Company		
	Year ended 30 April 2018 US$'000	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**
Current tax expense			
- current year	25	14	5
Deferred tax credit			
- origination and reversal of temporary differences	(9)	(2)	–
	16	12	5

	Group		
	Year ended 30 April 2018 US$'000	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**
Applicable tax rates			
- Philippines (non-PEZA)	30%	30%	30%
- Philippines (PEZA)*	5%	5%	5%
- India	31%	31%	31%
- Singapore	17%	17%	17%
- United States of America	25%	38%	38%
- Mexico	30%	30%	30%

**based on gross profit for the year*

DMPI's core production operations in Cagayan de Oro City, Philippines is under Philippine Packing Agricultural Export Processing Zone. This new zone has been established in accordance with the policies of the Philippine Economic Zone Authority (PEZA). DMPI enjoys certain fiscal and non-fiscal incentives including a 5% (2017 and 2016: 5%) tax on gross profit in lieu of the statutory 30% (2017 and 2016: 30%) on profit before tax, duty free importation of capital equipment, raw materials and supplies used in pursuit of its Ecozone-registered activities, among other incentives. The incentives will be available for as long as DMPI complies with the PEZA's requirements which includes exporting 70% of its production. This current tax incentive expired in fiscal year 2018 and was extended for an additional three years ending fiscal year 2021.

DMPI has received the PEZA approval for a second zone, the Bukidnon Agro-Resources Export Zone, for agri-development projects. This current tax incentive expired in fiscal year 2018 and was extended for an additional three years ending fiscal year 2021.

On 22 December 2017, the United States enacted the Tax Cuts and Jobs Act ("Act"). The Act lowered the U.S. federal statutory income tax rate from 35% to 21% effective 1 January 2018.

Company

There is no tax expense for the Company as the income of the Company is exempt from all income taxes in the British Virgin Islands except for ROHQ in the Philippines which has a preferential tax rate of 10%.

Republic Act (RA) No. 1096 or the Tax Reform for Acceleration and Inclusion Act (TRAIN) was signed into law on 19 December 2017 and took effect 1 January 2018, making the new tax law enacted as of the reporting date. Although the TRAIN changes existing tax law and includes several provisions that will generally affect businesses on a prospective basis, the management assessed that the same will not have any significant impact on the financial statement balances as of the reporting date.

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.

28. Earnings (loss) per share

Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

Cumulative undeclared preference dividends as of 30 April 2018 is US$1.3 million (30 April 2017: US$0.8 million).

		Group	
	Year ended 30 April 2018	Year ended 30 April 2017	Year ended 30 April 2016
Profit (loss) attributable to owners of the Company (US$'000)	(36,492)	24,366	56,978
Cumulative preference share dividends (US$'000)	(15,958)	(847)	–
	(52,450)	23,519	56,978
Weighted average number of ordinary shares ('000):			
Outstanding ordinary shares at 1 May	1,943,214	1,943,214	1,944,035
Effect of own shares held during the period	–	–	(426)
Effect of share awards granted	456	–	–
Weighted average number of ordinary shares during the year	1,943,670	1,943,214	1,943,609
Basic earnings (loss) per share (in US cents)	(2.70)	1.21	2.93

Diluted earnings (loss) per share

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

	Group Year ended 30 April 2018	Year ended 30 April 2017	Year ended 30 April 2016
Profit (loss) attributable to owners of the Company (US$'000)	(36,492)	24,366	56,978
Cumulative preference share dividends (US$'000)	(15,958)	(847)	–
	(52,450)	23,519	56,978
Diluted weighted average number of shares ('000):			
Weighted average number of ordinary shares at end of year (basic)	1,943,670	1,943,214	1,943,609
Potential ordinary shares issuable under share awards	–	746	736
Weighted average number of ordinary shares issued (diluted)	1,943,670	1,943,960	1,944,345
Diluted earnings (loss) per share (in US cents)	(2.70)	1.21	2.93

The potential ordinary shares issuable under the Del Monte ESOP were excluded from the diluted weighted average number of ordinary shares calculation for the year ended 30 April 2017 and 2016 because their exercise price is greater than the market price. As at 30 April 2018, all shares under the Del Monte ESOP have expired.

29. Operating segments

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

Geographical segments

Americas

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

Asia Pacific

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

Europe

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

Product segments

Packaged fruit and vegetable

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

Beverage

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

Culinary

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

Fresh fruit and others

Fresh fruit and others include sales and profit of S&W branded fresh pineapples in Asia Pacific and buyer's label or non-branded fresh pineapples in Asia, and sales and profit of cattle in the Philippines. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals. This would also include non-branded sales to South America.

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

Segment assets

Segment assets consist primarily of property, plant and equipment, intangible assets, trade and other receivables, biological assets, inventories and investments in joint ventures.

Information about reportable segments

	<---Americas--->			<---Asia Pacific--->			<---Europe--->			<---Total--->		
	Year ended 30 April 2018 US$'000	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**
Revenue												
Packaged/processed fruit and vegetable	1,349,509	1,363,015	1,446,602	123,136	127,092	116,100	24,359	28,254	19,039	1,497,004	1,518,361	1,581,741
Beverage	19,522	28,859	28,691	131,412	131,258	132,268	9,133	14,745	14,755	160,067	174,862	175,714
Culinary	274,208	298,454	294,486	123,620	120,857	122,063	–	–	–	397,828	419,311	416,549
Fresh fruit and others	2,217	1,108	90	140,193	139,141	99,991	–	–	–	142,410	140,249	100,081
Total	**1,645,456**	**1,691,436**	**1,769,869**	**518,361**	**518,348**	**470,422**	**33,492**	**42,999**	**33,794**	**2,197,309**	**2,252,783**	**2,274,085**
Gross profit												
Packaged/processed fruit and vegetable	214,615	239,208	266,422	37,704	38,694	31,444	8,587	11,706	5,510	260,906	289,608	303,376
Beverage	(275)	10,018	4,022	37,014	41,212	39,188	(2,585)	6,403	6,022	34,154	57,633	49,232
Culinary	44,226	54,949	56,020	48,582	46,268	46,212	–	–	–	92,808	101,217	102,232
Fresh fruit and others	499	250	12	44,107	46,184	30,964	–	–	–	44,606	46,434	30,976
Total	**259,065**	**304,425**	**326,476**	**167,407**	**172,358**	**147,808**	**6,002**	**18,109**	**11,532**	**432,474**	**494,892**	**485,816**
Share in net loss of joint ventures and subsidiaries												
Packaged/processed fruit and vegetable	–	–	–	(97)	(491)	(523)	–	–	–	(97)	(491)	(523)
Beverage	–	–	–	(23)	(97)	(123)	–	–	–	(23)	(97)	(123)
Culinary	–	–	–	(185)	(1,003)	(1,001)	–	–	–	(185)	(1,003)	(1,001)
Fresh fruit and others	–	–	–	(1,247)	(318)	(70)	–	–	–	(1,247)	(318)	(70)
Total	**–**	**–**	**–**	**(1,552)**	**(1,909)**	**(1,717)**	**–**	**–**	**–**	**(1,552)**	**(1,909)**	**(1,717)**

Information about reportable segments

	<---Americas---		--->	<---Asia Pacific---		--->	<---Europe---		--->	<---Total---		--->
	Year ended 30 April 2018 US$'000	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**
Profit (loss) before taxation												
Packaged/processed fruit and vegetable	(81,733)	(55,362)	9,501	20,404	17,617	10,828	5,618	8,265	3,020	(55,711)	(29,480)	23,349
Beverage	(5,775)	1,021	(1,795)	9,683	13,752	11,577	(3,685)	–	4,347	223	14,773	14,129
Culinary	(27,904)	(13,095)	2,233	24,789	17,915	19,171	–	4,781	–	(3,115)	9,601	21,404
Fresh fruit and others	(51)	2,790	(5,440)	22,422	22,758	15,477	–	–	–	22,371	25,548	10,037
Total	**(115,463)**	**(64,646)**	**4,499**	**77,298**	**72,042**	**57,053**	**1,933**	**13,046**	**7,367**	**(36,232)**	**20,442**	**68,919**
Other Material Non-Cash Items												
Depreciation and amortisation	54,677	47,278	56,971	93,168	101,064	92,347	–	–	–	147,845	148,342	149,318
Capital expenditure	**30,937**	**44,591**	**42,823**	**79,801**	**99,532**	**94,407**	**–**	**–**	**–**	**110,738**	**144,123**	**137,230**
Segment assets	**1,972,616**	**2,228,986**	**2,243,508**	**521,213**	**503,177**	**444,195**	**15,297**	**24,983**	**18,687**	**2,509,126**	**2,757,146**	**2,706,390**
Segment liabilities	**1,198,647**	**1,508,147**	**1,556,300**	**624,249**	**610,411**	**750,370**	**77,970**	**60,033**	**22,743**	**1,900,866**	**2,178,591**	**2,329,413**

Major customer

Revenues from a major customer of the Americas segment for fiscal year 2018 amounted to approximately US$631.9 million or 29% (fiscal year 2017: US$630.3 million or 28%, fiscal year 2016: US$585.0 million or 26%) of the Group's total revenue. The customer accounted for approximately 22% of trade and other receivable 30 April 2018 (30 April 2017: 15%, 10 April 2016: 16%).

30. Seasonality of operations

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

The Group operates 14 production facilities (30 April 2017 and 2016: 15 production facilities) in the U.S., Mexico, and Philippines. Fruit plants are located in California and Washington in the United States and Philippines, most of its vegetable plants are located in the U.S. Midwest and its tomato plants are located in California and Indiana.

The US Consumer Food Business has a seasonal production cycle that generally runs between the months of June and October. This seasonal production primarily relates to the majority of processed fruit, vegetable and tomato products, while some of its processed fruit and tomato products and its *College Inn* broth products are produced throughout the year. Additionally, the Consumer Food Business has contracts to co-pack certain processed fruit and vegetable products for other companies.

31. Share option and incentive plans

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

The Company adopted a new plan, the Del Monte Pacific Executive Share Option Plan 2016 ("ESOP 2016"), which was approved by the shareholders at the general meeting held on 30 August 2016. The purpose of the ESOP 2016 is to provide an opportunity for Group executives to participate in the equity of the Company in order to motivate them to excel in their performance. The ESOP 2016 shall be valid for a period of ten years; however, it has yet to be implemented.

The Company also had two share plans, the Del Monte Pacific Restricted Share Plan ("Del Monte Pacific RSP") and the Del Monte Pacific PSP Performance Share Plan ("Del Monte Pacific PSP") (collectively the "Share Plans"), which were approved by the Company's shareholders at the general meeting held on 26 April 2005. The Share Plans sought to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees targeted at executives holding key positions. The Share Plans expired after ten years or on 25 April 2015. Any share awards granted prior to the expiration of the Share Plans would continue to be valid.

Other information regarding the Del Monte Pacific RSP are as follows:

(a) No minimum vesting periods are prescribed.

(b) The length of the vesting period(s) in respect of each award granted will be determined on a case-to-case basis by the RSOC.

(c) Delivery of shares upon vesting of the share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of 0.540 Singapore dollar (S$) per share.

On 29 April 2011, 2,643,000 shares were awarded at the market price of S$0.485 per share to Mr. Joselito D. Campos, Jr, an associate of a controlling shareholder, approved by shareholders at the Annual General Meeting of the Company held on 29 April 2011.

On 30 April 2013, 211,440 shares were awarded to Joselito D. Campos, Jr, and 275,440 shares to five employees of related companies, representing 20% adjustment to the number of unvested share awards previously granted, at the market price of S$0.810 per share.

On 22 August 2013, 688,000 shares were awarded at the market price of S$0.840 per share to each Group Non-Executive Director/Group Executive Director.

On 1 July 2015, 57,918 shares were awarded at the market price of S$0.385 per share to six Directors of the Company, arising from the rights issue of shares carried out by the Company on 10 March 2015. The grant of the additional 57,918 share awards was for the adjustment to account for the dilutive effect arising from the rights issue on the unvested share awards previously granted by the Company.

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

(a) Vesting periods are not applicable.

(b) Shares awarded are released at the end of the performance period (typically, at the conclusion of a financial year end) once the RSOC is satisfied that the prescribed performance target(s) have been achieved by awardees.

(c) Delivery of share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

As at the date of this report, no share awards have been granted pursuant to the Del Monte Pacific PSP.

The RSOC is responsible for administering the ESOPs and the Share Plans.

Details of the outstanding options granted to the Company's directors and employees under the ESOP 1999 and Del Monte Pacific RSP on unissued ordinary shares of the Company at the reporting date, are as follows:

ESOP

			Options outstanding		
Date of grant of options	**Exercise period**	**Exercise price S$**	**30 April 2018**	**30 April 2017**	**30 April 2016**
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2011	0.627	–	750,000	750,000
	40%: 7 March 2011 – 6 March 2018		–		
30 April 2013	Up to 100%: 30 April 2013 – 6 March 2018	0.627	–	150,000	150,000
1 July 2015	Up to 100%: 6 March 2018	0.578	–	75,765	75,765
			–	975,765	975,765

On 30 April 2013, the Company approved the grant of 150,000 stock options, representing a 20% adjustment to the number of unexercised stock options previously granted. The exercise period therefore follows that of the options granted on 7 March 2008.

As of 30 April 2018, the number of outstanding ESOP options is nil due to the lapse of its exercise period.

Del Monte Pacific RSP

Date of grant of share awards	**Vesting period**	**Market price on date of grant S$**	**Share awards granted**	**Share awards outstanding**
22 August 2013	Up to 60%: 22 August 2013 - 21 August 2016 40%: 22 August 2016 - 21 August 2017	0.840	688,000	–
1 July 2015	Up to 60%: 22 August 2016 - 21 August 2017 40%: 22 August 2017 - 21 August 2018	0.385	57,918	–
			745,918	–

Since the commencement of the employee share option plans until the end of the financial year, no option have been granted at a discount.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

On 20 September 2017, the Company released all of its outstanding share awards to its Directors. There were no additional share options exercised during the fiscal year ended 30 April 2018.

Fair value of share options/awards and assumptions

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

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

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

Del Monte Foods Holding Equity Compensation Plan

The 2014 Equity Compensation Plan (the “2014 Equity Plan”) was adopted by the Board of DMFHI effective 24 September 2014. The 2014 Equity Plan provided for the grant of stock options to key executives. 9,000,000 shares of common stock of DMFHI were reserved for grant under the 2014 Equity Plan.

In 2015, DMFHI granted 7,065,000 stock options. The options granted were subject to performance-based and service-based vesting and vested annually over 7 years and had a term of 10 years. The grant date fair value of these options was US$1.22. As of 30 April 2015, 2,265,000 shares of common stock were available for future grant. However, in September 2015, the 2014 Equity Plan was cancelled with none of the granted options vested as of the termination of the plan.

In September 2016, the authorised shares reserved for grant under the plan was increased from 9,000,000 to 15,000,000. As of 30 April 2018 13,577,999 share options (30 April 2017: 12,240,408 share options) were available for future grant, respectively.

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

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

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

	2018		**2017**	
	Number of options	**Weighted-average exercise price**	**Number of options**	**Weighted-average exercise price**
Outstanding at beginning of year	2,759,592	5.39	6,620,000	5.39
Cancelled	(64,302)	5.39	(3,059,800)	5.39
Forfeited	(1,273,289)	5.39	(800,608)	5.39
Outstanding at end of year	1,422,001	5.39	2,759,592	5.39
Exercisable at end of year	–	–	–	–

The expense recognised in profit or loss for equity-settled share-based payments amounted to US$0.3 million in fiscal year 2018 (fiscal year 2017: US$0.8 million) were included in personnel cost.

Cash incentives

In December 2017, DMFI granted US$4.6 million in cash incentives to key executives under cash incentive award agreements. The awards will vest when the employee remains employed for a period of approximately two years from the grant date until the defined vesting date. Additionally, some of the grants require the employee to meet certain performance criteria. As of 30 April 2018, US$4.6 million remained outstanding.

In March 2018, DMFI granted an additional US$10.3 million in cash incentives to key executives under cash incentive award agreements. The awards will vest when the employee remains employed for a period of approximately one to two years from the grant date until the defined vesting date. As of 30 April 2018, US$10.3 million remained outstanding.

The accrued net obligation for the cash incentives amounted to US$5.7 million and US$3.7 million as of 30 April 2018 and April 30, 2017, respectively, and the total expense recognised under “Wages, salaries and other benefits” in the income statement of the Group amounted to US$2.9 million, US$3.4 million and US$1.8 million in fiscal years 2018, 2017 and 2016, respectively (see Note 21).

32. Financial risk management

The Group has exposure to the following risks from financial instruments:

- credit risk
- interest rate risk
- liquidity risk
- foreign exchange risk
- commodity price risk

Risk management framework

The Board of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee (ARC) is responsible for monitoring the Group's risk management policies developed by management.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The ARC oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

Financial risk management objectives and policies

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The BOD of the Group continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and Company do not hold any collateral in respect of their financial assets.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and countries in which customers are located, as these factors may have an influence on credit risk.

The ARC has approved a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes credit ratings, where available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount. Customers failing to meet the Group's benchmark credit worthiness may transact with the Group only on a prepayment or Letters of Credit basis.

Exposure to credit risk

At the reporting date, the maximum exposure to credit risk for financial assets, excluding cash on hand, by geographic region was:

		Group	
	Note	30 April 2018 US$'000	30 April 2017 US$'000
Americas		90,311	90,865
Europe		6,097	16,979
Asia Pacific		89,414	94,126
	13,15	185,822	201,970

At 30 April 2018, the Group's most significant customer accounted for 22% of the trade and other receivables carrying amount (30 April 2017: 15%).

Impairment losses

The ageing of financial assets excluding cash on hand that were not impaired at the reporting date was:

Group	Note	30 April 2018 US$'000	30 April 2017 US$'000
Not past due		157,275	170,924
Past due 0 - 60 days		15,069	23,868
Past due 61 - 90 days		4,317	2,003
Past due 91 - 120 days		(604)	1,398
More than 120 days		19,672	7,681
	10,13, 14,15	195,729	205,874

As at 30 April 2018 and 2017, the Company's financial assets were all not past due.

The table below shows the credit quality of the Group's financial assets based on their historical experience with the corresponding third parties:

		30 April 2018		
	Note	Grade A US$'000	Grade B US$'000	Total US$'000
Cash in banks and cash equivalents	15	24,195	–	24,195
Trade and other receivables	13	–	161,627	161,627
Note receivables	10	7,744	–	7,744
Refundable deposits*	10	–	1,858	1,858
Derivative assets	14	–	305	305
		31,939	163,790	195,729

**included in other noncurrent assets*

	Note	30 April 2017 Grade A US$'000	Grade B US$'000	Total US$'000
Cash in banks	15	37,523	–	37,523
Trade and other receivables	13	–	164,447	164,447
Refundable deposits*	10	–	1,219	1,219
Derivative assets	14	–	2,685	2,685
		37,523	168,351	205,874

**included in other noncurrent assets*

As at 30 April 2018 and 2017, the Company's financial assets were all classified under Grade A and Grade B, respectively.

	Note	30 April 2018 Grade A US$'000	Grade B US$'000	Total US$'000
Cash in banks and cash equivalents	15	2,709	–	2,709
Trade and other receivables	13	–	180,948	180,948
		2,709	180,948	183,657

	Note	30 April 2017 Grade A US$'000	Grade B US$'000	Total US$'000
Cash in banks and cash equivalents	15	6,767	–	6,767
Trade and other receivables	13	–	119,703	119,703
		6,767	119,703	126,470

Grade A financial assets pertain to those cash that are deposited in reputable banks. Grade B includes receivables that are collected on their due dates even without an effort from the Group to follow them up.

The Group believes that the unimpaired amount past due by more than 60 days are still collectible in full, based on historical payment behaviour and extensive analysis of customers' risk rating. An analysis of the credit quality of loans and receivables that are neither past due nor impaired indicates that they are of acceptable risk.

The Group sells its products through major distributors and buyers in various geographical regions. Management has a credit risk policy which includes, among others, the requirement of certain securities to ensure prompt observance and performance of the obligations of its distributors and other buyers from time to time. The Group monitors its outstanding trade receivables on an on-going basis. In addition, the Group also engages in sale of its trade receivables without recourse to certain financial institutions.

Cash in banks and cash equivalents

Cash in banks and cash equivalents are held with banks and financial institutions which are regulated.

The percentages of cash in banks and cash equivalents held in the following regions are:

	30 April 2018 %	30 April 2017 %
Group		
United States of America	10	8
Philippines	56	44
Hong Kong	33	47
Singapore	1	1
Company		
Philippines	11	–
Hong Kong	89	100

Apart from the information stated above, the Group and Company have no significant concentration of credit risk with any single counterparty or group counterparties.

Derivatives

The derivatives are entered into with banks and financial institutions which are regulated.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short-term debt obligations with floating interest rates.

The Group's cash balances are placed with reputable global banks and financial institutions. The Group manages its interest rate risks by placing the cash balances with varying maturities and interest rate terms. This includes investing the Group's temporary excess liquidity in short-term low-risk securities from time to time. The Group also enters into interest rate swaps to manage the volatility. The Group obtains financing through bank borrowings and leasing arrangements. Funding is obtained from bank loan facilities for both short-term and long-term requirement. The Group's policy is to obtain the most favourable interest rate available without increasing its foreign currency exposure.

Interest rate profile of interest-bearing financial instruments

The interest rate profile of the interest-bearing financial instruments as reported to management of the Group is as follows:

	<---------- Group ----------->		<-------- Company -------->	
	30 April 2018 US$'000	**30 April 2017 US$'000**	**30 April 2018 US$'000**	**30 April 2017 US$'000**
Fixed rate instruments				
Loans and borrowings	402,854	368,048	129,594	129,414
Variable rate instruments				
Loans and borrowings	1,062,369	1,345,918	206,034	195,510
Interest rate swaps	5,017	17,891	–	–
	1,067,386	1,363,809	206,034	195,510

Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had moved as illustrated in the table below, with all other variables held constant, profit/loss before tax in the next 12 months would have been affected as follows:

	Profit/loss before tax in the next 12 months	
	100 bp increase US$'000	**100 bp decrease US$'000**
Group		
30 April 2018		
Variable rate instruments	(9,529)	9,529
Interest rate swaps	4,140	(4,140)
Cash flow sensitivity (net)	(5,389)	5,389
30 April 2017		
Variable rate instruments	(11,282)	11,282
Interest rate swaps	5,270	(5,270)
Cash flow sensitivity (net)	(6,012)	6,012

As at 30 April 2018, if the interest rate had moved by 100bp increase and decrease, with all other variables held constant, the Group's profit before tax in the next 12 months and equity would have been affected by US$0.1million decrease and US$0.1million increase, respectively.

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing significantly higher volatility than in prior years.

Liquidity risk

Liquidity risk is` the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks. Currently, the Group excluding DMFI is entitled to a total of US$663.9 million (30 April 2017: US$1,120.0 million) in credit lines, of which 29% (30 April 2017: 43%) remain available. The lines are mostly for short-term financing requirements, with US$57.4 million (30 April 2017: US$196 million) available for long-term requirements. The Group constantly maintains good relations with its banks, such that additional facilities, whether for short or long-term requirements, may be made available.

The Group is able to increase the commitments under the ABL Facility, subject only to the consent of the new or existing lenders providing such increases, such that the aggregate principal amount of commitments does not exceed US$450.0 million. The lenders under this facility are under no obligation to provide any such additional commitments, and any increase in commitments will be subject to customary conditions precedent. Notwithstanding any such increase in the facility size, the Group's ability to borrow under the facility will remain limited at all times by the borrowing base (to the extent the borrowing base is less than the commitments).

The Group has the right to request an additional US$100.0 million plus an additional amount of secured indebtedness under the First Lien Term Loan and the Second Lien Term Loan. Lenders under this facility are under no obligation to provide any such additional loans, and any such borrowings will be subject to customary conditions precedent, including satisfaction of a prescribed leverage ratio, subject to the identification of willing lenders and other customary conditions precedent.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2018						
Derivative financial liabilities						
Interest rate swaps used for hedging, net-settled	20	5,017	3,940	2,264	1,676	–
Non-derivative financial liabilities						
Unsecured bank loans						
- Short-term	19	471,204	475,119	475,119	–	–
- Long-term	19	187,584	205,936	8,555	197,477	–
Secured bank loans						–
- Short-term	19	10,416	17,100	17,100	–	–
- Long-term	19	796,019	1,140,860	65,151	1,075,708	–
Trade and other payables*	23	256,707	259,967	259,967	–	–
		1,721,930	2,098,982	825,892	1,273,185	–

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

Group	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2017						
Derivative financial liabilities						
Interest rate swaps used for hedging, net-settled	20	17,891	19,041	7,767	11,274	–
Non-derivative financial liabilities						
Unsecured bank loans						
- Short-term	19	280,584	281,271	281,271	–	–
- Long-term	19	341,974	386,674	14,313	369,361	–
Secured bank loans						
- Short-term	19	169,114	175,100	175,100	–	–
- Long-term	19	922,294	1,185,298	60,325	1,124,973	–
Trade and other payables*	23	286,877	296,408	296,408	–	–
		2,000,843	2,324,751	827,417	1,494,334	–

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

Company	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2018					
Non-derivative financial liabilities					
Unsecured bank loans					
- Long-term	129,594	142,041	209,642	136,191	–
- Short-term	206,034	209,642	5,850	–	–
Trade and other payables	79,020	79,020	79,020	–	–
	414,648	430,703	294,512	136,191	–
30 April 2017					
Non-derivative financial liabilities					
Unsecured bank loans					
- Long-term	281,854	307,343	20,555	286,788	–
- Short-term	43,070	43,480	43,480	–	–
Trade and other payables	108,283	108,283	108,283	–	–
	433,207	459,106	172,318	286,788	–

The Group's bank loans contain loan covenants, for which breaches will require the Group to repay the loans earlier than indicated in the above table. The covenants are constantly monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance.

For derivative financial liabilities, the disclosure shows net cash from amounts for derivatives that are net cash settled.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Foreign exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The currency giving rise to this risk is primarily the US Dollar, Mexican Peso and Venezuelan Bolivar.

From time to time, the Group manages its exposure to fluctuations in foreign currency exchange rates by entering into forward contracts to cover a portion of its projected expenditures paid in foreign currency. The Group accounts for these contracts as cash flow hedges.

At the reporting date, the Group's exposure to foreign currencies is as follows:

	US Dollar US$'000	Mexican Peso US$'000
30 April 2018		
Trade and other receivables	37,129	5,053
Cash and cash equivalents	11,654	343
Other noncurrent assets	25,866	–
Loans and borrowings	(61,860)	–
Trade and other payables	(87,538)	(5,954)
	(74,749)	(558)
30 April 2017		
Trade and other receivables	24,779	4,799
Cash and cash equivalents	15,932	183
Other noncurrent assets	21,507	–
Loans and borrowings	(117,835)	–
Trade and other payables	(97,834)	(4,581)
	(153,451)	401

The Company has no significant exposure to foreign currencies as at 30 April 2018 and 2017.

Sensitivity analysis

A 10% strengthening of the group entities' foreign currencies against their respective functional currency at the reporting date would have increased (decreased) loss/profit before taxation and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% weakening of the group entities' foreign currencies against their respective functional currency would have the equal but opposite effect on the amounts shown below, on the basis that all other variables remain constant.

	US Dollar		Mexican Peso	
	Profit (loss) before taxation US$'000	Equity US$'000	Profit (loss) before taxation US$'000	Equity US$'000
30 April 2018				
10% strengthening	(7,475)	–	(239)	–
10% weakening	7,475	–	239	–
30 April 2017				
10% strengthening	(15,345)	–	(123)	1,866
10% weakening	15,345	–	123	(1,866)

Commodity price risk

The Group is regularly engaged in the purchase of tinplates and fuel and is significantly exposed to commodity price risk related to tinplates and fuel. The Group ensures future supply of tinplates while minimising the impact of price movements by purchasing tinplates and fuel in advance of the production requirements. These purchase contracts are entered into for the purpose of receipt or delivery of tinplates and fuel in accordance with the expected usage requirements of the Group.

Certain commodities such as diesel fuel and natural gas (collectively, "commodity contracts") are used in the production and transportation of the Group's products. Generally, these commodities are purchased based upon market prices that are established with the vendors as part of the procurement process. The Group uses futures, swaps, and swaption or option contracts, as deemed appropriate, to reduce the effect of price fluctuations on anticipated purchases. These contracts may have a term of up to 24 months.

Sensitivity analysis

A 10% change in commodity prices at the reporting date would have decreased (increased) profit before taxation and increased (decreased) equity by the amounts shown below.

	Loss/profit before taxation US$'000	Equity US$'000
30 April 2018		
10% increase in commodity price	–	19
10% decrease in commodity price	–	(19)
30 April 2017		
10% increase in commodity price	(400)	400
10% decrease in commodity price	400	(400)

33. Accounting classification and fair values

Fair values versus carrying amounts

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

	Note	Loans and receivables US$'000	Other noncurrent assets US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Group							
30 April 2018							
Cash and cash equivalents	15	24,246	–	–	–	24,246	24,246
Trade and other receivables	13	161,627	–	–	–	161,627	161,627
Note receivables	10	–	7,744	–	–	7,744	7,744
Refundable deposits	10	–	1,858	–	–	1,858	1,858
Derivative assets	14	–	–	305	–	305	305
		185,873	9,602	305	–	195,780	195,780
Loans and borrowings	19	–	–	–	1,465,223	1,465,223	1,362,771
Trade and other payables*	23	–	–	–	256,707	256,707	256,707
Derivative liabilities	20, 23	–	–	5,063	–	5,063	5,063
		–	–	5,063	1,721,930	1,726,993	1,624,541

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

	Note	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Group						
30 April 2017						
Cash and cash equivalents	15	37,571	–	–	37,571	37,571
Trade and other receivables	13	164,447	–	–	164,447	164,447
Derivative assets	14	–	2,685	–	2,685	2,685
		202,018	2,685	–	204,703	204,703
Loans and borrowings	19	–	–	1,713,966	1,713,966	1,552,043
Trade and other payables*	23	–	–	285,054	285,054	285,054
Derivative liabilities	20, 23	–	17,973	–	17,973	17,973
		–	17,973	1,999,020	2,016,993	1,855,070

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

	Note	Loans and receivables US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Company					
30 April 2018					
Cash and cash equivalents	15	2,709	–	2,709	2,709
Trade and other receivables	13	180,948	–	180,948	180,948
Due from a related party	37	88,880	–	88,880	49,773
		272,537	–	272,537	233,430
Loans and borrowings	19	–	335,628	335,628	332,922
Trade and other payables*	23	–	86,902	86,902	86,902
		–	422,530	422,530	419,824
30 April 2017					
Cash and cash equivalents	15	6,767	–	6,767	6,767
Trade and other receivables	13	119,703	–	119,703	119,703
		126,470	–	126,470	126,470
Loans and borrowings	19	–	324,924	324,924	326,034
Trade and other payables*	23	–	118,320	118,320	118,320
		–	443,244	443,244	444,354

**excludes withheld from employees (taxes and social security cost) and VAT payables*

34. Determination of fair values

Fair value hierarchy

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

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

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

Level 3: unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing the categorisation at the end of each reporting period.

For purposes of the fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Group		**30 April 2018**			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Derivative assets	14	–	305	–	305
Non-financial assets					
Fair value of agricultural produce harvested under inventories	11	–	–	9,174	9,174
Fair value of growing produce	11	–	–	41,963	41,963
Freehold land	5	–	–	62,812	62,812
Noncurrent assets held for sale	16	–	–	5,504	5,504
Financial liabilities					
Derivative liabilities	20, 23	–	5,063	–	5,063

		30 April 2017			
	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Derivative assets	14	–	2,685	–	2,685
Non-financial assets					
Fair value of agricultural produce harvested under inventories	11	–	–	4,535	4,535
Fair value of growing produce	11	–	–	44,347	44,347
Freehold land	5	–	–	68,000	68,000
Financial liabilities					
Derivative liabilities	20, 23	–	17,973	–	17,973

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The Company has no assets and liabilities measured at fair value as of 30 April 2018 and 2017.

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

Financial instruments measured at fair value

Type	**Valuation technique**
Forward exchange contracts	Market comparison technique: The fair values are based on brokers' quotes. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.

Type	Valuation technique
Interest rate swaps	Market comparison technique: The fair values are calculated using a discounted cash flow analysis based on terms of the swap contracts and the observable interest rate curve. Fair values reflect the risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.
Commodities contracts	Market comparison technique. The commodities are traded over-the-counter and are valued based on the Chicago Board of Trade quoted prices for similar instruments in active markets or corroborated by observable market data available from the Energy Information Administration. The values of these contracts are based on the daily settlement prices published by the exchanges on which the contracts are traded.

Financial instruments not measured at fair value

Type	Valuation technique
Financial liabilities	The fair value of the secured first and second lien term loans are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date (Level 2). The fair value of the other loans is based on the discounted value of expected future cash flows using risk free rates and credit spread ranging from 2.0% to 5.3% (30 April 2017: 2.6% to 4.7%) (Level 3).
Other financial assets and liabilities	The notional amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are, because of the short period to maturity, assumed to approximate their fair values. All other financial assets and liabilities are discounted to determine their fair values.

Other non-financial assets

Assets	Valuation technique	Significant unobservable inputs
Freehold land	The fair value of freehold land is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued.	The unobservable inputs used to determine market value are the net selling prices, sizes, property location and market values. Other factors considered to determine market value are the desirability,

Assets	**Valuation technique**	**Significant unobservable inputs**
	The valuation method used is sales comparison approach. This is a comparative approach that consider the sales of similar or substitute properties and related market data and establish a value estimate by involving comparison (Level 3).	neighbourhood, utility, terrain, and the time element involved. The market value per square meter ranges from US$62.9 to US$69.6. The market value per acre ranges from US$2,300 to US$80,582.
Livestock (cattle for slaughter and cut meat)	Sales Comparison Approach: the valuation model is based on selling price of livestock of similar age, weight, breed and genetic make-up (Level 3).	The unobservable inputs are age, average weight and breed.
Harvested crops – sold as fresh fruit	The fair values of harvested crops are based on the most reliable estimate of selling prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the fresh fruit reduced by costs to sell (Level 3).	The unobservable input is the estimated pineapple selling price per ton specific for fresh products.
Harvested crops – used in processed products	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the processed product reduced by costs to sell (concentrates, pineapple beverages, sliced pineapples, etc.) and adjusted for margin associated to further processing (Level 3).	The unobservable input is the estimated pineapple selling price and gross margin per ton specific for processed products.
Unharvested crops – fruits growing on the bearer plants	The growing produce are now measured at fair value from the time of maturity of the bearer plant until harvest. Management used future selling prices and gross margin of finished goods, adjusted to remove the margin associated to further processing, less future growing costs applied to the estimated volume of harvest as the basis of fair value.	The unobservable inputs are estimated pineapple selling price and gross margin per ton for fresh and processed products, estimated volume of harvest and future growing costs.

Assets	**Valuation technique**	**Significant unobservable inputs**
Noncurrent assets held for sale	Market comparison technique and cost technique: The valuation model considered quoted market prices for similar items when available, and depreciated replacement cost as appropriate.	The unobservable inputs used to determine the market value are net selling prices, sizes, and property location. The unobservable inputs used to determine replacement costs are purchase price of building, land, and furniture and fixtures reduced by related selling costs.

Significant increase (decrease) in the significant unobservable inputs of freehold land, livestock, harvested crops sold as fresh fruit and harvested crop sold used in processed products would result in higher (lower) fair values. Significant increase (decrease) in the estimated future pineapple selling price, gross margin per ton and estimated volume of harvest would result in higher (lower) fair value of growing produce, while significant increase (decrease) in the future growing costs would result in lower (higher) fair value.

35. Commitments

Operating lease commitments

The Group leases certain property, equipment and office and warehouse facilities. At the reporting date, the Group have commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group	
	30 April 2018 US$'000	**30 April 2017 US$'000**
Within one year	46,104	42,809
Between one to five years	150,888	130,481
More than five years	64,206	72,219
	261,198	245,509

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.

Minimum lease payments, recognised as an expense in the Group's profit or loss for the fiscal years ended 30 April 2018, 2017 and 2016 amounted to US$62,272, US$64,951 and US$52,141, respectively.

Operating Lease Commitments – Group as Lessee

The Group has entered into various lease agreements as a lessee. The Group had determined that the significant risks and rewards on properties leased from third parties are retained by the lessors.

Purchase commitments

The Group has entered into non-cancellable agreements with growers, co-packers, packaging suppliers and other service providers with commitments generally ranging from one year to ten years, to purchase certain quantities of raw products, including fruit, vegetables, tomatoes, packaging services and ingredients.

At the reporting date, the Group have commitments for future minimum payments under non-cancellable agreements as follows:

	Group	
	30 April 2018 US$'000	**30 April 2017 US$'000**
Within one year	276,836	311,616
After one year but within five years	284,157	329,368
After five years	417,949	443,525
	978,942	1,084,509

Future capital expenditure

	Group	
	30 April 2018 US$'000	**30 April 2017 US$'000**
Capital expenditure not provided for in the financial statements		
- approved by Directors and contracted for	10,785	40,456
- approved by Directors but not contracted for	59,481	101,451
	70,266	141,907

The Group is also committed to incur capital expenditure of US$0.1 million in fiscal year 2018 (fiscal year 2017: US$0.1 million) in relation to its interest in a joint venture, which is expected to be settled within one year.

36. Contingencies

As at 30 April 2018, a subsidiary, DMPL India Limited has a contingent liability amounting to US$9.6 million (30 April 2017: US$4.3 million) in the form of a letter of undertaking securing 50% of the obligations of FFPL under its Loan Agreement with Infrastructure Development Finance Company Limited, in proportion to its equity interest.

Matters Assumed in Connection with the Consumer Food Business

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

National Consumers League (NCL) vs. Del Monte Foods

In December 2017, Plaintiff (NCL) filed a complaint against DMFI in the Superior Court of the District of Columbia alleging that DMFI made a variety of false and misleading labeling claims with respect to certain tomato products in violation of the D.C. Consumer Protection Procedures Act. In April 2018, DMFI filed a Motion to Dismiss this case and a Motion for Rule 11 Sanction. The Court has ordered oral argument on these motions. The Group cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

Other legal cases

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

Source of estimation uncertainty

The Group, in the ordinary course of business, sets up appropriate provisions for its present legal or constructive obligations, if any, in accordance with its policies on provisions. In recognising and measuring provisions, management takes risk and uncertainties into account.

No provision for probable losses arising from legal contingencies were recognised in the Group's financial statements as of 30 April 2018 and 2017.

As of 30 April 2018, provision for probable losses arising from environmental remediation amounted to US$2.4 million, US$0.1 million of which is noncurrent (30 April 2017: US$6.7 million, US$6.2 million of which is noncurrent) (see Note 22).

As of 30 April 2018, provision for retained liabilities arising from workers' compensation claims amounted to US$26.0 million, US$22.2 million of which is noncurrent (30 April 2017: US$27.2 million, US$23.4 million of which is noncurrent) (see Note 20).

37. Related parties

Related party transactions

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

Other than those disclosed elsewhere in the financial statements, there are no other significant transactions with related parties.

<u>**Group**</u> **Category/ Transaction**	**Year**	**Amount of the transaction US$'000**	**Outstanding balance Due from Related Parties* US$'000**	**Outstanding balance Due to Related Parties** US$'000**	**Terms**	**Conditions**
Under Common Control						
▪ Shared IT services	**2018**	**343**	**247**	–	Due and	Unsecured;
	2017	351	57	–	demandable;	no
	2016	215	79	–	non-interest bearing	impairment
▪ Sale of tomato paste	**2018**	**32**	**–**	–	Due and	Unsecured;
	2017	34	–	–	demandable;	no
	2016	1,111	–	–	non-interest bearing	impairment
▪ Inventory count shortage	**2018**	**33**	**–**	–	Due and	Unsecured;
	2017	–	–	–	demandable;	no
	2016	25	–	–	non-interest bearing	impairment
▪ Purchases	**2018**	**393**	**–**	–	Due and	Unsecured
	2017	247	–	24	demandable; non-interest	
	2016	826	–	–	bearing	
▪ Share in JYCC Fit Out Project	**2018**	**–**	**–**	–	Due and	Unsecured;
	2017	16	–	–	demandable;	no
	2016	–	–	–	non-interest bearing	impairment
▪ Tollpack fees	**2018**	**572**	**110**	–	Due and	Unsecured
	2017	666	–	60	demandable;	
	2016	551	–	63	non-interest bearing	
Other Related Party						
▪ Management fees from DMPI retirement fund	**2018**	**19**	**446**	–	Due and	Unsecured;
	2017	4	241	–	demandable;	no
	2016	4	261	–	non-interest bearing	impairment
▪ Rental to DMPI Retirement	**2018**	**1,858**	**–**	–	Due and	Unsecured
	2017	1,619	–	277	demandable;	
	2016	1,393	–	3	non-interest bearing	

Group **Category/ Transaction**	**Year**	**Amount of the transaction US$'000**	**Outstanding balance** **Due from Related Parties* US$'000**	 **Due to Related Parties** US$'000**	**Terms**	**Conditions**
Other Related Party						
▪Rental to NAI Retirement	**2018**	**543**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured
	2017	572	–	48		
	2016	529	–	166		
▪Rental to DMPI provident fund	**2018**	**–**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2017	5	–	–		
	2016	7	–	–		
	2018	**3,793**	**803**	**–**		
	2017	3,514	298	409		
	2016	4,661	340	232		

**included as part of trade and other receivables excluding long-term loans receivable*

***included as part of trade and other payables*

Company **Category/ Transaction**	**Year**	**Amount of the Transaction US$'000**	**Outstanding Balance** **Due from Related Parties* US$'000**	**Due to Related Parties** US$'000**	**Terms**	**Conditions**
Subsidiaries						
▪ Dividend income	**2018**	**120,000**	**62,011**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2017	–	–	–		
▪ Long-term loans receivable	**2018**	**88,880**	**88,880**	**–**	Due on 2021; Interest-bearing	Unsecured; no impairment
	2017	–	–	–		
▪ Reimbursement of expenses	**2018**	**136,455**	**114,938**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2017	–	107,353	–		
▪ Cash advance	**2018**	**29,801**	**–**	**77,400**	Due and demandable; non-interest bearing	Unsecured
	2017	45,313	–	107,201		
▪ Management fees payable to subsidiaries	**2018**	**748**	**–**	**1,620**	Due and demandable; non-interest bearing	Unsecured
	2017	805	–	1,082		
Joint Venture						
▪ Cash advance	**2018**	**–**	**2,421**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2017	314	6,330	–		
	2018		**268,250**	**79,020**		
	2017		113,683	108,283		

**included as part of trade and other receivables excluding long-term loans receivable*
***included as part of trade and other payables*

The transactions with related parties are carried out based on terms agreed between the parties. Pricing for the sales of products are market driven, less certain allowances. For purchases, the Group's policy is to solicit competitive quotations. Purchases are normally awarded based on the lowest price.

As discussed in Note 19, the Company extended a loan to DMFHII that was used to finance DMFHII's purchase of Second Lien term loans. The loan will mature in 2021 subject to the applicable interest rate.

Key management personnel compensation

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Directors of the Company and key executive officers (excluding executive directors) are considered as key management personnel of the Group.

The key management personnel compensation is as follows:

	<---------------- Group ---------------->			<------------- Company ------------->		
	Year ended 30 April 2018 US$'000	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**
Directors -						
Fees and remuneration	2,873	2,969	2,778	2,531	2,507	2,345
Key executive officers (excluding Directors):						
Short-term employee benefits	3,317	3,331	2,580	1,486	1,459	1,359
Post-employment benefits	180	128	129	–	–	–

38. Non-controlling interest in subsidiaries

The following table summarises the information relating to the Group's subsidiaries with material non-controlling interests, based on their respective financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in Group's accounting policies.

	30 April 2018 US$'000	**30 April 2017 US$'000**	**30 April 2016 US$'000**
DMPLFL			
Ownership interests held by non-controlling interests	10.57%	10.57%	10.57%
Revenue	1,649,060	1,696,457	1,778,002
Profit (loss)	(138,130)	(41,512)	29,374
Other comprehensive income	–	23,872	1,325
Total comprehensive income			
Attributable to non-controlling interests:			
- Profit (loss)	(14,584)	(4,387)	3,104
- Other comprehensive income	1,993	2,523	140
Total comprehensive income	(12,591)	(1,864)	3,244
Noncurrent assets	1,210,583	1,289,889	1,307,257
Current assets	753,475	930,153	901,776
Noncurrent liabilities	(1,274,477)	(1,058,455)	(1,155,181)
Current liabilities	(215,884)	(568,530)	(443,950)
Net assets	473,697	593,057	609,902
Net assets attributable to non-controlling interests	50,057	62,671	64,451
Cash flows provided by (used in) operating activities	266,304	183,936	(18,005)
Cash flows used in investing activities	(24,323)	(42,482)	(39,104)
Cash flows provided by (used in) financing activities, before dividends to non-controlling interests	(242,599)	(139,504)	57,646
Currency realignment	3	(22)	84
Net increase (decrease) in cash and cash equivalents	(615)	1,928	621

39. Supplemental Disclosure of Cash Flow Information

The changes in liabilities arising from financing activities of the Group for the year ended 30 April 2018 are as follows:

Group	Note	30 April 2017 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Foreign exchange movement US$'000	Reclassification and others US$'000	30 April 2018 US$'000
Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	19	449,698	807,822	(822,773)	–	(6,324)	53,197	481,620
Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	19	1,264,268	–	(234,784)	–	(2,130)	(43,751)	983,603
Accrued interest payable		13,186	–	(85,274)	84,852	–	(785)	11,979
Derivative liabilities	20, 23	17,973	–	(9,285)	–	–	(3,625)	5,063
Total liabilities from financing activities		1,745,125	807,822	(1,152,116)	84,852	(8,454)	5,036	1,482,265

Company	Note	30 April 2017 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Reclassification and others US$'000	30 April 2018 US$'000
Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	19	43,070	154,570	(45,500)	–	53,894	206,034
Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	19	281,854	–	(100,000)	–	(52,260)	129,594
Accrued interest payable		1,826	–	(12,370)	12,889	–	2,345
Total liabilities from financing activities		326,750	154,570	(157,870)	12,889	1,634	337,973

Reclassification and others include the effect of reclassification of noncurrent portion of interest-bearing loans and borrowings to current due to the passage of time, deferred financing costs, and fair value adjustments of hedge contracts.

40. Subsequent events

On 7 June 2018, the Company announced that its Philippine subsidiary, Del Monte Philippines, Inc. (DMPI), was deferring its initial public offering due to volatile market conditions. To safeguard the interests of the Company and DMPI, the offering was deferred until such time when market conditions improve.

SGV
Building a better working world

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

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
Del Monte Pacific Limited
Craigmuir Chambers
PO Box 71 Road Town, Tortola
British Virgin Islands

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Del Monte Pacific Limited and its Subsidiaries (the Group) as at 30 April 2018 and 2017 and for each of the three years in the period ended 30 April 2018 and have issued our report thereon dated 13 July 2018. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Catherine E. Lopez

Catherine E. Lopez
Partner
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SEC Accreditation No. 0468-AR-3 (Group A),
May 1, 2016, valid until May 1, 2019
Tax Identification No. 102-085-895
BIR Accreditation No. 08-001998-65-2018
February 26, 2018, valid until February 25, 2021
PTR No. 6621274, January 9, 2018, Makati City

13 July 2018

Del Monte Pacific Limited and Subsidiaries
Index to the Consolidated Financial Statements and Supplementary Schedules
30 April 2018

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II. Schedule of Effective Standards and Interpretations

III. Map of Relationships of the Companies within the Group

IV. Financial Ratios

V. Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration

Schedule A – Financial assets

Description of each issue	**Number of shares or principal amount of bonds and notes**	**Amount shown in the Statements of Financial Position US$'000**	**Value based on market quotations at 30 April 2018 US$'000**	**Income received and accrued US$'000**
Cash and cash equivalents	–	24,246	24,246	269
Trade and other receivables	–	161,627	161,627	–
Notes receivable	–	7,744	7,744	–
Refundable deposits	–	1,858	1,858	–
Derivative assets	–	305	305	–
	–	**195,780**	**195,780**	**269**

Schedule B – Amounts receivable from directors, officers, employees and related parties and principal stockholders (other than related parties)

Name and designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Non-current	Balance at end of period
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Advances to officers and employees	1,363	13,969	(14,690)	–	153	489	642
	1,363	13,969	(14,690)	–	153	489	642

Schedule C – Amounts receivable from related parties which are eliminated during the consolidation of the Financial Statements

Name and designation of debtor	Balance at beginning of period US$'000	Additions US$'000	Amounts collected US$'000	Amounts written off US$'000	Current US$'000	Non-current US$'000	Balance at end of period US$'000
Philippines Packing Management Services Corporation	88	1,441	(1,111)	–	418	–	418
Del Monte Philippines, Inc.	250,467	250,373	(223,254)	–	277,586	–	277,586
Central American Resources, Inc.	68,867	30,000	(15,569)	–	83,298	–	83,298
Dewey Sdn. Bhd.	41,538	–	–	–	41,361	177	41,538
Dewey Limited	19,876	30,000	(15,569)	–	34,307	–	34,307
Del Monte Pacific Resources Limited	113,514	65,000	(15,569)	–	162,945	–	162,945
GTL Limited	321,929	289,133	(301,361)	–	263,025	46,676	309,701
S&W Fine Foods International Limited	41,911	396	(2,550)	–	39,757	–	39,757
DMPL Management Services Pte Ltd.	2,841	2,967	(3,282)	–	2,059	467	2,526
Del Monte Pacific Limited	238,652	170,013	(15,569)	–	176,042	217,054	393,096
Del Monte Foods Incorporated	242	13	–	–	255	–	255
South Bukidnon Fresh Trading, Inc.	1,272	243	(1,273)	–	242	–	242
	1,101,197	839,579	(595,107)	–	1,081,295	264,374	1,345,669

Schedule D – Intangible assets – Other assets

Description	Balance at beginning of period US$'000	Additions through acquisition US$'000	Additions US$'000	Charged to cost and expenses Additions / (Deductions) US$'000	Charged to other accounts Additions / (Deductions) US$'000	Adjustment / Disposal US$'000	Currency translation adjustments US$'000	Balance at end of period US$'000
Goodwill	203,432	–	–	–	–	–	–	203,432
Indefinite life trademarks	408,043	–	–	–	–	–	–	408,043
Amortisable trademarks	29,675	–	–	(1,731)	2,520	(11,900)	–	18,564
Customer relationships	99,876	–	–	(6,053)	4,289	(13,500)	–	84,612
Total	**741,026**	–	–	(7,784)	6,809	(25,400)	–	**714,651**

Schedule E – Long-term debt

Title of issue and type of obligation	Amount authorised by indenture US$'000	Outstanding balance US$'000	Current portion of long-term debt US$'000	Non-current portion of long-term debt US$'000	Interest rates	Final maturity
Unsecured bank loans						
BDO long-term loan	100,000	100,000	–	100,000	4.5%	2020
BDO long-term loan	30,000	30,000	–	30,000	4.5%	2020
BDO long-term loan	57,990	57,990	–	57,990	3.5% for the first 60 days; 4.5% for the remaining term + 5% GRT	2020
Secured bank loans						
Secured First lien term loan	710,000	681,600	7,100	674,500	Higher of Libor +3.25% or 5.15%	2018-2021
Secured Second lien term Loan	260,000	135,055	–	135,055	Higher of Libor + 7.25% or 9.06%	2021
Long-term Debt	1,157,990	1,004,645	7,100	997,545		
Less: Unamortized debt issue cost	–	–	(3,127)	(13,942)		
	1,157,990	1,004,645	3,973	983,603		

Schedule F – Indebtedness to related parties

Description	Name of related party	Balance at beginning of period	Balance at end of period

Not Applicable

Schedule G – Guarantees of securities of other issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee

Not Applicable

Schedule H – Capital stock

						Number of shares held		
Description	**Number of shares authorised**	**Number of shares issued**	**Treasury shares**	**Number of shares issued and outstanding**	**Number of shares reserved for options**	**Related party**	**Directors and officers**	**Others**
	’000	**’000**	**’000**	**’000**	**’000**	**’000**	**’000**	**’000**
Ordinary shares	3,000,000	1,944,936	976	1,943,960	–	1,303,257	18,852	621,851
Preference shares	600,000	30,000	–	30,000	–	–	40	29,960
	3,600,000	**1,974,936**	**976**	**1,973,960**	**–**	**1,303,257**	**18,892**	**651,811**

Del Monte Pacific Limited and Subsidiaries
SCHEDULE OF EFFECTIVE STANDARDS AND INTERPRETATIONS
APRIL 30, 2018

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
IFRSs Practice Statement Management Commentary		✓		
INTERNATIONAL Financial Reporting Standards				
IFRS 1 (Revised)	First-time Adoption of International Financial Reporting Standards			✓
	Amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		
	Amendments to IFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to IFRS 1: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters			✓
	Amendments to IFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to IFRS 1: Government Loans			✓
	Amendment to IFRS 1: First-time Adoption of International Financial Reporting Standards - Meaning of 'Effective IFRSs'			✓
IFRS 2	Share-based Payment	✓		
	Amendments to IFRS 2: Vesting Conditions and Cancellations	✓		
	Amendments to IFRS 2: Group Cash-settled Share-based Payment Transactions	✓		
	Amendments to IFRS 2: Share-based Payment – Definition of Vesting Condition	✓		
	Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	Not early adopted		
IFRS 3 (Revised)	Business Combinations			✓
	Business Combinations – Accounting for Contingent Consideration in a Business Combination			✓
	Business Combinations – Scope Exceptions for Joint Arrangements			✓
	Amendments to IFRS 3: Previously held interests in a joint operations	Not early adopted		
IFRS 4	Insurance Contracts			✓
	Amendments to IAS 39 and IFRS 4: Financial Guarantee Contracts			✓
	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	Not early adopted		
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		
	Amendment to IFRS 5: Changes in Methods of Disposal	✓		
IFRS 6	Exploration for and Evaluation of Mineral Resources			✓
IFRS 7	Financial Instruments: Disclosures	✓		

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
	Amendments to IAS 39 and IFRS 7: Reclassification of Financial Assets	✓		
	Amendments to IFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to IFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to IFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to IFRS 7: Mandatory Effective Date of IFRS 9 and Transition Disclosures			✓
	Amendments to IFRS 7: Disclosures - Servicing Contracts			✓
	Amendments to IFRS 7: Applicability of the Amendments to IFRS 7 to Condensed Interim Financial Statements			✓
IFRS 8	Operating Segments	✓		
	Amendments to IFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	✓		
IFRS 9	Financial Instruments	Not early adopted		
	Amendments to IFRS 9: Mandatory Effective Date of IFRS 9 and Transition Disclosures	Not early adopted		
	Amendments to IFRS 9: Hedge Accounting	Not early adopted		
	Amendments to IFRS 9: Prepayment features with negative compensation	Not early adopted		
IFRS 10	Consolidated Financial Statements	✓		
	Amendments to IFRS 10: Investment Entities			✓
	Amendments to IFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not early adopted		
	Amendments to IFRS 10: Applying the Consolidated Exception			✓
IFRS 11	Joint Arrangements	✓		
	Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	✓		
	Amendments to IFRS 3: Previously held interests in a joint operations	Not early adopted		
IFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to IFRS 12: Investment Entities	✓		
	Amendment to IFRS 12: Disclosure of Interest in other Entities, Clarification of the Scope of the Standard (Part of Annual Improvements to IFRSs 2014 - 2016 Cycle)	✓		
IFRS 13	Fair Value Measurement	✓		
	Amendment to IFRS 13: Short-term Receivables and Payables	✓		
	Amendment to IFRS 13: Fair Value Measurement - Portfolio Exception			✓
IFRS 14	Regulatory Deferral Accounts			✓
IFRS 15	Revenue from Contracts with Customers	Not early adopted		

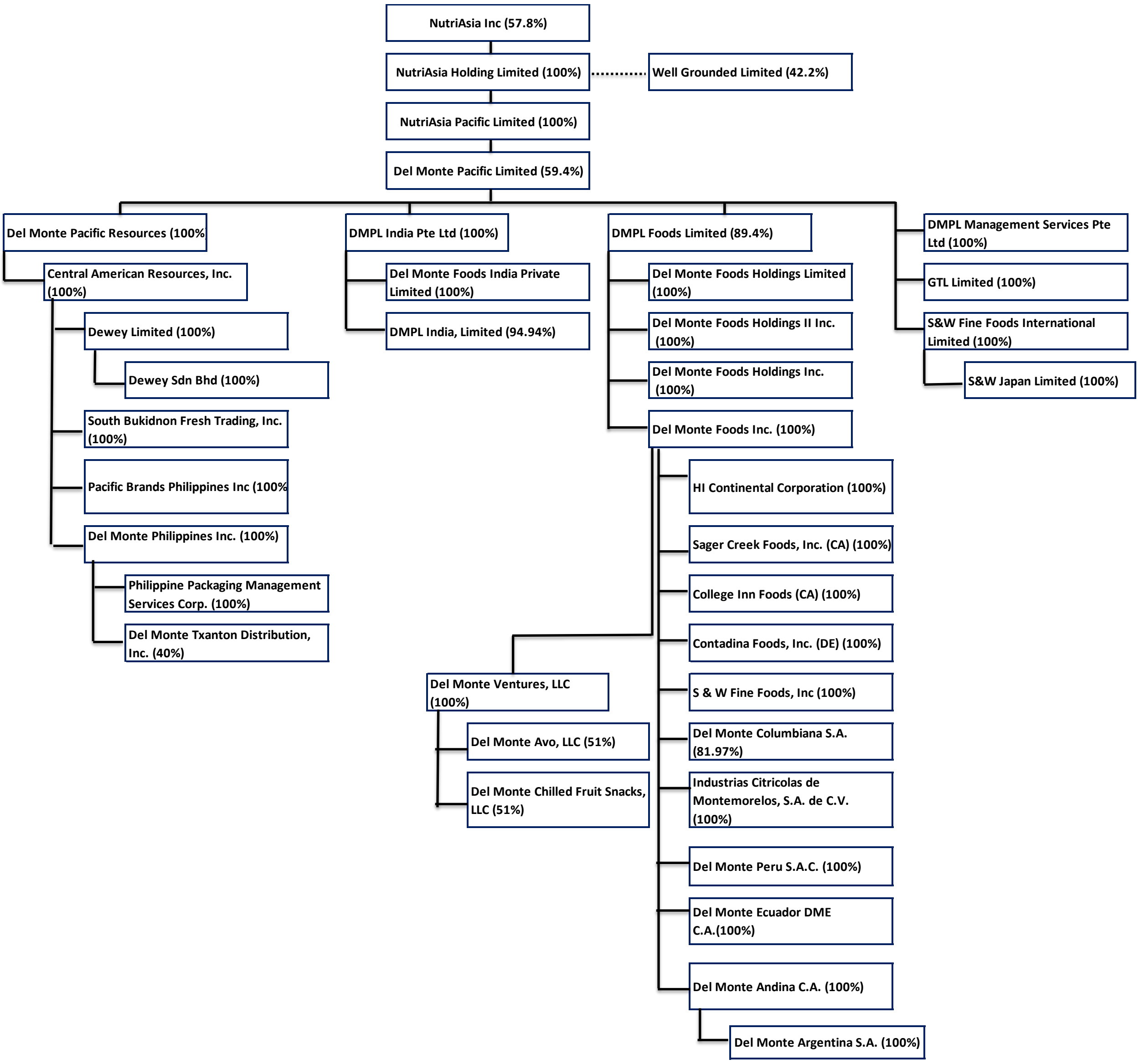
INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
IFRS 16	Leases	Not early adopted		
IFRS 17	Insurance Contracts	Not early adopted		
International Accounting Standards				
IAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to IAS 1: Capital Disclosures	✓		
	Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to IAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to IAS 1: Presentation of Financial Statements – Disclosure Initiative	✓		
IAS 2	Inventories	✓		
IAS 7	Statement of Cash Flows	✓		
	Amendments to IAS 7: Statements of Cash Flows – Disclosure Initiative	✓		
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
IAS 10	Events after the Reporting Period	✓		
IAS 11	Construction Contracts			✓
IAS 12	Income Taxes	✓		
	Amendment to IAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
	Amendments to IAS 12: Income Taxes, Recognition of Deferred Tax Assets for Unrealized Losses	✓		
	Amendments to IAS 12: Income tax consequences of payments on financial instruments classified as equity	Not early adopted		
IAS 16	Property, Plant and Equipment	✓		
	Amendment to IAS 16: Property, Plant and Equipment - Revaluation Method - Proportionate Restatement of Accumulated Depreciation	✓		
	Amendment to IAS 16: Clarification of Acceptable Methods of Depreciation and Amortization			✓
	Amendment to IAS 16: Agriculture - Bearer Plants	✓		
IAS 17	Leases	✓		
IAS 18	Revenue	✓		
IAS 19 (Revised)	Employee Benefits	✓		
	Amendments to IAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		
	Amendments to IAS 19: Defined Benefit Plans: Employee Contributions	✓		
	Amendments to IAS 19: Regional Market Issue Regarding Discount Rate			✓

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
	Amendments to IAS 19 Plan Amendment, Curtailment or Settlement	Not early adopted		
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
IAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation	✓		
IAS 23 (Revised)	Borrowing Costs	✓		
	Amendments to IAS 23: • Borrowing costs eligible for capitalisation	Not early adopted		
IAS 24 (Revised)	Related Party Disclosures	✓		
	Amendments to IAS 24: Key Management Personnel	✓		
IAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
IAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to IAS 27: Investment Entities			✓
	Amendments to IAS 27: Equity Method in Separate Financial Statements	✓		
IAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not early adopted		
	Amendments to IAS 28: Investment Entities: Applying Consolidation Exception			✓
	Amendments to IAS 28: Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice	Not early adopted		
	Amendments to IAS 28: Long-term interests in associate and joint ventures	Not early adopted		
IAS 29	Financial Reporting in Hyperinflationary Economies			✓
IAS 31	Interests in Joint Ventures	✓		
IAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to IAS 32: Classification of Rights Issues	✓		
	Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
IAS 33	Earnings per Share	✓		
IAS 34	Interim Financial Reporting	✓		
	Amendments to IAS 34: Disclosure of Information ‘Elsewhere in the Interim Financial Report	✓		
IAS 36	Impairment of Assets	✓		
	Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
IAS 38	Intangible Assets	✓		
	Amendments to IAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization	✓		
	Amendments to IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
IAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to IAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to IAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions	✓		
	Amendments to IAS 39: The Fair Value Option	✓		
	Amendments to IAS 39 and IFRS 4: Financial Guarantee Contracts	✓		
	Amendments to IAS 39 and IFRS 7: Reclassification of Financial Assets	✓		
	Amendments to IAS 39 and IFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to IFRIC - 9 and IAS 39: Embedded Derivatives			✓
	Amendment to IAS 39: Eligible Hedged Items			✓
	Amendment to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
IAS 40	Investment Property			✓
	Amendments to IAS 40			✓
	Amendments to IAS 40: Transfers of Investment Property	Not early adopted		
IAS 41	Agriculture	✓		
	Amendments to IAS 41: Bearer Plants	✓		
International Financial Reporting and Interpretations Committee				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✓		
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	✓		
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	Scope of IFRS 2	✓		
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to IFRIC - 9 and IAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment	✓		
IFRIC 11	IFRS 2 - Group and Treasury Share Transactions	✓		

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to IFRIC- 14, Prepayments of a Minimum Funding Requirement	✓		
IFRIC 15	Agreements for the Construction of Real Estate			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓
IFRIC 22	Foreign Currency Transactions and Advance Consideration	Not early adopted		
IFRIC 23	Uncertainty over Income Tax Treatments	Not early adopted		
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives	✓		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	✓		
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

III. Map of Relationships of the Companies within the Group



IV. Financial Ratios

Ratio	Formula	30 April 2018	30 April 2017
(i) Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.3	1.6
Quick Ratio	(Current Assets - Inventories - Prepaid expenses and other current assets - Biological Assets – Noncurrent assets held for sale) / Current Liabilities	0.2	0.3
(ii) Solvency Ratio	Total Assets / Total Liabilities	1.3	1.3
Financial Leverage Ratios:			
Debt Ratio	Total Debt/Total Assets	0.8	0.8
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	3.1	3.8
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	4.1	4.8
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	0.3	1.2
(v) Debt/EBITDA Ratios	Total Debt/ Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA is exclusive of foreign exchange differences, capitalizable depreciation and depreciation expense attributable to bearer plants)	18.58	11.23
(vi) Profitability Ratios			
Gross Profit Margin	Revenue - Cost of Sales / Revenue	19.68%	21.97%
Net Profit Margin attributable to owners of the company	Net Profit/(Loss) attributable to owners / Revenue	(1.66%)	1.08%
Net Profit Margin	Net Profit/(Loss) / Revenue	(2.32%)	0.88%
Return on Assets	Net Profit/(Loss) / Total Assets	(2.04%)	0.72%
Return on Equity	Net Profit/(Loss) / Total Stockholders' Equity	(8.40%)	3.44%

V. Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration

	Amount (In US$'000)
Unappropriated retained earnings, beginning	**$159,169**
Less: Non-actual/unrealized income net of tax	
Equity in net income of subsidiaries and joint ventures	**(186,949)**
Treasury shares	**(802)**
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	**(8)**
Unappropriated retained earnings, as adjusted to available for dividend distribution, beginning	**(28,590)**
Add: Net loss actually earned/realized during the period	
Net loss during the period closed to retained earnings	**(36,492)**
Less: Non-actual/unrealized income net of tax	
Equity in net income of subsidiaries and joint ventures	**14,229**
Reversal of unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	**8**
Net loss actually earned during the period	**(22,255)**
Add (Less):	
Dividends declared during the period	**(27,172)**
Dividends received during the period	**120,000**
Change in treasury shares	**516**
Unappropriated retained earnings available for dividend declaration, end	**$42,499**