COVER SHEET

S.E.C. Registration Number

DEL MONTE PACIFIC LIMITED

(Company's Full Name)

c/o JY Campos Centre, 9th Ave. corner 30th St., Bonifacio Global City, Taguig City

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

Antonio E.S. Ungson

Contact Person

+632 856 2888

Company Telephone Number

SEC FORM
(Definitive)

Month	Day	FORM TYPE	Month	Day
		20-IS		

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

Document I.D.

Cashier

S T A M P S

Remarks = pls. use black ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [ ] Preliminary Information Statement
   [✓] Definitive Information Statement

2. Name of Registrant as specified in its charter: **Del Monte Pacific Limited**

3. **British Virgin Islands**
   Province, country or other jurisdiction of incorporation or organization

4. SEC Identification Number: **N/A**

5. BIR Tax Identification Code: **N/A**

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

7. Registrant's telephone number, including area code: **+65 6324 6822**

8. Date, time and place of the meeting of security holders:

Annual General Meeting	
Date:	**28 August 2019**
Time:	**10:00 a.m.**
Place:	**Banquet Suite, Level 10 of M Hotel, 81 Anson Road, Singapore 079908**

9. Approximate date on which the Information Statement is first to be sent or given to security holders:
   5 August 2019

10. In case of Proxy Solicitations: **N/A**
    Name of Person Filing the Statement/Solicitor:
    Address and Telephone No.:

11. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the RSA (information on number of shares and amount of debt is applicable only to corporate registrants):

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Ordinary Shares	**1,943,960,024**
Series A-1 Preference Shares	**20,000,000**
Series A-2 Preference Shares	**10,000,000**

12. Are any or all of registrant's securities listed in a Stock Exchange?
    Yes ✓ No ____

    If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

    Singapore Exchange Securities Trading Limited – Ordinary Shares
    The Philippine Stock Exchange, Inc. – Ordinary Shares and Preference Shares

DEL MONTE PACIFIC LIMITED
(Incorporated in the British Virgin Islands with limited liability on 27 May 1999)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Del Monte Pacific Limited (the "**Company**") will be held at the Banquet Suite, Level 10 of M Hotel, 81 Anson Road, Singapore 079908, on Wednesday, 28 August 2019 at 10.00 a.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company, together with the Auditors' Report thereon, for the financial year ended 30 April 2019. **[Resolution 1]**

2. To re-appoint the following Directors retiring pursuant to Article 88 of the Company's Articles of Association and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"):

   (i) Dr Emil Q Javier (Retiring under Article 88 and Rule 720(5) of the Listing Manual of the SGX-ST) **[Resolution 2]**

   (ii) Mrs Yvonne Goh (Retiring under Article 88 and Rule 720(5) of the Listing Manual of the SGX-ST) **[Resolution 3]**

   Dr Emil Q Javier will, upon re-appointment as a Director of the Company, remain as a member of the Audit and Risk Committee, the Remuneration and Share Option Committee and the Nominating and Governance Committee, and will be considered independent.

   Mrs Yvonne Goh will, upon re-appointment as a Director of the Company, remain as Chairperson of the Nominating and Governance Committee, and as a member of the Audit and Risk Committee and the Remuneration and Share Option Committee, and will be considered independent.
   [See Explanatory Note (i)]

3. To transact any other ordinary business which may be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

4. To approve the payment of Directors' fees of up to US$496,800/- for the financial year ending 30 April 2020 ("**FY2020**") (FY2019: US$496,800/-), to be paid quarterly in arrears, computed based on the fee structure set out below:

   - Board Chairman: US$79,200 per annum
   - Directors: US$43,200 per annum
   - Audit and Risk Committee Chairman: US$19,800 per annum
   - Remuneration and Share Option Committee Chairman: US$9,900 per annum
   - Nominating and Governance Committee Chairman: US$9,900 per annum
   - Audit and Risk Committee Members: US$10,800 per annum
   - Remuneration and Share Option Committee Members: US$5,400 per annum
   - Nominating and Governance Committee Members: US$5,400 per annum

   [See Explanatory Note (ii)] **[Resolution 4]**

5. To authorise the Directors of the Company to fix, increase or vary the emoluments of Directors of up to US$100,000/- with respect to services to be rendered in any capacity to the Company.
   [See Explanatory Note (iii)] **[Resolution 5]**

6. To re-appoint Ernst & Young LLP as the Auditors of the Group and to authorise the Directors of the Company to fix their remuneration.

[Resolution 6]

7. To re-appoint Sycip Gorres Velayo & Co. (Ernst & Young Philippines) as the Philippine Auditors of the Group and to authorise the Directors of the Company to fix their remuneration.

[Resolution 7]

8. **Authority to Issue Shares**

That pursuant to Article 15(2) of the Company's Articles of Association and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including, but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions, and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to Shareholders of the Company shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from the exercise of share options which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)] **[Resolution 8]**

9. **Authority to Allot and Issue Shares under the Del Monte Pacific Executive Share Option Plan 2016**

That approval be and is hereby granted to the Directors of the Company, acting through its Remuneration and Share Option Committee, to allot and issue from time to time such Shares as may be allotted and issued pursuant to the exercise of the Del Monte Pacific Executive Share Option Plan 2016 ("**ESOP**"), provided always that the aggregate number of Shares to be allotted and issued pursuant to the ESOP shall not exceed ten percent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (v)] **[Resolution 9]**

10. **Renewal of Shareholders' Mandate for Interested Person Transactions**

That for the purposes of Chapter 9 of the Listing Manual of the SGX-ST:

(a) approval be given for the renewal of the mandate for the Company, its subsidiaries and target associated companies or any of them to enter into any of the transactions falling within the types of Interested Person Transactions as set out on page 6 of the Company's information memorandum ("**Information Memorandum**") with any party who is of the class of Interested Persons described in the Information Memorandum, provided that such transactions are carried out in the normal course of business, at arm's length and on commercial terms, and in accordance with the guidelines of the Company for Interested Person Transactions, as set out in the Information Memorandum (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM of the Company; and

(c) authority be given to the Directors to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the IPT Mandate as they may think fit.
[See Explanatory Note (vi)] **[Resolution 10]**

11. **The Proposed Renewal of the Share Purchase Mandate**

That:

(a) for the purposes of the Business Companies Act 2004 of the British Virgin Islands (the "**Act**") and otherwise in accordance with the rules and regulations of the SGX-ST, the exercise by the Board of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Board from time to time, up to the Maximum Purchase Price (as hereafter defined), whether by way of:

(i) on-market purchases (each a "**Market Purchase**"), transacted on the SGX-ST (or any other stock exchange on which the Shares may be listed or quoted), through one or more duly licensed stockbrokers/dealers appointed by the Company for the purpose; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") (if effected otherwise than on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed or quoted) in accordance with any equal access schemes as may be determined or formulated by the Board as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed or quoted, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Board pursuant to the Share Purchase Mandate, may be exercised by the Board at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

   (i) the date on which the next AGM of the Company is held;

   (ii) the date by which the next AGM of the Company is required by law to be held; or

   (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

   "**Prescribed Limit**" means that number of Shares representing 5 per cent. (5%) of the issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings in each class);

   "**Maximum Purchase Price**" in relation to a Share to be purchased, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

   (i) in the case of a Market Purchase, 105 per cent. (105%) of the Average Closing Price (as defined hereafter); and

   (ii) in the case of an Off-Market Purchase of a Share, 130 per cent. (130%) of the Average Closing Price (as defined hereafter).

   where:

   "**Average Closing Price**" is the average of the closing market prices of a Share over the last five (5) market days on which the Shares were transacted on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed or quoted, preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to an Off-Market Purchase, as deemed to be adjusted for any corporate action that occurs after the relevant five (5) market day period;

   "**day of the making of the offer**" means the day on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

   "**market day**" means a day on which the SGX-ST is open for securities trading; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See Explanatory Note (vii)] **[Resolution 11]**

By Order of the Board

Antonio E S Ungson
Company Secretary
5 August 2019

Explanatory Notes to Resolutions to be passed –

(i) The bio data of Directors seeking re-appointment are appended for Shareholders' information:

Dr Emil Q Javier, Independent Director, 78
(Appointed on 30 April 2007 and last re-appointed on 30 August 2016)
Dr Emil Q Javier, if re-appointed, will remain as a member of the Audit and Risk Committee, the Remuneration and Share Option Committee and the Nominating and Governance Committee. He is considered an Independent Non-Executive Director. In line with Guideline 4.7 of the Code of Corporate Governance: (a) there are no relationships including immediate family relationships between Dr Javier and the other Directors, the Company or its 10% shareholders; and (b) the list of all current directorship(s) held by Dr Javier in other listed companies, as well as the details of his other principal commitments can be found in the FY2019 Annual Report, under the "Board of Directors" section.

Additional information on Dr Javier as required to be furnished pursuant to Rule 720(6) of the Listing Manual of the SGX-ST is also found in the FY2019 Annual Report, under the "Board of Directors" section.

Dr Emil Q Javier is a Filipino agronomist with a broad understanding of developing country agriculture. 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), a global consortium led by the World Bank and the Food and Agriculture Organization of the United Nations (FAO). He was Director General of the Asian Vegetable Research and Development Center (AVRDC) based in Taiwan and has served as Chairman of the Board of International Rice Research Institute (IRRI), and as Chairman and Acting Director of the Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA). In the Philippines at various periods, he had been President of the University of the Philippines, Minister for Science and Technology and President of the National Academy of Science and Technology, Philippines (NAST PHL). In May 2019, he was elected by his peers in NAST as a National Scientist, the highest honour conferred by the President of the Philippines to a Filipino in the field of science and technology. Dr Javier is an Independent Director of Del Monte Foods, Inc, DMPL's US subsidiary, and of Del Monte Philippines, Inc, DMPL's Philippine subsidiary, and is an Independent Director of Philippine-listed Centro Escolar University. He holds doctorate and master's degrees in plant breeding and agronomy from Cornell University and University of Illinois at Urbana-Champaign, respectively. He completed his bachelor's degree in agriculture at the University of the Philippines Los Baños.

Mrs Yvonne Goh, Independent Director, 66
(Appointed on 4 September 2015 and last re-appointed on 30 August 2016)
Mrs Yvonne Goh, if re-appointed, will remain as a Chairperson of the Nominating and Governance Committee and a member of the Audit and Risk Committee and the Remuneration and Share Option Committee. She is considered an Independent Non-Executive Director. In line with Guideline 4.7 of the Code of Corporate Governance: (a) there are no relationships including immediate family relationships between Mrs Goh and the other Directors, the Company or its 10% shareholders; and (b) Mrs Goh does not hold directorships in other listed companies, and the details of her other principal commitments can be found in the FY2019 Annual Report, under the "Board of Directors" section.

Additional information on Mrs Goh as required to be furnished pursuant to Rule 720(6) of the Listing Manual of the SGX-ST is also found in the FY2019 Annual Report, under the "Board of Directors" section.

Mrs Yvonne 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 a 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 was previously Managing Director of the KCS Group in Singapore, a professional services organisation and Managing Director of Boardroom Limited, a company listed on the SGX. Mrs Goh had served on the Board of WWF Singapore Limited, a registered charity and an IPC, and the Singapore chapter of WWF International, a leading global NGO. She had served as a Council Member and Vice Chairman of the Singapore Institute of Directors as well as Chairman of its Professional Development Committee. Mrs Goh was also a Director of the Accounting and Corporate Regulatory Authority (ACRA) and a past Chairman of the Singapore Association of the Institute of Chartered Secretaries and Administrators. Mrs Goh is a Fellow of the Singapore Institute of Directors and a Fellow of the Institute of Chartered Secretaries and Administrators, UK.

(ii) The Ordinary Resolution 4 above is to approve the payment of Directors' fees for FY2020, to be paid quarterly in arrears in accordance with the proposed fee structure. The fee structure is based on guidelines recommended by the Singapore Institute of Directors and disclosed in the Corporate Governance Report in the Annual Report. The proposed Directors' fees for FY2020 are commensurate with the onerous responsibilities placed on the Directors and in particular, to better reflect the time and contribution of each Director towards the improved performance of the Company.

The Ordinary Resolution 4 if passed, will authorise the payment of Directors' fees for FY2020, in accordance with the fee structure, amounting up to US$496,800/- and there is no change from prior year on a per Director basis.

(iii) The Ordinary Resolution 5 proposed above, if passed, will also authorise the Directors of the Company to fix, increase or vary the emoluments of Directors of up to US$100,000/- with respect of services to be rendered in any capacity to the Company. This would provide flexibility for the Company to engage or procure the specialist services of Directors as appropriate and as may be required by the Company. In particular, this resolution is meant for the specialist services of Dr Emil Q Javier, for his services rendered to the Company at the plantation and for chairing the Group's Plantation Oversight Committee.

(iv) The Ordinary Resolution 8 proposed above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company, of which up to 15% may be issued other than on a pro rata basis to Shareholders. For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time when this Ordinary Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of Shares.

(v) The Ordinary Resolution 9 proposed above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue from time to time such number of fully-paid Shares in the capital of the Company, as may be required to be issued pursuant to the exercise of options under the ESOP. The aggregate number of Shares which may be issued pursuant to the ESOP and any other share option plan(s)/ share plan(s) which the Company may have in place shall not exceed ten percent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company from time to time.

(vi) The Ordinary Resolution 10 proposed above, if passed, will authorise the Interested Person Transactions, as described in the Information Memorandum accompanying the FY2019 Annual Report and recurring in the year; and will empower the Directors to do all acts necessary to give effect to the IPT Mandate. This authority will, unless previously revoked or varied by the Company at a general meeting, expire at the conclusion of the next AGM of the Company.

(vii) The Ordinary Resolution 11 proposed above, if passed, will empower the Board, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or the date on which purchases and acquisitions of shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earlier, to repurchase Shares by way of market purchases or off-market purchases of up to 5% of the total number of issued shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company at the Maximum Purchase Price. Information relating to this proposed Resolution is set out in the Circular attached.

(viii) **Dividend Policy for Ordinary Shares**

The Company's dividend payment policy is to distribute a minimum of 33% of full year profit but remains subject to review by the Board.

The dividend payout was 75% from 2006 to 2012 and 50% for 2013, 2016, 2017 and 2019.

A. Notes for Shareholders in Singapore:

1. A Shareholder entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. If a Depositor wishes to appoint a proxy/proxies to attend the AGM, then he/she must complete and deposit the Depositor proxy form at the office of the Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, at least forty-eight (48) hours before the time of the AGM.
3. If the Depositor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

B. Notes for Shareholders in the Philippines:

1. Proceedings of the AGM in Singapore will be made available to Shareholders in the Philippines via a videoconference facility at the 1st Floor, JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City 1634, Metro Manila, Philippines.
2. While electronic poll voting is not available to Shareholders in the Philippines who are unable to attend the AGM in Singapore, they will still be able to vote by manual poll voting in Manila. However, Shareholders in the Philippines who wish to attend the AGM in Singapore will be able to participate in the electronic poll voting. To facilitate registration, please bring a valid government-issued ID.
3. Shareholders in the Philippines who wish to vote but cannot attend either the AGM in Singapore or the videoconference in the Philippines may still do so by appointing a proxy to attend the meeting in Singapore or in Manila. He/she must complete the enclosed proxy form and submit the same on or **before 26 August 2019 at 10.00 a.m.** to the Company's Philippine Stock Transfer Agent, BDO Unibank Inc — Trust and Investments Group, at its office address at the Securities Services and Corporate Agencies Department, 15th Floor South Tower, BDO Corporate Centre, 7899 Makati Avenue, Makati City, 0726 Philippines, for the attention of Ms Carla B Salonga.
4. Only Shareholders at record date at the close of business on 26 August 2019[1] are entitled to attend and vote at the AGM.
5. Shareholders in the Philippines may also be entitled to appoint not more than two (2) proxies to attend in his/her stead. A proxy need not be a Member or Shareholder of the Company.
6. Validation of proxies shall be held on **27 August 2019 at 12.00 p.m.** at the office of the Company's Philippine Stock Transfer Agent, BDO Unibank Inc — Trust and Investments Group.

Personal data privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

[1] Since 26 August 2019 is a regular holiday in the Philippines, the cut-off date for Philippine Shareholders will be as of end of business of 23 August 2019.

DEL MONTE PACIFIC LIMITED
(Incorporated in the British Virgin Islands with limited liability on 27 May 1999)

PROXY FORM

The undersigned, being a shareholder of **DEL MONTE PACIFIC LIMITED** (the "**Company**"), whose name is in the Register of Members as at 26 August 2019[1] ("**Record/Cut Off Date**") hereby constitutes and appoints:

Name	**Passport No./ Gov't ID** (with Date of Expiry)	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

and/or (delete as appropriate)

Name	**Passport No./ Gov't. ID** (with Date of Expiry)	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			

or in their incapacity or absence, the Chairman of the meeting, as proxy, to represent, act and vote in his/her name and stead at the Annual General Meeting of the Company to be held at the Banquet Suite, Level 10 of M Hotel, 81 Anson Road, Singapore 079908 on Wednesday, 28 August 2019, at 10.00 a.m., as fully and to all intents and purposes as the undersigned might do if present and acting in person.

(Please indicate your vote "For" or "Against" or "Abstain" with a tick [√] within the box provided.)

	Resolutions relating to:	**For**	**Against**	**Abstain**
1	Directors' Statement and Audited Financial Statements for the financial year ended 30 April 2019			
2	Re-appointment of Dr. Emil Q. Javier as a Director			
3	Re-appointment of Mrs. Yvonne Goh as a Director			
4	Approval of payment of Directors' fees for the financial year ending 30 April 2020			
5	Authority to fix, increase or vary emoluments of Directors			
6	Re-appointment of Ernst & Young LLP as Auditors of the Group			
7	Re-appointment of Sycip Gorres Velayo & Co. (Ernst & Young Philippines) as the Philippine Auditors of the Group			
8	Authority to issue Shares			
9	Authority to allot and issues shares under the Del Monte Pacific Executive Share Option Plan 2016			
10	Renewal of Shareholders' Mandate for Interested Person Transactions			
11	Renewal of Share Purchase Mandate			

______________________________ Printed Name and Signature of Shareholder

____________________ Number of Shares Held

____________________ Date/Place

NOTES:

1. This Proxy Form should be duly completed, submitted to, and received by, the Company's Philippine Stock Transfer Agent, BDO Unibank Inc — Trust and Investments Group on or before **26 August 2019 at 10.00 a.m**., at its office address at the Securities Services and Corporate Agencies Department, 15th Floor South Tower, BDO Corporate Centre, 7899 Makati Avenue, Makati City, 0726 Philippines, for the attention of Ms Carla B Salonga.
2. Validation of proxies shall be held on **27 August 2019 at 12:00 p.m.** at the office of the Philippine Share Transfer Agent.
3. This proxy, when properly executed, will be voted in the manner as directed herein by the shareholder(s). If no direction is made, this proxy will be voted for the election of all nominees and for the approval of the matters stated above and for such other matters as may properly come before the meeting in the manner described in the information statement and/or as recommended by management or the board of directors.
4. A shareholder giving a proxy has the power to revoke it at any time before the right granted is exercised. A proxy is also considered revoked if the shareholder attends the meeting in person and expresses his/her intention to vote in person.
5. The Company shall be entitled to reject any proxy form which is incomplete, improperly completed or illegible, or where the true intentions of the shareholder are not ascertainable from the instructions of the shareholder specified on any proxy form. It is the shareholder's responsibility to ensure that this proxy form is properly completed.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the Member accept(s) and agree(s) to the personal data privacy terms set out in the Notice of AGM dated 5 August 2019.

[1] Since 26 August 2019 is a regular holiday in the Philippines, the cut-off date for Philippine Shareholders will be as of end of business of 23 August 2019.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

1. Date, Time and Place of Meeting of Security Holders.

a. The Annual General Meeting ("**AGM**") of the shareholders of Del Monte Pacific Limited (the "**Company**") will be held on 28 August 2019 at 10.00 a.m., at the Banquet Suite, Level 10 of M Hotel, 81 Anson Road, Singapore 079908.

   The mailing address of the Company in Singapore is at c/o 17 Bukit Pasoh Road, Singapore 089831, while its mailing address in the Philippines is at c/o 10th Floor, JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City, 1634 Philippines.

b. The approximate date on which copies of the Information Statement shall be first sent and given to the shareholders shall be on 5 August 2019.

2. Dissenters' Right of Appraisal

Not applicable.

3. Interest of Certain Persons in or Opposition to Matters to be Acted Upon

a. Except for the resolutions stated in Section 15(a)(ii), (iii), (iv), (viii) and (ix) below, none of the Directors or officers of the Company, or any nominee to the Board, or any association of the foregoing persons have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon during the AGM other than election to office.

b. None of the Directors have informed the Company in writing that he or she intends to oppose any matter to be acted upon at the AGM.

c. No cumulative voting rights are available.

B. CONTROL AND COMPENSATION INFORMATION

4. Voting Securities and Principal Holders Thereof

a. The Company has a total of 1,943,960,024 outstanding Ordinary Shares, 20,000,000 Series A-1 Preference Shares, and 10,000,000 Series A-2 Preference Shares as of the date of this Information Statement.

   Holders of Ordinary Shares are entitled to one vote for each share of stock held as of the established record date. On the other hand, holders of Preference Shares are generally not entitled to (i) attend, speak or vote at any meeting of the members of the Company; or (ii) vote on any resolution of members.[1]

   As of 30 June 2019, 95.81% of the total outstanding shares or 1,862,424,057 Ordinary Shares of the Company are foreign-owned shares.

b. All shareholders as of 26 August 2019[2] are entitled to attend and vote at the AGM.

   In determining the date of shareholders entitled to attend and vote, the Company takes into account the definition of "record date" under the 2015 SRC Rules, and Articles 71(1)(b) and 71(1)(d) of the Company's Articles of Association.

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[1] Under the Company's Articles of Association, holders of the preference shares shall have the right to attend, speak and vote at a general meeting convened for any of the following purposes:

i. Reducing the Company's authorized or issued share capital
ii. Winding up the Company;
iii. Sanctioning a sale of the whole or substantially the whole of the business, or undertaking of the Company;
iv. Where the proposal to be submitted to the general meeting directly affects the rights and privileges of holders of the preference rates.

They also have the right to attend, speak and vote at any general meeting when the dividend on the Series A Preference Shares has been declared by the Board and has not been paid in full when due, and remains unpaid for at least six (6) months.

[2] Since 26 August 2019 is a regular holiday in the Philippines, the cut-off date for Philippine Shareholders will be as of end of business of 23 August 2019.

2015 SRC Rule 20.2.1.5 defines “record date” as the date on which the holders of securities *entitled to vote* at the meeting, in person or by written consent or authorization, shall be determined.

As a rule, every member is entitled to attend and vote at a general meeting of the Company. However, if a member appoints a proxy, Article 71(1)(b) of the Articles of Association states that the “Depository shall be deemed to have appointed as the Depository’s proxies to vote on behalf of the Depository at a general meeting of the Company each of the Depositors who are individuals and whose names are shown on the records of the Depository as at a time not earlier than 48 hours prior to the time of the relevant general meeting.” Article 71(1)(d) further provides that “the Company shall reject any CDP proxy form of a nominating depositor if his name is not shown in the records of the Depository as at a time not earlier than 48 hours prior to the time of the general meeting.”

c. Security Ownership of Certain Record and 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	2,651,203	Direct	Filipino	0.14%
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	3,381,600	Indirect	Filipino	0.19%
		299,400	Direct		
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%

d. 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.

e. 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.

5. Directors and Executive Officers

a. Directors, Independent Directors and Executive Officers

i. Directors and Board Committees

The overall management and supervision of the Company, including the exercise of corporate powers and the conduct of the business of the Company, are undertaken by the Board. There are seven members of the Board, three of whom are Executive Directors and the remaining four are Non-Executive Directors who are also Independent Directors.

As of the date of this Information Statement, the composition of the Board is as follows:

Name	Age	Citizenship	Position	Year First Appointed	Year Last Elected (if ID, state no. of years served as ID)
Rolando C. Gapud	77	Filipino	Executive Chairman	2006	2017
Joselito D. Campos, Jr.	68	Filipino	Managing Director & Chief Executive Officer	2006	2006
Edgardo M. Cruz, Jr.	64	Filipino	Executive Director	2006	2018
Benedict Kwek Gim Song	72	Singaporean	Lead Independent Director	2007	2017 (ID:11)
Godfrey E. Scotchbrook	73	British	Independent Director	2000	2018 (ID: 18)
Emil Q. Javier	78	Filipino	Independent Director	2007	2016 (ID: 11)
Yvonne Goh	66	Singaporean	Independent Director	2015	2016 (ID:3)

In this year's AGM, the following are the incumbent Directors of the Company who are retiring pursuant to Article 88 of the Company's Articles of Association and due for re-election:

Dr. Emil Q. Javier
Independent Director
Appointed on 30 April 2007
Last re-elected on 30 August 2016

Yvonne Goh
Independent Director
Appointed on 4 September 2015
Last re-elected on 30 August 2016

Under Article 88, all Directors hold office for a maximum period of three (3) years, whereupon they shall retire in accordance with the Company's Articles of Association, but are eligible for re-election.

In reviewing the nomination for the re-election of the retiring Directors, the Nominating and Governance Committee (the "**NGC**") had considered the contributions and performance of each Director, taking into account his attendance and participation at Board and Board committee meetings, as well as his or her independence.

All Directors retiring have consented to continue in office and have offered themselves for re-election at the Company's AGM.

Both Dr. Javier and Mrs. Goh are not family-related to the other directors, substantial shareholders, or shareholders who own at least 10% of the Company.

The Certifications of Independent Director executed by Dr. Javier and Mrs. Goh are attached herein as ***Annexes "A-1"*** and ***"A-2"***, respectively.

The NGC, on an annual basis, determines whether or not a director is independent, taking into account the definition of the 2012 Code of Corporate Governance of Singapore (the "**2012 Code**"), which defines "independence" to mean that Directors have no relationship with the Company, or its related corporations, its 10% shareholders or its officers that could or be reasonably perceived to interfere with the exercise of the Director's independent business judgment. Disclosures of Directors' interests and their interest in transactions are standing agenda items in all Board meetings, and would be circulated and tabled for Board members' information, as appropriate.

The 2012 Code states that the independence of any Director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review.

Consistent with previous practice, the NGC undertook a rigorous review of the independence of each Independent Director, including those whose tenure had exceeded nine years from the date of their first appointment. Led by the NGC Chairperson and facilitated by Boardroom Corporate & Advisory Services Pte Ltd, the Company's external corporate secretarial service provider, the assessment was conducted by means of a confidential and incisive questionnaire completed by each Director and confirmation completed by the Independent Directors.

As part of this rigorous review, Board members were asked to share their observations on how the Independent Directors whose tenure had exceeded 9 years, namely Messrs Benedict Kwek Gim Song, Emil Q Javier and Godfrey Scotchbrook, have demonstrated their independence on the Board. Board members were invited to cite, as appropriate, specific instances and examples.

The results were analysed and discussed at the NGC and Board meetings. It was concluded that there is a strong sense of independence amongst all Board members. Management is constantly challenged and questioned on proposals that come before the Board with all Directors engaging in thorough and robust discussion and deliberation, taking into consideration the interest of the Group's stakeholders.

Based on the assessment, Messrs Benedict Kwek Gim Song (first appointed on 30 April 2007), Emil Q Javier (first appointed on 30 April 2007) and Godfrey E Scotchbrook (first appointed on 28 December 2000) have demonstrated independent mindedness and conduct at Board and Board committee meetings. The NGC is also of the firm view and opinion that these Directors continue to exercise independent judgment in the best interest of the Company in the discharge of their duties as Directors, and their more than nine years of exemplary service on the Board have not in any way affected their independence as throughout their tenure in office they had continually challenged and provided constructive feedback to Management.

Each member of the NGC had abstained from deliberations in respect of the assessment on his own independence.

Management, together with the Board Committees, including the Audit & Risk Committee ("**ARC**"), NGC, and Remuneration and Share Option Committee ("**RSOC**") support the Board in discharging its responsibilities. The members of the Board Committees are as follows:

Audit and Risk Committee	
Benedict Kwek Gim Song (Lead Independent Director)	ARC Chairman
Godfrey E. Scotchbrook (Independent Director)	Member
Emil Q. Javier (Independent Director)	Member

Yvonne Goh (Independent Director)	Member
Nominating and Governance Committee	
Yvonne Goh (Independent Director)	NCG Chairperson
Benedict Kwek Gim Song (Lead Independent Director)	Member
Godfrey E. Scotchbrook (Independent Director	Member
Emil Q. Javier (Independent Director)	Member
Rolando C. Gapud (Executive Chairman)	Member
Edgardo M. Cruz (Executive Director)	Member
Remuneration and Share Option Committee	
Godfrey E. Scotchbrook (Independent Director)	RSOC Chairman
Benedict Kwek Gim Song (Lead Independent Director)	Member
Emil Q. Javier (Independent Director)	Member
Yvonne Goh (Independent Director)	Member

ii. Senior Management

As of the date of this Information Statement, the following are the Company's Senior Management:

Name	Age	Citizenship	Position	Year Position was Assumed
Joselito D. Campos, Jr.	68	Filipino	Managing Director and CEO	2006
Luis F. Alejandro	65	Filipino	Chief Operating Officer	2008
Ignacio C. O. Sison	55	Filipino	Chief Corporate Officer	2006
Parag Sachdeva	49	Indian	Chief Financial Officer	2015
Antonio E. S. Ungson	47	Filipino	Chief Legal Counsel and Chief Compliance Officer	2008
			Company Secretary	2015
Ruiz G. Salazar	55	Filipino	Chief Human Resource Officer	2016
Ma. Bella B. Javier	59	Filipino	Chief Scientific Officer	2009

b. Significant Employees

The Board 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 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.

c. 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.

d. Involvement in Certain Legal Proceedings

As to 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, the Group's 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.

As to the Company and its Subsidiaries:

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 Company believes that none of these legal proceedings will have a material adverse effect on its financial position.

e. Certain Relationships and Related Transactions

a) The following is a summary of Interested Person Transactions ("**IPT**") entered into by the Company and/or its subsidiaries (the "**Group**") with certain Interested Persons[3] for FY2019 (1 May 2018 to 30 April 2019), FY2018 (1 May 2017 to 30 April 2018), and FY2017 (1 May 2016 to 30 April 2017):

Related Party Transaction	Relationship	Nature	FY2019 US$'000	FY2018 US$'000	FY2017 US$'000
Del Monte Philippines, Inc (DMPI Retirement Fund)	Retirement fund of the Company's subsidiary	Rental to DMPI Retirement Fund	1,827	1,858	1,619
		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	-	-	5
NutriAsia Inc (NAI)	Affiliate of the Company	Rental to NAI Retirement Fund	536	543	572
		Purchases of Production Materials	34	233	160
		Toll Pack Fees	556	572	666
		Utilities / Parking Space Rental	81	160	87
		Recharge of Inventory Count Shortage	-	(33)	-
		Management fee	(92)	(15)	-
		Shared IT & Other Services from NAI	(161)	(343)	(335)
		Sale of other raw materials with NAI	(31)	(1)	(34)
		Sale of tomato sauce with NAI	-	(31)	-
		Cash Advances	(6,000)		
TOTAL			**(3,254)**	**2,939**	**2,736**

Review

The Company has an IPT policy and manual that set out the definitions, general guidelines, and review and monitoring procedures to be adopted across the Group for IPTs compliance with the Listing Manual of the SGX-ST. The manual presents a comprehensive view of IPT and the procedures

[3] Under the SGX-ST Listing Manual, "Interested Person" is defined as: (a) a Director, CEO or Controlling Shareholder of the listed company; or (b) an Associate of any such Director, CEO or Controlling Shareholder. A "Controlling Shareholder" is one who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company; or (b) in fact exercises control over a company.

that all affected Group personnel, including members of senior management, directors and employees in Purchasing, Treasury, Finance, Sales, Legal, Internal Audit, must follow.

The Company established review procedures to ensure that IPTs: (i) are carried out on an arm's length basis and on normal commercial terms, consistent with the Group's usual business practices and policies; and (ii) will not be prejudicial to the interests of the Company and its minority shareholders.

In general, the transactions with related parties are carried out based on terms agreed between the parties. Pricing for the sales of products are market driven, less certain allowances. For purchases, the Group's policy is to solicit competitive quotations. Bids from any related party are evaluated on arm's length commercial terms and subject to bidding against third party suppliers. Purchases are normally awarded based on the lowest price.

The ARC reviews the internal audit report on the IPTs on a quarterly basis to ascertain that the established review procedures are complied with. If during these periodic reviews, the ARC is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, the Company will revert to its shareholders for a fresh mandate based on a new set of guidelines and review procedures that would ensure compliance with the established standards above.

The Company maintains a register of transactions carried out with Interested Persons, as defined in the IPT manual, and the Company's internal audit plan will incorporate an annual review of all transactions entered into in the relevant financial year pursuant to the IPT mandate.

Approval or Ratification

The following are the categories of IPTs in the Company's manual:

1. Mandated IPT – refers to an IPT between the Group and any Interested Person pursuant to a shareholders' mandate approved on an annual basis by the Company's shareholders, which is subject to renewal each year at the annual general meeting. However, despite the existence of the shareholders' mandate, Mandated IPTs are still subject to auditors and AC's review.

2. Non-Mandated IPT – refers to purchase or sale of fixed assets, undertakings or businesses, as well as transactions not included under the shareholders mandate, which may require announcements, management approval, Board approval and/or shareholders' approval, depending on the amounts involved.

Monitoring and Recording

To facilitate recording of IPTs, each Group subsidiary's Controller shall establish two holding accounts that will be used in recording IPTs – one to record Mandated IPTs and the other to record Non-Mandated IPTs. Transactions recorded under these two holding accounts will then be cleared monthly to the proper accounts. The transactions that are recorded under the holding accounts will then be reported on a quarterly basis to the CFO for consolidation which will then be submitted to the ARC for evaluation and review.

b) Other than standard terms and conditions typical for these kinds of contracts and negotiated at arm's length and upon normal commercial terms with counterparties, there are no other commitments resulting from these arrangements.

Considering the arm's length negotiation of these IPTs and the Company's established IPT review, approval, monitoring and disclosure processes, we do not see any material risks arising from these transactions.

f. Resignation of Directors due to Disagreement

No Director has resigned from, or declined to stand for re-election to, the Board since the date of the 2018 AGM due to any disagreement with the Company on any matter relating to its operations, policies or practices.

g. No provision of the Company's Articles of Association, which relates to the selection, nomination and election of Independent Directors, has been recently amended. The Company's selection and election processes for independent directors are in accordance with the Company's Articles of Association and the 2012 Code.

6. Compensation of Directors and Executive Officers

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)
A. Chief Executive Officer and most highly compensated executive officers*	FY 2020 (Est)	190,510,351	185,796,915
	FY 2019	188,109,963	100,182,352
	FY 2018	183,301,605	148,565,165
B. All other officers and directors as a group unnamed	FY 2020 (Est)	169,158,192	44,634,112
	FY 2019	154,015,088	43,483,998
	FY 2018	158,746,949	52,045,184

**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

All share awards granted to Directors had since 20 September 2017 been vested and released to Directors.

Except as disclosed [in the Company's Annual Report], no Director who held office at the end of the financial year had interests in shares, debentures, warrants, share options or share-based incentives of the Company or of related corporations, either at the beginning or at the end of the financial year.

7. Independent Public Accountants

a) The external auditor of the Group for the most recently completed fiscal year is Ernst & Young LLP ("**EY Singapore**"), which is the same accounting firm tabled for re-appointment 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 re-appointment 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 2019. Representatives of EY Singapore are expected to be present during the AGM. The representatives may make statements, if they desire to do so, and will be available to respond to appropriate questions raised by the shareholders at the AGM.

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 2019.

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

		FY2019	**FY2018**
		in US$'000	**in US$'000**
1.	Audit Fees		
	Payable to the Company's auditors	345	340
	Payable to other auditors	998	1,064
2.	Non-Audit Fees		
	Payable to the Company's auditors	3	11
	Payable to other auditors	141	139

8. 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.

C. ISSUANCE AND EXCHANGE OF SECURITIES

9. Authorization or Issuance of Securities Other than for Exchange

a. *Title and Amount of Securities to be Authorized*

At the AGM, the following matters shall be submitted for shareholders' approval:

i) *Authority to Issue Shares*

*That pursuant to Article 15(2) of the Company's Articles of Association and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:*

*(a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or*

*(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including, but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,*

at any time and upon such terms and conditions, and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) *the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to Shareholders of the Company shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);*

(2) *(subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:*

   (a) *new Shares arising from the conversion or exercise of any convertible securities;*
   (b) *new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and*
   (c) *any subsequent bonus issue, consolidation or subdivision of Shares;*

(3) *in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and*

(4) *unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.*

If passed, this Ordinary Resolution will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 15% may be issued other than on a pro rata basis to Shareholders.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of Shares.

ii) *Authority to Allot and Issue Shares under the Del Monte Pacific Executive Share Option Plan 2016*

*That approval be and is hereby granted to the Directors of the Company, acting through its Remuneration and Share Option Committee, to allot and issue from time to time such Shares as may be allotted and issued pursuant to the exercise of the Del Monte Pacific Executive Share Option 2016 ("**ESOP**"), provided always that the aggregate number of Shares to be allotted and issued pursuant to the ESOP shall not exceed ten percent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.*

If passed, this Ordinary Resolution will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue from time to time such number of fully-paid Shares in the capital of the Company, as may be required to be issued, pursuant to the ESOP. The aggregate number of Shares which may be issued pursuant to the ESOP shall not exceed ten percent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

b. *Description of the Company's Securities*

At present, the Company has an authorized capital of U.S.$630,000,000.00 consisting of 3,000,000,000 Ordinary Shares with a par value of U.S.$0.01 each, and 600,000,000 Preference Shares with a par value of U.S.$1.00 each, which may be issued in one or more series.

Out of the authorized capital stock, the Company has (i) 1,943,960,024 Ordinary Shares; (b) 20,000,000 Series A-1 Preference Shares; and (c) 10,000,000 Series A-2 Preference Shares outstanding. The total issued Ordinary Shares are 1,944,935,826 Ordinary Shares, which includes 975,802 Ordinary Shares that are held by the Company as treasury shares.

10. Modification or Exchange of Securities

There are no actions to be taken with respect to the modification or exchange of the Company's securities.

11. Financial and Other Information

The Management Report discussing the operational, financial and other information of the Company is attached herein as ***Annex "B"***.

The consolidated audited financial statements of the Group for the fiscal year ended 30 April 2019 are likewise attached herein as ***Annex "C"***.

12. Mergers, Consolidations, Acquisitions and Similar Matters

There are no actions to be taken in relation to any merger, acquisition or business combination.

13. Acquisitions and Investments

There are no matters to be taken with respect to any merger, consolidation, acquisition of any property.

14. Restatement of Accounts

There are no actions to be taken and submitted for shareholders' approval with respect to the restatement of any asset, capital or surplus account of the Company.

D. OTHER MATTERS

15. Action with Respect to Reports and Other Items

a) The following shall be submitted for shareholders' approval during the AGM:

(i) To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company, together with the Auditors' Report thereon, for the financial year ended 30 April 2019. ***(Resolution 1)***

(ii) To re-elect Dr. Emil Q. Javier and Mrs. Yvonne Goh, the incumbent Directors of the Company who are retiring pursuant to Article 88 of the Company's Articles of Association. ***(Resolution 2)***

(iii) To approve the payment of Directors' fees of up to US$496,800/- for the financial year ending 30 April 2020 ("FY2020") (FY2019:496,800), to be paid quarterly in arrears. ***(Resolution 4)***

(iv) To authorize the Directors to fix, increase or vary the emoluments of Directors of up to US$100,000/- with respect to services to be rendered in any capacity to the Company. ***(Resolution 5)***

(v) To re-appoint Ernst & Young LLP as the Auditors of the Group, and to authorize the Directors to fix their remuneration. ***(Resolution 6)***

(vi) To re-appoint Sycip Gorres & Velayo & Co. (Ernst & Young Philippines) as the Philippine Auditors of the Group, and to authorize the Directors to fix their remuneration. ***(Resolution 7)***

(vii) To authorize the Directors to issue shares in the Company, whether by way of rights, bonus or otherwise, and/or make grant offers, agreements or options that may or would require the issuance of shares, including, but not limited to, the creation and issue of options, warrants, debentures or other instruments convertible into shares, upon such terms and conditions, and for such purposes as the Directors of the Company may deem fit. ***(Resolution 8)***

(viii) To authorize the Directors to allot and issue Shares under the Del Monte Pacific Executive Share Option Plan 2016. ***(Resolution 9)***

(ix) To approve the renewal of shareholders' mandate for Interested Person Transactions (IPT). ***(Resolution 10)***

The Information Memorandum in relation to the renewal of shareholders' mandate for IPT is incorporated by reference, a copy of which is attached herein as ***Annex "D"***.

(x) To approve the proposed renewal of the share purchase mandate.

The purchase of Shares (either market purchase or off-market purchase) shall be made within the prescribed limit, at such price or prices as may be determined by the Board from time to time, up to the maximum purchase price, and in accordance with all other applicable laws, regulations and rules of the SGX-ST, or the PSE and the SEC, as the case may be.

The Circular in relation to this resolution is incorporated herein by reference, a copy of which is attached as ***Annex "E"***.

For details on the foregoing resolutions, please refer to the enclosed Notice of AGM.

16. Matters Not Required to be Submitted

There are no actions to be taken at the AGM with respect to any matter which is not required to be submitted to a vote of security holders.

17. Amendment of Charter, By-laws or Other Documents

There are no actions to be taken at the AGM with respect to any amendment of the Company's Memorandum of Association and Articles of Association.

18. Other Proposed Action

No other actions on any matter are proposed to be taken except matters of incidence that may properly arise during the AGM.

19. Voting Procedures

a) As to vote required:

For "Ordinary Resolutions", a simple majority of votes of the shares which were present at the meeting and entitled to vote thereon and were voted on, and not abstained.

For "Special Resolutions", the following rules shall apply:

i. A majority of not less than three-fourths of the votes of the shares which were present at the meeting and entitled to vote thereon and were voted and not abstained; or

ii. A majority of not less than three-fourths of the votes of each class or series of shares which were present at the meeting and entitled to vote thereon as a class or series and were voted and not abstained; or

A resolution consented to in writing by (1) a majority of not less three-fourths of the votes of shares entitled to vote thereon; or (2) a majority of not less than three-fourths of the votes of each class or series of shares entitled to vote thereon as a class or series.

b) As to method: The voting at the AGM in Singapore will be carried out via electronic poll voting. Philippine shareholders who are unable to attend the meeting in Singapore, but can attend the videoconference in Manila, will still be able to vote by manual voting.

c) The Company appointed independent scrutineers, Drewcorp Services Pte. Ltd. and Ortega Bacorro Odulio Calma & Carbonell Law Office, to validate the votes. The scrutineers will be responsible for counting votes based on the number of shares entitled to vote owned by the shareholders who are present or represented by proxies at the AGM of the shareholders, in the presence of the Group's external auditors.

Upon the written request of a stockholder, the Company undertakes to furnish said stockholder with a copy of the Company's Annual Report on SEC Form 17-A free of charge. Any written request for a copy of the said report shall be addressed to the following:

DEL MONTE PACIFIC LIMITED
c/o JY Campos Centre
9th Avenue corner 30th Street
Bonifacio Global City
Taguig City

Attention:
Mr. Ignacio C. O. Sison
Chief Corporate Officer

You may also contact the Company's Investor Relations Officer, Ms Jennifer Luy, at jluy@delmontepacific.com

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Taguig, on 30 July 2019.

Del Monte Pacific Limited
Issuer

By:

....

Antonio Eugenio S. Ungson
Chief Legal Counsel and Chief Compliance Officer

ANNEX "A-1"

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EMIL Q. JAVIER**, Filipino, of legal age and a resident of 9941 Mailing St., Los Banos, Laguna, Philippines, after having been duly sworn in accordance with law, do hereby declare that:

1. I am a nominee for independent director of Del Monte Pacific Limited ("**DMPL**") and have been its independent director since 2007.

2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations):

Company/Organization	Position/Relationship	Period of Service
Del Monte Foods, Inc.	Independent Director	2014 – present
Centro Escolar University	Independent Director	2002 – present

3. To the best of my knowledge, I possess all the qualifications and none of the disqualifications to serve as an Independent Director of DMPL, as provided for in Section 38 of the Securities Regulation Code ("**SRC**"), its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission ("**SEC**").

4. I am not related to any director, officer or substantial shareholder of DMPL and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the SRC.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the listing rules of the Singapore Exchange Securities Trading Limited, the SRC and its Implementing Rules and Regulations, the SEC Code of Corporate Governance for Publicly Listed Companies and other SEC issuances.

7. I shall inform the Company Secretary of DMPL of any changes in the abovementioned information within five days from its occurrence.

Done this 14th day of June, 2019 in Taguig City.

EMIL Q. JAVIER
Affiant

SUBSCRIBED AND SWORN to before me this 14th day of June, 2019 in ~~Taguig~~ Makati City, affiant personally appeared before me and exhibited to me his Passport with Number P4047095A issued on 15 August 2017 at DFA-Manila.

Doc. No. 106;
Page No. 23;
Book No. 33;
Series of 2019.

JUANITO H. VINCULADO
NOTARY PUBLIC
UNTIL DEC. 31, 2019
PTR 11658630J LAS PINAS 1/4/19
IBP 063341 / 1/4/2019 PPLM
ROLL NO. 41092 / MCLE V-0021209
NOT APPT NO. M-88 1/18/18 MAKATI
UG33, ALFARO PLACE, LEVISTE, MAKATI

ANNEX "A-2"

FOREIGN SERVICE OF THE
REPUBLIC OF THE PHILIPPINES

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

CERTIFICATE OF AUTHENTICATION

I, LAARNI ZORAYDA S. GANDAROSA, Vice Consul of the Embassy of the Republic of the Philippines to Singapore, duly commissioned and qualified, do hereby certify that TAN MARY before whom the annexed instrument has been executed, to wit:

NOTARIAL CERTIFICATE WITH ATTACHED CERTIFICATION OF INDEPENDENT DIRECTOR

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 June 2019

PHILIPPINE EMBASSY SINGAPORE

Service No. : 7544
O.R. No. : 2343427
Fee Paid : $42.50

The validity of this certification shall follow the validity of the attached/underlying document.

LAARNI ZORAYDA S. GANDAROSA
Vice Consul

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 19th day of June, 2019 and did see **YVONNE GOH** (holder of Singapore NRIC No. S0090447C), Independent Director of **DEL MONTE PACIFIC LIMITED** described in the **CERTIFICATION OF INDEPENDENT DIRECTOR** 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 **YVONNE GOH**.

REPUBLIC OF SINGAPORE
NOTARY PUBLIC

IN FAITH AND TESTIMONY WHEREOF I have hereunto subscribed my name and affixed my Seal of Office this 19th day June, Two Thousand and Nineteen.

Which I attest

Notary Public,
Singapore

NOTARY PUBLIC
Tan Mary
N2019/0315
1 Apr 2019 – 31 Mar 2020
SINGAPORE

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **YVONNE GOH**, Singaporean, of legal age and a resident of 2 Caldecott Close, Singapore 299110, after having been duly sworn in accordance with law, do hereby declare that:

1. I am a nominee for independent director of Del Monte Pacific Limited ("**DMPL**") and have been its independent director since 2015.

2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations):

Company/Organization	Position/Relationship	Period of Service
Del Monte Foods, Inc.	Independent Director	2016 – present
Equal – Ark Singapore Ltd.	Director	2016 – present
UNLV Singapore Ltd	Director	2005 – present

3. To the best of my knowledge, I possess all the qualifications and none of the disqualifications to serve as an Independent Director of DMPL, as provided for in Section 38 of the Securities Regulation Code ("**SRC**"), its Implementing Rules and Regulations and other issuances of the Securities and Exchange Commission ("**SEC**").

4. I am not related to any director, officer or substantial shareholder of DMPL and its subsidiaries and affiliates other than the relationship provided under Rule 38.2.3 of the SRC.

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the listing rules of the Singapore Exchange Securities Trading Limited, the SRC and its Implementing Rules and Regulations, the SEC Code of Corporate Governance for Publicly Listed Companies and other SEC issuances.

7. I shall inform the Company Secretary of DMPL of any changes in the abovementioned information within five days from its occurrence.

Done this 19 of June 2019 in Singapore.

SINGAPORE
1 Apr 2019 – 31 Mar 2020
N2019/0315
Tan Mary
NOTARY PUBLIC

REPUBLIC OF SINGAPORE
NOTARY PUBLIC

YVONNE GOH
Affiant

attached/underlying document.

MANAGEMENT REPORT

I. BUSINESS AND GENERAL INFORMATION

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. 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 operating subsidiaries are principally engaged in growing, processing and selling packaged fruits, vegetable and tomato, fresh pineapples, sauces, condiments, pasta, broth and juices, mainly under the brand names of *Del Monte, S&W*, *Today's*, *Contadina*, *College Inn* and other brands. The Company's subsidiaries also produce and distribute private label food products.

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 and 15 December 2017, the Series A-1 and Series A-2 Preference Shares of the Company were listed on the PSE, respectively.

Subsidiaries

A subsidiary is considered significant, as defined under the SGX-ST Listing Manual, if its net tangible assets represent 20% or more of the Company and its subsidiaries' (the "**Group**") consolidated net tangible assets, or if its pre-tax profits account for 20% or more of the Group's consolidated pre-tax profits.

The details of the Company's subsidiaries and their principal activities, as of 30 April 2019, are as follows:

Name of subsidiary	Date of Incorporation	Principal activities	Place of incorporation	Effective equity held by the Group
Held by the Issuer				
Del Monte Pacific Resources Limited ("**DMPRL**")	21 Dec 1990	Investment holding	British Virgin Islands	100.00%
DMPL Management Services Pte Ltd	29 Apr 1999	Providing administrative support and liaison services to the Group	Singapore	100.00%
GTL Limited	9 Mar 1998	Trading food products mainly under the brand name *"Del Monte"* and buyer's own labels	Federal Territory of Labuan, Malaysia	100.00%
DMPL Foods Limited ("**DMPLFL**")	11 Dec 2013	Investment holding	British Virgin Islands	Approximately 89.43%
DMPL India Pte Ltd ("**DMPLI**")	29 Mar 2004	Investment holding	Singapore	100.00%
S&W Fine Foods International Limited ("**S&W**")	12 Nov 2007	Owner of the *"S&W"* trademark in Asia (excluding Australia and New Zealand), the Middle East, Western Europe, Eastern Europe, Africa, and a license to use "*S&W*" in Western Europe. Sale and distribution of food products under *"S&W"*.	British Virgin Islands	100.00%
Held by DMPRL				
Central American Resources, Inc. ("**CARI**")	16 Dec 1971	Investment holding	Panama	100.00%

Name of subsidiary	Date of Incorporation	Principal activities	Place of incorporation	Effective equity held by the Group
Dewey Limited ("**Dewey**") (a)	13 Dec 1990	Owner of trademarks in various countries; investment holding	Bermuda	100.00%
Held by DMPLFL				
Del Monte Foods Holdings Limited ("**DMFHL**")	11 Nov 2013	Investment holding	British Virgin Islands	Approximately 89.43%
Held by DMPLI				
DMPL India Limited	12 Aug 2004	Investment holding	Mauritius	Approximately 94.94%
Held by S&W				
S&W Japan Limited	24 April 2017	Support and marketing services for S&W	Japan	100.00%
Held by CARI				
Pacific Brands Philippines, Inc.	1 Jul 1935	Inactive	State of Delaware, U.S.A.	100.00%
Del Monte Philippines, Inc ("**DMPI**")	11 Jan 1926	Growing, processing and distribution of food products mainly under the brand name *"Del Monte"*	Philippines	100.00%
South Bukidnon Fresh Trading, Inc.	20 Jun 2014	Growing, packing and sale and export of fresh produce	Philippines	100.00%
Held by Dewey				
Dewey Sdn Bhd	5 Oct 2009	Owner of the *"Del Monte"* and *"Today's"* trademarks in the Philippines	Malaysia	100.00%
Held by DMPI				
Philippines Packing Management Service Corporation	18 Jun 2007	Management, logistics and support services	Philippines	100.00%
Del Monte Txanton Distribution, Inc. (b)	7 Jan 2015	Distribution of food products	Philippines	40.00%
Held by DMFHL				
Del Monte Foods Holdings II, Inc. ("**DMFHII**")	15 Mar 2018	Investment holding	State of Delaware, U.S.A.	Approximately 89.43%
Held by DMFHII				
Del Monte Foods Holdings, Inc. ("**DMFHI**")	2 Jun 2014	Investment holding	State of Delaware, U.S.A.	Approximately 89.43%
Held by DMFHI				
Del Monte Foods, Inc ("**DMFI**")	16 Sep 2013	Owner of *"Del Monte"* trademarks, and the DMFI Consumer Food Business in the U.S. and South America; and investment holding	State of Delaware, U.S.A.	Approximately 89.43%

Name of subsidiary	Date of Incorporation	Principal activities	Place of incorporation	Effective equity held by the Group
Held by DMFI				
Sager Creek Foods, Inc. (formerly Vegetables Acquisition Corp.)	24 Feb 2015	Inactive	State of Delaware, U.S.A.	Approximately 89.43%
Hi-Continental Corp.	15 Jul 1959	Lessee of real property	State of California, U.S.A.	Approximately 89.43%
College Inn Foods	17 Jul 1958	Inactive	State of California, U.S.A.	Approximately 89.43%
Del Monte Colombiana S.A.	27 Oct 1999	Manufacturing, processing and distributing food, beverages and other related products	Colombia	Approximately 73.31%
Contadina Foods, Inc	26 Jan 1998	Inactive	State of Delaware, U.S.A.	Approximately 89.43%
Industrias Citricolas de Montemorelos, S.A. de C.V. (ICMOSA)	1 Nov 1974	Manufacturing, processing and distributing food, beverages and other related products	Mexico	Approximately 89.43%
S&W Fine Foods, Inc.	26 Feb 2001	Inactive	State of Delaware, U.S.A.	Approximately 89.43%
Del Monte Andina C.A. ("**DM Andina**")	16 Jul 1998	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	-
Del Monte Peru S.A.C.	18 Jan 2000	Distribution of food products	Peru	Approximately 89.43%
Del Monte Ventures, LLC ("**DM Ventures**")	19 June 2017	Investment holding	State of Delaware, U.S.A.	Approximately 89.43%
Del Monte Ecuador DME C.A.	10 Feb 2000	Distribution of food, beverages and other related products	Ecuador	Approximately 89.43%
Held by DM Andina (Venezuela)				
Del Monte Argentina S.A.	22 Sep 2000	Inactive	Argentina	-
Held by DM Ventures				
Del Monte Avo, LLC	21 June 2017	Development, production, marketing, sale and distribution of UHP avocado products	State of Delaware, U.S.A.	Approximately 45.61%
Del Monte Chilled Fruit Snacks, LLC	21 June 2017	Development, production, marketing, sale and distribution of processed refrigerated fruit products	State of Delaware, U.S.A.	Approximately 45.61%

(a) On 30 April 2019, the Board of Directors of CARI approved the transfer of its outstanding shares in Dewey, as well as all rights, title and interest attributed thereto, to DMPRL.

(b) In its special meeting held on 22 April 2019, DMTDI's board of directors approved the dissolution and liquidation of DMTDI by shortening its corporate term to 30 April 2019.

MARKET PRICE INFORMATION

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 in 2013, making DMPL the first entity to be dual-listed on the SGX-ST and the PSE.

The Company's share price highlights for its Ordinary Shares for the past three years are as follows:

Year	Quarter	PSE (PHP)		SGX (SGD)	
		High	Low	High	Low
2019	2Q 2019	6.18	5.30	0.154	0.116
	1Q 2019	6.85	6.00	0.154	0.123
2018	4Q 2018	7.45	6.32	0.188	0.117
	3Q 2018	8.27	6.56	0.195	0.171
	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

On 7 April 2017 and 15 December 2017, the Company also 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 for the past years are as follows:

<u>Series A-1 Preference Shares:</u>

Year	Quarter	PSE (USD)	
		High	Low
2019	2Q 2019	10.40	10.00
	1Q 2019	10.40	10.00
2018	4Q 2018	10.70	10.00
	3Q 2018	10.32	10.00
	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
2019	2Q 2019	10.40	10.00
	1Q 2019	10.20	10.00
2018	4Q 2018	10.26	9.70
	3Q 2018	10.26	9.80
	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) 10,000,000 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 2019 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	68,825,614	3.54%
5	BNP Paribas Noms Spore Pl	49,960,390	2.57%
6	Raffles Nominees(Pte) Limited	38,273,396	1.97%
7	Government Service Insurance System	16,489,237	0.85%
8	Wee Poh Chan Phyllis	16,296,000	0.84%
9	Citibank Noms Spore Pte Ltd	10,350,234	0.53%
10	United Overseas Bank Nominees P L	8,540,180	0.44%
11	Banco De Oro - Trust Banking Group	8,439,666	0.43%
12	Joselito Jr Dee Campos	7,621,466	0.39%
13	HSBC (Singapore) Nominees Pte Ltd	6,866,919	0.35%
14	Pineapples of Malaya Private Limited	6,432,000	0.33%
15	Saw Paik Peng	6,363,800	0.33%
16	COL Financial Group, Inc.	6,221,148	0.32%
17	OCBC Securities Private Ltd	5,395,185	0.28%
18	Maybank Kim Eng Securities Pte.Ltd	4,486,011	0.23%
19	IGC Securities Inc.	4,358,784	0.22%
20	UOB Kay Hian Pte Ltd	3,928,100	0.20%
	Subtotal (Top 20 Stockholders)	**1,755,546,628**	**90.31**
	Others	188,413,396	9.69
	Total Outstanding	**1,943,960,024**	**100.00**

b. Series A-1 Preference Shares

Rank	Name	No. of Shares	%
1	BDO Securities Corporation	6,983,750	34.92%
2	China Banking Corporation - Trust Group	4,202,580	21.01%
3	Banco De Oro - Trust Banking Group	3,598,990	17.99%
4	Citibank N.A.	3,258,670	16.29%
5	PNB Trust Banking Group	1,428,910	7.14%
6	Sterling Bank of Asia Trust Group	246,310	1.23%
7	Armstrong Securities Inc	50,450	0.25%
8	Wealth Securities Inc	45,850	0.23%
9	China Bank Securities Corp	45,330	0.23%
10	First Metro Securities Brokerage Corp	22,520	0.11%
11	Astra Securities Corporation	22,290	0.11%
12	BPI Securities Corporation	20,370	0.10%
13	Eastwest Banking Corporation - Trust Division	19,490	0.10%
14	Luis F Alejandro	15,000	0.08%
15	Parag Sachdeva	15,000	0.08%
16	Philippine Equity Partners Inc	13,600	0.07%
17	Ignacio Carmelo O Sison	8,000	0.04%
18	AP Securities Incorporated	2,890	0.01%
	Total Outstanding	**20,000,000**	**100.00**

c. Series A-2 Preference Shares

Rank	Name	No. of Shares	%
1	BDO Securities Corporation	2,643,660	26.44%
2	China Banking Corporation - Trust Group	2,180,590	21.81%
3	Citibank N.A.	1,643,090	16.43%
4	Banco De Oro - Trust Banking Group	1,440,120	14.40%
5	PNB Trust Banking Group	1,183,020	11.83%
6	Philippine Equity Partners Inc	218,260	2.18%
7	United Coconut Planters Life Assurance Corporation	190,000	1.90%
8	Eastwest Banking Corporation - Trust Division	132,390	1.32%
9	First Metro Securities Brokerage Corp	119,550	1.20%
10	Sterling Bank of Asia Trust Group	59,000	0.59%
11	Wealth Securities Inc	48,430	0.48%
12	BPI Securities Corporation	38,330	0.38%
13	China Bank Securities Corp	36,520	0.37%
14	MBTC - Trust Banking Group	12,960	0.13%

15	Astra Securities Corporation	12,900	0.13%
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	6,880	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

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.

Dividends on Ordinary Shares

The Company's dividend payment policy for Ordinary Shares has been to distribute a minimum of 33% of full year profit. The holders of Ordinary Shares are entitled to receive dividends, as declared from time to time, after dividends of Preference Shares are paid.

For fiscal year 2019, the Company declared 50% of its full year profit as dividends to holders of Ordinary Shares. For fiscal year 2018, the Company did not declare dividends 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.

Dividends on Preference Shares

The holders of Preference 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 Company.

In April 2019, the Company paid dividends for the six-month period from 8 October 2018 to 7 April 2019 to: (a) 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; and (b) holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.325 per Series A-2 Preference Share for the six-month period.

In October 2018, the Company paid dividends for the six-month period from 7 April 2018 to 7 October 2018 to: (a) 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; and (b) holders of Series A-2 Preference Shares at the fixed rate of 6.5% per annum, or equivalent to US$0.325 per Series A-2 Preference Share for the six-month period.

The Company endeavors to pay dividends to its shareholders 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.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

The following comprises the Company's Board of Directors:

Name	Age	Citizenship	Position
Rolando C. Gapud	77	Filipino	Executive Chairman and Executive Director
Joselito D. Campos, Jr.	68	Filipino	Executive Director

Edgardo M. Cruz, Jr.	64	Filipino	Executive Director
Benedict Kwek Gim Song	72	Singaporean	Lead Independent Director
Godfrey E. Scotchbrook	73	British	Independent Director
Dr. Emil Q. Javier	78	Filipino	Independent Director[1]
Yvonne Goh	66	Singaporean	Independent Director

The following comprises the Group's Senior Management:

Name	Age	Citizenship	Position
Joselito D. Campos, Jr.	68	Filipino	Managing Director and CEO
Luis F. Alejandro	65	Filipino	Chief Operating Officer
Ignacio C. O. Sison	55	Filipino	Chief Corporate Officer
Parag Sachdeva	49	Indian	Chief Financial Officer
Antonio E.S. Ungson	47	Filipino	Chief Legal Counsel and Chief Compliance Officer, and Company Secretary
Ruiz G. Salazar	55	Filipino	Chief Human Resource Officer
Ma. Bella B. Javier	59	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.

Mr Rolando C Gapud
Executive Chairman, 77
Appointed on 20 January 2006 and last re-elected on 30 August 2017

Mr Rolando C Gapud has over 45 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 Del Monte Foods, Inc, DMPL's US subsidiary, and Executive Chairman of Del Monte Philippines, Inc, DMPL's Philippine 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 of 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.

Mr Joselito D Campos, Jr
Executive Director, 68
Appointed on 20 January 2006 and last elected on 28 April 2006

Mr Joselito D Campos, Jr is Chairman and CEO of the NutriAsia Group of Companies, a major food conglomerate in the Philippines. He is also Chairman of Fort Bonifacio Development Corp and Chairman of Ayala-Greenfield Development Corp, two major 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 Del Monte Foods, Inc, DMPL's US subsidiary, and a Director of Del Monte Philippines, Inc, DMPL's Philippine subsidiary. He is also a Director of FieldFresh Foods Private Ltd, a joint venture of the Company with the Bharti Group of India. He was formerly Chairman and CEO of United Laboratories, Inc and its regional subsidiaries and affiliates. Unilab is the Philippines' largest pharmaceutical company with substantial operations in the Asian region. Mr Campos is the 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.

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

Mr Edgardo M Cruz, Jr
Executive Director, 64
Appointed on 2 May 2006 and last re-elected on 17 August 2018

Mr Edgardo M Cruz, Jr is a member of the Board of the NutriAsia Group of Companies. Mr Cruz is a Director of Del Monte Foods, Inc, DMPL's US subsidiary, and an Executive Director of Del Monte Philippines, Inc, DMPL's Philippine subsidiary. He is the Chairman of the Board of Bonifacio Gas Corporation, Bonifacio Water Corporation, Bonifacio Transport Corporation and Crescent West Development 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.

Mr Benedict Kwek Gim Song
Lead Independent Director, 72
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 Del Monte Foods, Inc, DMPL's US 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 programme at Columbia University in the United States.

Mr Godfrey E Scotchbrook
Independent Director, 73
Appointed on 28 December 2000 and last re-elected on 17 August 2018

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 Del Monte Foods, Inc, DMPL's US subsidiary. Mr Scotchbrook earned his DipCam PR having studied Media and Communications at City University, London.

Dr Emil Q Javier
Independent Director, 78
Appointed on 30 April 2007 and last re-elected on 30 August 2016

Dr Emil Q Javier is a Filipino agronomist with a broad understanding of developing country agriculture. 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), a global consortium led by the World Bank and the Food and Agriculture Organization of the United Nations (FAO). He was Director General of the Asian Vegetable Research and Development Center (AVRDC) based in Taiwan and has served as Chairman of the Board of International Rice Research Institute (IRRI), and as Chairman and Acting Director of the Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA). In the Philippines at various periods, he had been President of the University of the Philippines, Minister for Science and Technology and President of the National Academy of Science and Technology, Philippines (NAST PHL). In May 2019, he was elected by his peers in NAST as a National Scientist, the highest honour conferred by the President of the Philippines to a Filipino in the field of science and technology. Dr Javier is an Independent Director of Del Monte Foods, Inc, DMPL's US subsidiary, and of Del Monte Philippines, Inc, DMPL's Philippine subsidiary, and is an Independent Director of Philippine-listed Centro Escolar University. He holds doctorate and master's degrees in plant breeding and agronomy from Cornell University and University of Illinois at Urbana-Champaign, respectively. He completed his bachelor's degree in agriculture at the University of the Philippines Los Baños.

Mrs Yvonne Goh
Independent Director, 66
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 a Public Character (IPC), assisting at-risk-kids and the elderly through equine-assisted learning and therapy. She also serves on the Board of Del Monte Foods, Inc, DMPL's US subsidiary. Mrs Goh was previously Managing Director of the KCS Group in Singapore, a professional services organisation and Managing Director of Boardroom Limited, a company listed on the SGX. Mrs Goh had served on the Board of WWF Singapore Limited, the Singapore chapter of WWF International, a leading global NGO. She was 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
Chief Operating Officer

Mr Luis F Alejandro has over 30 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 then became President and Chief Operating Officer of ABS-CBN Broadcasting Corporation, a leading media conglomerate in the Philippines. Mr Alejandro is a Director of Del Monte Foods, Inc, DMPL’s US subsidiary, and Del Monte Philippines, Inc, DMPL’s Philippine 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 Bachelor’s degree in Economics from the Ateneo de Manila University and an MBA from the Asian Institute of Management.

Ignacio C. O. Sison
Chief Corporate Officer

Mr Ignacio C O Sison is DMPL’s Chief Corporate Officer responsible for 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 nearly 30 years of experience spanning corporate and strategic planning, financial planning, treasury, controllership, corporate sustainability, risk management and investor relations. Before joining Del Monte Pacific, he was CFO of Macondray and Company, Inc, then DMPL’s parent company, for three years. Amongst others, 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
Chief Financial Officer

Mr Parag Sachdeva has 25 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 programmes across the 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
Chief Legal Counsel, Chief Compliance Officer, and Company Secretary

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

Ruiz G. Salazar
Chief Human Resource Officer

Mr Ruiz G Salazar is a Human Resources and Organisation 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, organisation 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 Organisation 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
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, with her last assignment as the Director for Asia Pacific Beverage Technology and Southeast Asia Development. In her present role, she heads the Consumer Product and Packaging Development and the Quality Assurance functions for the Group. She is driving the Technology Development roadmap for the Company, including plantation research programmes 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 sits in the Board of Trustees 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 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.

INDEPENDENT PUBLIC ACCOUNTANT AND EXTERNAL AUDIT 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 2019. 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 2019.

(c) The aggregate annual external audit fees billed for each of the last two 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:

	FY2019 U.S.$	FY2018 U.S.$
1. Audit, other Assurance and Related Fees	345,240	340,162
2. Tax Fees	-	-

During the Company’s two 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 first 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 (the "**ARC**") 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.

II. FINANCIAL INFORMATION

As of the fiscal year ended 30 April 2019

The financial statements of the Group as of 30 April 2019 are attached and incorporated herein by reference.

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

Review of Operating Performance for FY2019 vs FY2018

Sales

DMPL generated sales of US$2.0 billion in FY2019, lower by 11% versus the prior year as higher sales in S&W in Asia were offset by lower sales in the United States, Philippines and Europe.

USA

DMPL's US subsidiary, Del Monte Foods, Inc (DMFI), generated sales of US$1.4 billion or 73% of Group sales, lower by 14% versus prior year due to the divestiture of the Sager Creek vegetable business in September 2017, and lower volume of retail branded products due to price increase and reduced promotional spend. There was also a decline in non-branded products which was in line with DMFI's strategy, partially offsetting lower retail trade spend.

DMFI maintained its leading market share position for the full year in canned vegetable and fruit. Business fundamentals remain on solid ground with strong shelving, new innovation and sustained marketing investments.

Strong Market Position in Key Categories in the USA			
Products	**Market Share**	**Market Position**	**Brands**
Canned Vegetable	29.4%	#1	Del Monte
Canned Fruit	37.8%	#1	Del Monte
Fruit Cup Snacks	31.1%	#2	Del Monte
Canned Tomato*	8.4%*	#2	Del Monte, S&W, Contadina

Canned market shares are for branded only, ex-private labels
**Combined share for Del Monte, S&W and Contadina brands*
Source: Nielsen Scantrack dollar share, Total US Grocery + WalMart, 12M ending 27 April 2019

Campaigns

A new, integrated master brand campaign "Growers of Good" was launched in September 2018 promoting Del Monte as an advocate for doing what is good – Del Monte nurtures Earth's goodness today to grow a healthier and more hopeful tomorrow. Bibie Wu, DMFI's Chief Marketing Officer said, "Growers of Good tells multiple stories about our product line. It will feel very big because it will have the scale of an effective campaign, but also be able to highlight different parts of our portfolio".

DMFI relaunched the *Contadina* brand with national marketing support. In 2018, *Contadina* celebrated its 100th Anniversary. To honour its 100-year-history of being in the kitchen of confident female cooks, *Contadina* – which is Italian for "woman in the field" – celebrated 100 years of women in the culinary field. As part of the programme, *Contadina* partnered with Cherry Bombe, a bi-annual magazine that champions women and food, for the launch of The Cherry Bombe 100, its inaugural list of 100 women who are making unique and lasting contributions to the food industry.

New Products - Retail

Three 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. This won the 2017 Product of the Year Award in the Healthy Snacking category in the USA. Two years ago, DMFI expanded the adult fruit cup snacking segment with the launch of *Del Monte Fruit & Chia,* combining fruit with wholesome chia. Nearly 50% of US food consumption is in snacking, hence, the exciting potential in the fruit cup segment.

DMFI's thrust on innovation accelerated in FY2019 with entry into new categories. Following the success of *Del Monte Fruit Refreshers* and *Del Monte Fruit & Chia*, DMFI entered a new segment with the launch of innovative *Del Monte Fruit & Oats* in June 2018. It is the first shelf stable ready-to-eat oatmeal item combining healthy fruit and wholesome oats in a cup, is delicious, filling as well as convenient for breakfast and snack. *Del Monte Fruit & Oats* was voted 2019 Product of the Year in the Breakfast category in the USA, backed by votes of 40,000 consumers in a national representative survey, conducted by research firm Kantar, a global leader in consumer research.

In synch with trends for health, snacking and convenience, and to diversify beyond the declining centre-of-store canned goods aisle, Del Monte introduced four products in the growing refrigerated produce and frozen categories - *Del Monte Citrus Bowls*, *Del Monte Fruit Crunch Parfaits*, *Del Monte Veggieful Bites* and *Contadina Pizzettas*.

DMFI launched *Del Monte Citrus Bowls* in the refrigerated produce section in February 2019. These are grapefruit and citrus salad in 100% juice with a longer shelf life than fresh cut fruit, and without any preservatives. Del Monte entered a new category and introduced, *Del Monte Fruit Crunch Parfaits*, which feature layers of non-dairy coconut crème, crunchy granola, a full serving of fruit, plus two billion probiotics to aid digestive health.

Del Monte's first foray into the frozen segment was through *Del Monte Veggieful Bites* and *Contadina Pizzettas*, frozen snacks made with cauliflower crust, with no artificial flavours or preservatives. Both of these come with a full serving of vegetable in five bites, making eating vegetables easier and crave-worthy! "With *Veggieful Bites*, we set out to create a healthy snack with vegetables as the primary ingredient," said DMFI's CEO Gregory Longstreet. "In fact," he adds, "we are the only brand in the frozen snack space that can list vegetables as the largest ingredient in the recipe, with veggies in the filling and the dough. This meets consumers' desire for quick, convenient, delicious snacks that are wholesome and nutritious."

New Products - Foodservice

For the foodservice channel, DMFI also entered new product categories with *Riced Cauliflower* and other vegetables with broadly positive industry reception. These are pre-cut, recipe ready vegetables which provide easy and tasty alternative to high carbohydrate-sides. Del Monte is the first national player in this rapidly-growing new category. Items are now stocked nationally throughout the United States.

One foodservice operator, Clean Eatz (with over 50 locations) offers as an alternative to rice to provide healthy menu options. Its commissary prepares contracted meals sold through Gold's Gym as well. Selection was based on Del Monte's higher quality and consistency versus the fresh products in the market.

Del Monte Nice Fruit Fresh Frozen Pineapple from the Philippines had also been placed within the College and University segment in the USA at Stanford University as well as University of California Davis. With the patented Nice Fruit freezing technology, frozen pineapple retains cellular integrity and when thawed, retains fresh-quality colour, taste and texture.

DMFI introduced grab-and-go singles for foodservice and vending operators. These are single-serve fruit cups with 'sporks' in the lid, for convenient snacking on the go perfect for college students. Aramark is a contract foodservice management company. Del Monte placed its Adult Fruit Cup singles with Aramark's college and university division and initial shipment will put the cups into 500 locations across the USA.

Response was positive from distributors and operators, especially on the *Del Monte Fruit Crunch Parfaits*, due to the micro-mart need for diverse offerings and extended shelf life.

DMFI's foodservice team has also realigned and reinforced its relationship with Vistar, the leading nationwide distributor for Vending, Concessions and Hospitality. Its partnership with Vistar is expected to increase the availability of its products to operators across the USA.

DMFI's foodservice teams are focusing efforts and Broker attention on key channels where it has the strongest opportunity to succeed: College and University, Healthcare and Lodging channels. Del Monte product benefits (branded quality, healthy ingredients, labour solutions, grab and go snacking occasions) resonate most with the needs of these channels, and these operators are drawn to Del Monte's new innovative products.

Cross-selling

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. It has also introduced its *Contadina* sauces and *College Inn* broth to certain markets in Asia.

Philippines

The Philippine market sales in FY2019 were US$307.8 million, down 4.2% and 8.0% in peso and US terms, respectively. Decline was mainly in the general trade and mixed fruit categories as a result of operational issues and distributor transition. Decline in sales was further driven by unfavourable sales mix and higher direct promotion spending. These were partly offset by price increases implemented across several categories in line with inflation.

Specific to distributor operations, FY2019 was a year of transformation as the Group worked to upgrade operations and processes. As some of its legacy distributors have lagged in terms of modernisation required, the Group felt it necessary to transition out of these distributors and replace them with those that could support the level of expansion that the Group expects, particularly in a fast-changing, highly competitive environment. While the transition impacted Philippine market sales in FY2019, the Group believes it will help set up a stronger base for future growth. Improvements are expected to be seen beginning in the first quarter of FY2020.

Despite operational issues, DMPL continues to lead in market share position in most categories it competes in.

Market Leader in Various Categories in the Philippines			
Products	**Market Share**	**Market Position**	**Brands**
Packaged Pineapple	85.3%	#1	
Canned Mixed Fruit[1]	70.3%	#1	
Canned and Carton RTD Juices	83.1%	#1	
Tomato Sauce	82.9%	#1	
Spaghetti Sauce[2]	39.3%	#1	

[1]Combined share for Del Monte and Today's brands
[2]Combined share for Del Monte, Today's and Contadina brands
Source: Nielsen Retail Index, 12M to April 2019

Some of the highlights for the Philippine retail market in FY2019 were the following:

- Expanded successful 1-litre carton packaging format to the *Del Monte 100% Pineapple Juice* line as Filipinos' way of building their immunity (ACE variant), detoxify daily (Fibre-Enriched variant) or manage cholesterol (Heart Smart variant) in a more affordable and convenient format.
- Drove continued improvements in consumption metrics for its base Tomato-Based Sauces category behind impactful campaigns and relevant in-trade value packs, even as we expanded *Del Monte* Culinary's footprint amongst working moms via *Del Monte Quick 'n Easy* and amongst millennials and culinary hobbyists behind *Contadina's* Gourmet Made Easy campaign.
- Penetrated Culinary Schools with sampling and school partnerships with Contadina.

- Continued to build consumption for *Del Monte Pineapple* behind a successful national ad campaign, bannering preference for Pina-Adobo amongst 3 out of 4 kids, even as we worked to improve consumption in Visayas and Mindanao with a Sweet & Sour Fish recipe highlight.
- Expanded beyond traditional media with a stronger push on digital, collaborating heavily with Facebook and Google on hackathons, training and executions.
- Recognition received include the following: being one of only 3 food and beverage brands in the Campaign Asia Pacific Top 20 Brands in the Philippines, as well as PANAta Awards for Excellence in Marketing Innovation (Silver), Excellence in Brand Positioning (Bronze) (please also refer to the Awards section).

Foodservice sales in the Philippines remained strong, 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, and supplies Greenwich, the Philippines' largest pizza chain, with all their pineapple tidbits requirements. Moreover, *Del Monte 100% Pineapple Juice* is available in all of Cebu Pacific's flights, while it continues to supply Philippine Airlines for all their international flights.

The Group will continue to drive dispenser juice and condiments sachet expansion to grab opportunities in convenience stores as emerging channel for ready-to-eat meals amongst young, urban professionals. It will expand portfolio range via ready-to-eat recipe ideations with convenience store commissaries.

S&W in Asia

Sales of the S&W business in Asia reached US$115.4 million in FY2019, 9% higher than the US$106.1 million in FY2018, a record for this brand since the Group acquired it in 2007. The fresh segment accounted for 79% of S&W's total sales, while the packaged segment accounted for the balance 21%.

Improved sales were driven by the robust 19% growth of the *S&W Sweet 16* fresh pineapple mainly in China on the back of increased distribution of fresh pineapple in Tier 1-3 cities.

However, the packaged segment's sales were lower mostly in Turkey, Korea and Indonesia. Turkey was impacted by currency devaluation and political instability, while North Asia suffered from increased competition from cheaper canned pineapple products from Thailand and Indonesia, partly offset by new customers.

The Group's Nice Fruit joint venture, utilising patented technology that allows fruits to be picked at their optimal ripeness and frozen for up to 3 years, while preserving its nutrients and original properties, successfully launched frozen pineapple spears in 7-Eleven stores in Japan in June 2018. These are produced in Bukidnon, Philippines. Individually packaged and known as *Pineapple Stick*, it is positioned as an on-the-go healthy snack placed in the store's chiller section. The joint venture followed this with the launch of frozen pineapple chunks called *Golden Pineapple* in the same convenience store chain in November.

FieldFresh India (equity accounted)

Sales at FieldFresh Foods, our Indian joint venture (JV), which are equity accounted and not consolidated, were US$77.5 million in FY2019, 10% and 2% higher in rupee and US$ terms, respectively, versus prior year. US$69.3 million came from the *Del Monte*-branded packaged segment and US$8.2 million from the *FieldFresh*-branded fresh segment.

The *Del Monte* business in India was up 12% in rupee terms on continued product innovation, as well as trade, marketing and digital campaigns.

Tapping into the growing consumer trend for healthier snacking alternatives amongst young working adults, Del Monte extended its dried fruit range, adding variants like *Dried Cherries, Cherry Berry Mix* and *Nutty Cruiser Trail Mix*. The latter is a delicious and healthy blend of almonds, cashews, dried cranberries and black raisins. Del Monte also started working with fitness and running communities to promote this range and an overall healthier lifestyle.

October saw the relaunch of *Del Monte* gourmet pasta sauces. The range was revamped to include two tomato-based sauces, *Napoletana* & *Puttanesca,* and one vegetarian *Alfredo* sauce with real cheese (a first for the Indian market). Also, in line with its desire to move to cleaner products and labels, these sauces contain no added preservatives, making *Del Monte* the only brand to offer preservative-free pasta sauces in India.

The year also saw Del Monte introduce a range of low unit priced-SKUs like Mayonnaise 80g and Tomato Ketchup 200g to expand its presence in traditional trade outlets in India. On the back of these introductions, Del Monte managed to increase its distribution in top metros like Delhi and Mumbai by 20%.

Del Monte joined Aahar, India's largest B2B food exhibition in New Delhi with 100,000+ footfalls overs 5 days and with 10,000+ visits to the Del Monte stall.

FieldFresh sustained its positive EBITDA, growing by double-digit, while DMPL's share of loss in the FieldFresh joint venture in India was lower at US$0.1 million from US$0.3 million in the prior year on higher sales and margins.

Gross Profit and Margin

DMPL generated a gross profit of US$395.0 million, lower by 9% versus the prior year, while gross margin increased to 20.2% from 19.7% in the same period last year.

DMFI's gross margin increased to 16.4% from 15.0% driven by lower trade spend, increase in retail list prices, higher USDA pricing and favourable sales mix, partially offset by higher costs.

DMPL ex-DMFI gross margin was 27.3% from 30.4% due to lower, cyclical pineapple juice concentrate pricing, unfavourable sales mix and higher product costs. These were partly offset by price increases in the Philippine market in line with inflation.

EBITDA and Net Profit

DMPL generated an EBITDA of US$143.7 million of which US$52.5 million came from DMFI and US$87.9 million from DMPL ex-DMFI. DMPL's EBITDA improved by 40.5% due to a net one-off gain of US$4.5 million in FY2019 versus a net one-off expense of US$48.5 million in the prior year.

As part of the Group's strategy to improve operational excellence and streamline operations, DMFI divested its underperforming Sager Creek vegetable business in FY2018. This resulted in incremental one-off expenses for the year ended. Please refer to the table below for the schedule of one-off items.

Non-Recurring Expense/(Income) (in US$m)	FY2018	FY2019	Booked under
Closure of plants[1]	55.1	6.2	CGS, G&A and other income /expense
Gain due to loan purchase[2]	(33.6)	(16.7)	Interest income
Severance and others	7.6	6.2	G&A expense and other income/ expense
Total expense/(income) (pre-tax basis)	**29.1**	**(4.3)**	
Write-off of Deferred Tax Asset at DMFI	39.8[3]	-	Tax expense
Total (net of tax and non-controlling interest of 10.6%)	**48.5**	**(4.5)**	

[1]As part of its multiyear restructuring project to streamline operations and improve profitability, the Group closed two plants in the US in FY2018-2019.

[2]Please refer to the "Cash Flow and Debt" section in the next page for the purchase of 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$156.1 million, 5% lower versus the recurring EBITDA of US$165.0 million in the prior year. DMFI contributed an EBITDA of US$64.9 million, higher by 21% mainly from lower marketing and general and administrative (G&A) expenses while DMPL ex-DMFI generated an EBITDA of US$87.9 million, lower by 17% due to reduced sales in the Philippines.

The Group reported a net income of US$20.3 million for the full year, favourable compared to the prior year's net loss of US$36.5 million. Of the US$20.3 million of Group income, DMFI reported a loss of US$51.5 million while DMPL ex-DMFI reported a net income of US$41.9 million. This year's one-off adjustments from DMFI's continued restructuring initiatives and sale of Sager Creek were more than offset by the one-off gain worth US$16.7 million pre-tax or US$13.0 million post-tax from the additional purchase of US$105.5 million of DMFI's second lien loan at a discount in the secondary market. Total loans bought back including that of FY2018 amounted to US$231 million out of the total US$260 million.

Without the one-off items, the Group achieved a recurring net income of US$15.8 million as compared to last year's net income of US$12.0 million. DMFI had a recurring net loss of US$43.0 million from a loss of US$57.7 million in the prior year mainly due to lower sale of branded fruits and vegetables and sale of Sager residual inventory. However, DMFI's recurring loss was reduced versus prior year loss due to increased list price, lower trade promotion, marketing and G&A expenses. DMPL ex-DMFI had no one-off expenses and as such, its reported net income of US$41.9 million was also its recurring net income.

INVENTORIES

DMPL's inventories decreased to US$664.9 million as at 30 April 2019, from US$761.0 million as at 30 April 2018 mainly due to lower level of inventories in its USA subsidiary, DMFI.

CAPEX

Capital expenditures (capex) were US$121.6 million in FY2019, lower than the US$148.2 million in the prior year. DMFI accounted for US$21.7 million of Group capex in FY2019, lower than the US$37.3 million in FY2018 due to timing, while DMPL ex-DMFI's capex accounted for US$99.9 million, down from US$110.8 million in FY2018 due to lower spending on capital projects.

CASH FLOW AND DEBT

The Group's cash flow from operations in FY2019 was US$180.9 million, lower versus prior year's cash flow of US$357.0 million mainly driven by lower trade and other payables.

In FY2018, the Group purchased from certain lenders US$125.9 million worth of principal amount of DMFI's Second Lien Term Loans at a 30% discount to par value in the secondary market. In FY2019, the Group purchased an additional US$105.5 million bringing the total purchased loans to US$231.4 million out of US$260 million. The Second Lien Term Loans are the highest-interest bearing loans for DMFI with an interest rate of LIBOR or 1%, plus 7.25% (10.15% p.a. until 24 June 2019 and 9.47% thereafter) 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 over US$10 million per annum and savings from the purchase price discount for the Second Lien Term Loans. The one-off gain of US$16.7 million pre-tax or US$13.0 million post-tax booked in FY2019, and the US$33.6 million pre-tax or US$25.3 million post-tax booked in FY2018 was a result of principal savings given the purchase discount.

The Group's net debt (cash and bank balances less borrowings) amounted to US$1.46 billion as at 30 April 2019, slightly higher than the US$1.44 billion as at 30 April 2018 due to additional loans obtained during the year. This is just a timing difference to augment working capital needs.

Out of the total net debt of US$1.46 billion, DMFI accounted for US$823 million while DMPL ex-DMFI accounted for US$634 million.

The Group's net debt to equity ratio increased to 242% from 237% in the prior year.

DIVIDENDS

In October 2018 and April 2019, 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 2018 to 7 October 2018 and US$0.33125 for the six-month period 8 October 2018 to 7 April 2019. The Series A-1 Preference Shares were listed on the Philippine Stock Exchange on 7 April 2017.

In October 2018 and April 2019, respectively, 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$0.325 per Series A-2 Preference Share for the six-month period from 8 April 2018 to 7 October 2018 and US$0.325 for the six-month period 8 October 2018 to 7 April 2019. The Series A-2 Preference Shares were listed on the Philippine Stock Exchange on 15 December 2017.

Under the Company's Articles of Association and the terms of the Preference Shares, the Company may declare and pay dividends on Common Shares provided there are adequate and available funds for dividends on Preference Shares which have priority over Common Shares. Subject to the foregoing, the Board approved a final dividend of 0.52 US cents (US$0.0052) or 0.706 Singapore cents (S$0.00706) per share representing 50% of FY2019 net profit.

	For the fiscal year ended 30 April	
	2019	**2018**
Name of dividend	Final Ordinary	Final Ordinary
Type of dividend	Cash	Cash
Rate of dividend	**US$0.0052 per ordinary share**	**Nil**
Tax rate	Nil	Nil
Book closure date	12 July 2019	Nil
Payable date	19 July 2019	Nil

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the three months ended 30 April			For the year ended 30 April		
	FY2019	**FY2018**	**Comments**	**FY2019**	**FY2018**	**Comments**
Cost of Goods Sold	**81.1**	82.6	Driven by lower sales of DMPL ex-DMFI and release of inventory reserve for DMFI	**79.8**	80.3	Same as Q4
Distribution and Selling Expenses	**10.2**	10.1	Due to higher distribution and provision for doubtful accounts	**10.4**	10.1	Same as Q4
G&A Expenses	**3.5**	6.4	Lower personnel cost, lower facilities expense	**5.9**	7.4	Lower personnel cost, lower IT fees due to reversal of accruals from prior years; lower facilities expense
Other Operating Expenses	**-0.4**	2.9	Lower miscellaneous expense due to assets written off last year on closed plants	**-0.2**	0.8	Same as Q4

REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

in US$'000	For the full year ended 30 April			
	FY2019	FY2018	**%**	**Comments**
Depreciation and amortization	**(138,706)**	(147,845)	6.2	Mainly due to lower depreciation from lower asset base
Reversal/(Provision) of asset impairment	**(2,037)**	(24,534)	91.7	Impairment loss mainly on Sager Creek assets which was higher in FY2018
Reversal/(Provision) for inventory obsolescence	**(6,165)**	(21,823)	71.7	Due to reversal of provision
Provision for doubtful debts	**(2,646)**	(502)	(427.1)	Provided for doubtful accounts in Q4
Net gain/(loss) on disposal of fixed assets	**6,158**	11,317	(45.6)	Mainly on sale of Sager Creek assets from last year
Foreign exchange gain/(loss)- net	**394**	3,379	(88.3)	Lower favourable impact of peso devaluation for the year
Interest income	**18,125**	34,763	(47.9)	Due to one-off gain on second lien loan purchased at a discount in the secondary market from last year
Interest expense	**(96,958)**	(102,323)	5.2	Lower level of borrowings
Share in net loss of JV	**(983)**	(1,552)	(36.7)	FieldFresh losses was higher last FY2018 than in FY2019
Taxation	**13,524**	(14,844)	191.1	Write off of non-cash deferred tax assets of US$39.8m at DMFI, partially offset by DMFI's higher net operating loss from last year

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances	30 April 2019	30 April 2018	30 April 2017	Comments
in US$'000				
Deferred tax assets	**106,321**	79,829	92,786	Due to higher future tax benefits from loss carryforwards of DMFI
Other assets	**39,096**	41,223	27,112	Reclassification of receivable from sale of Sager Creek vegetable business to current assets
Biological assets	**54,002**	43,592	45,767	Favourable fair value adjustment in biological assets
Inventories	**664,922**	760,981	916,892	Lower inventory level at DMFI
Prepaid and other current assets	**36,176**	30,782	43,046	Due to increase in prepaid input VAT and downpayments to contractors in DMPI and higher prepaid slotting expense for DMFI.
Cash and cash equivalents	**21,636**	24,246	37,571	Due to repayments of payables, partially offset by better working capital management mainly on lower inventories
Other non-current liabilities	**30,015**	35,195	44,018	Lower workers compensation
Employee benefits– non-current	**63,781**	76,905	87,599	Due to lower employee retirement plan
Trade and other payables	**188,669**	263,026	299,545	Due to lower trade and accrued expenses

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-19	30-Apr-18	Benchmark
Current Ratio	**1.3**	**1.3**	**Minimum of 1.2**

Decrease in inventories was mainly due to lower level of inventories in its USA subsidiary, DMFI.

B. Debt to Equity

	30-Apr-19	30-Apr-18	Benchmark
Debt to Equity	**3.0**	**3.1**	**Maximum of 2.5**

The decrease in the debt to equity is mainly due to timing difference.

C. Net Profit Margin

	30-Apr-19	30-Apr-18	Benchmark
Net Profit/(Loss) Margin attributable to owners of the company	**1.04%**	**-1.66%**	**Minimum of 3%**

The Group generated a net profit margin of 1.04% for the full year of FY2019, largely favourable compared to prior year, due to significant expenses incurred due to plant closure losses and deferred tax asset write off incurred in FY2018.

D. Return on Asset

	30-Apr-19	30-Apr-18	Benchmark
Return on Asset	**0.59%**	**-2.04%**	**Minimum of 1.21**

The DMPL Group generated a return on asset of 0.59% for the full year of FY2019, largely favourable compared to prior year, due to significant expenses incurred due to plant closure losses and deferred tax asset write off incurred in FY2018.

E. Return on Equity

	30-Apr-19	30-Apr-18	Benchmark
Return on Equity	**2.36%**	**-8.40%**	**Minimum of 8%**

The DMPL Group generated a return on equity of 2.37% for the full year of FY2019, largely favourable compared to prior year, due to significant expenses incurred due to plant closure losses and deferred tax asset write off incurred in FY2018.

Material Changes in Accounts

A. Cash and cash equivalent

Due to repayments of payables, partially offset by better working capital management mainly on lower inventories

B. Inventories

Decrease in inventory is mainly due to lower inventory level at DMFI.

C. Prepaid and other current assets

Due to increase in prepaid input VAT and downpayments to contractors in DMPI and higher prepaid slotting expense for DMFI.

D. Biological assets

Due to favourable fair value adjustment in biological assets.

F. Deferred tax assets

Due to higher future tax benefits from loss carryforwards of DMFI.

G. Trade & Other Payables

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

H. Employee benefits– non-current

Due to lower employee retirement plan

I. Other noncurrent liabilities

Due to lower workers' compensation

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 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, 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.

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.

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.

Strong Market Position in Key Categories in the USA			
Products	**Market Share**	**Market Position**	**Brands**
Canned Vegetable	28.7%	#1	Del Monte
Canned Fruit	37.3%	#1	Del Monte
Plastic Fruit Cup	32.9%	#2	Del Monte
Canned Tomato*	8.9%*	#2	Del Monte, S&W, Contadina

Canned market shares are for branded only, ex-private labels
**Combined share for Del Monte, S&W and Contadina brands*
Source: Nielsen Scantrack dollar share, Total US Grocery + WalMart, 12M ending 28 April 2018

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.

Market Leader in Various Categories in the Philippines

Products	Market Share	Market Position	Brands
Packaged Pineapple	85.9%	#1	
Canned Mixed Fruit[1]	74.0%	#1	
Canned and Tetra RTD Juices	83.3%	#1	
Tomato Sauce	85.0%	#1	
Spaghetti Sauce[2]	42.9%	#1	

[1]*Combined share for Del Monte and Today's brands*
[2]*Combined share for Del Monte, Today's and Contadina brands*
Source: Nielsen Retail Index, 12M to April 2018

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, Inc.'s ("**DMPI**") growth of its juice dispensers, meal partnerships and customised products.

DMPI 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, DMPI's *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

Sales of the S&W business in Asia 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 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 Unibank, 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$357.0 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 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 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	**(21,823)**	(7,415)	(194.3)	Due to timing of the provision
Provision for doubtful debts	**(502)**	(791)	36.5	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**	4,238	(20.3)	Unfavourable impact of peso appreciation for the quarter
Interest income	**34,763**	491	nm	Due to one-off gain on second lien loan purchased at a discount in the secondary market.
Interest expense	**(102,323)**	(109,988)	7.0	Lower level of borrowings
Share in net loss of JV, (attributable to the owners of the Company)	**(1,552)**	(1,909)	18.7	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 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 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.

Supplementary Schedule of Financial Soundness Indicator

Ratio	Formula	30 April 2019	30 April 2018	30 April 2017
(i) Liquidity Analysis Ratios:				
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.3	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	0.2	0.3
(ii) Solvency Ratio	Total Assets / Total Liabilities	1.3	1.3	1.3
Financial Leverage Ratios:				
Debt Ratio	Total Debt/Total Assets	0.7	0.8	0.8
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	3.0	3.1	3.8
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	4.0	4.1	4.8
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	0.8	0.3	1.2
(v) Debt/EBITDA Ratios	Total Debt/ Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	12.5	18.6	11.2
(vi) Profitability Ratios				
Gross Profit Margin	Revenue - Cost of Sales / Revenue	20.21%	19.68%	21.97%

Ratio	Formula	30 April 2019	30 April 2018	30 April 2017
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Revenue	1.04%	(1.66)%	1.08%
Net Profit Margin	Net Profit / Revenue	0.73%	(2.32)%	0.88%
Return on Assets	Net Profit / Total Assets	0.59%	(2.04)%	0.72%
Return on Equity	Net Profit / Total Stockholders' Equity	2.36%	(8.40)%	3.44%

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 is realigning its business with those consumer trends over time. It will continue to strengthen its product offering and enter new categories, in line with market trends for health and wellness, snacking and convenience. Its plan focuses on business segments which are on-trend and will rationalize non-profitable businesses, in particular the non-branded segment. It will continue to to review its manufacturing and distribution footprint in the US to further improve operational efficiency, reduce costs and increase margins amidst expected cost headwinds including rising metal packaging prices and impact of tariffs imposed by the US. Certain one-off expenses can be expected in FY2020 from streamlining of operations.

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 shipments to the USA, Japan, China and South Korea. We expect Nice Fruit frozen pineapple to be a growth engine for us across all major geographies particularly US and China.

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 FY2020 on a recurring basis (without one-off items).

III. COMPLIANCE WITH LEADING PRACTICES ON CORPORATE GOVERNANCE

Evaluation System for Compliance

The Company is committed to the highest standards of corporate governance and supports the principles of openness, integrity and accountability advocated by the SGX-ST, which are similarly upheld by the PSE and the SEC.

The Board of Directors and Management are also committed to use their best endeavours to align the Company's governance framework with the recommendations of the 2012 Code of Corporate Governance issued on 2 May 2012 by the Monetary Authority of Singapore ("**MAS**") (the "**2012 Code**") and the SEC Code of Corporate Governance for Publicly Listed Companies which took effect on 1 January 2017 (the "**SEC CG Code**"), and for this purpose, have measured its practices and policies vis-a-vis the Singapore Governance and Transparency Index ("**GTI**") and the ASEAN Corporate Governance Scorecard ("**ACGS**"). In addition, the Board and Management are cognizant of the 2018 Code of Corporate Governance issued on 6 August 2018 by the MAS (the "**2018 Code**") and where possible, had voluntarily elected for early adoption of certain provisions as contained in the 2018 Code.

With the Company Secretary's assistance, the Board and Management are kept continually apprised of their compliance obligations and responsibilities arising from regulatory requirements and changes. The Company also has a team that monitors and determines level of compliance of all concerned on the requirements of the 2012 Code and the SEC CG Code, as well as the relevant regulatory authorities.

Measures Undertaken to Comply with Leading Practices on Good Corporate Governance

The Company adheres to the principles and guidelines set out in the 2012 Code and the SEC CG Code, where applicable, and has identified and explained areas of non-compliance in its Annual Report, as well as in its Integrated Annual Corporate Governance Report. The Company's Annual Report describes the Company's corporate governance policies and practices with specific reference made to each of the principles of the 2012 Code (where stated) in compliance with the Listing Manual of the SGX-ST. (Please see Corporate Governance section excerpted from the FY2019 Annual Report.)

In addition, to improve the Company's score in the GTI and the ACGS, and in compliance with the SEC CG Code, the Company has undertaken the following measures, among others:

a) The Company has adopted a Manual on Corporate Governance which contains the framework of principles and guidelines, all the policies implemented by the Group, and terms of reference that govern the performance by the Board and Management of their responsibilities, in a manner that serve both the corporate objectives and long-term interests of the Company's shareholders and other stakeholders.

b) The Company implements a Board Diversity Policy which recognizes the importance of diversity. The Board believes that its effectiveness and decision-making will be enhanced as it harnesses the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of its own diverse Board. The NGC is responsible for administering this policy and for evaluating it annually.

c) The Board shall be responsible for approving the selection and assessing Management's performance led by the Chief Executive Officer, and control functions led by their respective heads, Chief Risk Officer and the Chief Compliance Officer.

d) The Board has adopted a policy on acquisitions which states that the Company shall make a full, fair, accurate and timely disclosure to the public of any event that has a material impact on the Company and its business, including, but not limited to, the acquisition or disposal of significant assets which could adversely affect the viability of the Company or the interest of its shareholders and other stakeholders.

e) The Board annually reviews the Company's vision, mission and strategy.

f) The NGC undertakes the process of identifying the quality of directors aligned with the Company's strategic directions. The NGC evaluates the suitability of a prospective candidate based on his or her qualification and experience, ability to commit time and effort in the effective discharge of duties and responsibilities.

g) The Company's Chief Financial Officer acts as the Chief Risk Officer who leads the implementation of the Company's risk management system, and reports to the Board on identified risks and measures being undertaken by Management to mitigate these.

h) The Company has formalized a long established and practiced policy on conflict of interest whereby a Director with material interest in any transaction affecting the Company shall be barred from participating in any deliberation or voting on such transaction.

i) The Company has adopted and implemented, and continues to strengthen, its Securities Dealings Policy (which replaces and incorporates the guidelines set out in the Best Practices on Securities Transactions adopted by the Company in 2003) to govern dealings by the Directors, Key Management Personnel and certain designated employees in the Company's securities. With this policy, these individuals are required to seek the approval of the Chairman or the Board before dealing in the Company's shares. Directors and key executive officers are also required to report their dealings in the Company's shares at least three (3) business days from the date of transaction; and

j) For FY2019, the Company declared cash dividends to its holders of Ordinary Shares which were paid within 30 days from the date of declaration. The Company also paid dividends to its holders of Preference Shares within 30 days from the date of declaration.

k) The Company has published its maiden Sustainability Report in line with the SGX-ST's Sustainability Guidelines and the Global Reporting Initiative (GRI) framework.

Deviation from Compliance

a) The NGC assessed the independence of each Director, including Directors whose tenure had exceeded nine (9) years from the date of their first appointment. In this regard, the NCGC considers Dr Emil Q Javier (first appointed on 30 April 2007), Mr Ben Kwek Gim Song (first appointed on 30 April 2007) and Mr Godfrey E Scotchbrook (first appointed on 28 December 2000) to be independent despite their tenure in the Board exceeding nine (9) years.

   Based on the NGC's assessment, Messrs Benedict Kwek Gim Song, Emil Q Javier and Godfrey E Scotchbrook have demonstrated independent mindedness and conduct at Board and Board committee meetings. The

NCGC is also of the firm view and opinion that these Directors exercise independent judgment in the best interest of the Company in the discharge of their duties as Directors, despite their extended tenure in office.

The NCGC, having reviewed the Directors' judgment and conduct in carrying out their duties for the year in review, deems that Messrs Benedict Kwek Gim Song, Emil Q Javier, Godfrey E Sctochbrook, together with the other Independent Director of the Company, continue to be independent.

b) The remuneration of Directors and the CEO are disclosed in bands of S$250,000/- with a maximum disclosure band of S$500,000/- and above.

   The remuneration of the top five Key Management Personnel are similarly disclosed in bands of S$250,000/- with a maximum disclosure band of S$500,000/- and above.

   Although the disclosure is not in full compliance with the recommendations of the 2012 Code and the SEC CG Code, the Board is of the view that, given the confidentiality and commercial sensitivity attached to remuneration matters, and for personal security reasons, disclosure in bands of S$250,000/- in excess of S$500,000/- is not provided. Also, for personal security reasons, the names of the Company's top five Key Management Personnel are not disclosed in the Annual Report.

c) While the Company Secretary is not a separate individual from the Chief Compliance Officer, the Company Secretary remains responsible to the Company and its shareholders, and not to the Chairman or the President. Having one person occupy these positions do not diminish the focus in discharging these offices' functions.

d) The Board does not have a Board Charter. The Company is of the view that its Manual of Corporate Governance, which was based on the Singapore and Philippine models of governance, serves the purpose and function of a Board Charter.

e) The SEC CG Code requires the establishment of a Corporate Governance Committee that should be composed of at least three members, all of whom should be independent directors, including the Chairman. Only a majority of the NGC members are independent. The Company, however, is of the view that the participation and contribution of its Executive Directors add value to, and complements the work of, the NGC.

f) The Company does not have a Related Party Transactions Committee as its functions are already served by the ARC which is composed of four members, all of whom, including the ARC Chairperson, are independent directors.

g) All Independent Directors meet the qualifications required; however, it is noted that Dr. Emil Javier, as requested by Management and the Board, provides advice to the Company's subsidiary on its plantation matters and development of agri-based initiatives.

Improvement on Corporate Governance Practices

To improve its corporate governance practices, the Company will carry out the following:

a) To implement its Board diversity policy, the Board aims to finalize measurable objectives that would further improve the diversity among its directors and consequently enhance decision making by the Board.
b) The Board will continue to review the Company's vision and strategy on a regular basis.
c) The Board will continue to review the effectiveness of the Group's succession planning program for directors, key officers and Management.
d) The Company will endeavour to upload the minutes of the general meetings within five (5) business days from date of meeting.
e) The Company undertakes to review and update, as necessary, its current policy on Interested Person Transactions to ensure compliance with the rules prescribed under SEC Memorandum Circular No. 10 (2019) on material related party transactions.

ANNEX "C"

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)
7,683		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-phil.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.

SGVFS037623

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
Del Monte Pacific Limited
Craigmuir Chambers
PO Box 71 Road Town, Tortola
British Virgin Islands

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 2019 and 2018, 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 2019, 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 2019 and 2018, and their financial performance and their cash flows for each of the three years in the period ended 30 April 2019 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$52.4 million for the year ended 30 April 2019. 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.

SGV

Building a better working world

Recoverability of goodwill and indefinite life trademarks

Why significant	How our audit addressed the matter
As at 30 April 2019, 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 28% 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 2019, 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 2019, the Group has recognized net deferred tax assets of US$106.3 million, which includes deferred tax assets recognized by Del Monte Foods, Inc., a subsidiary in the USA, amounting to US$105.5 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 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 USA, giving rise to defined benefit liability of US$58.5 million as at 30 April 2019 which is measured using projected unit credit valuation method. 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.

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 2019, 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 2019 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

SYCIP GORRES VELAYO & CO.

Catherine E. Lopez

Catherine E. Lopez
Partner
CPA Certificate No. 86447
SEC Accreditation No. 0468-AR-3 (Group A),
February 19, 2019, valid until February 18, 2022
Tax Identification No. 102-085-895
BIR Accreditation No. 08-001998-65-2018
February 26, 2018, valid until February 25, 2021
PTR No. 7332564, January 3, 2019, Makati City

July 5, 2019

Del Monte Pacific Limited and its Subsidiaries

Statements of financial position
As at 30 April 2019 and 2018
(In US$'000)

	Note	Group 30 April 2019	Group 30 April 2018	Company 30 April 2019	Company 30 April 2018
Noncurrent assets					
Property, plant and equipment – net	5	**582,033**	610,889	**–**	–
Investments in subsidiaries	6	**–**	–	**830,855**	707,644
Investments in joint ventures	7	**24,212**	25,195	**766**	1,638
Intangible assets and goodwill	8	**707,997**	714,651	**–**	–
Deferred tax assets - net	9	**106,321**	79,829	**27**	9
Biological assets	11	**1,682**	1,629	**–**	–
Pension assets	21	**8,240**	10,607	**–**	–
Other noncurrent assets	10	**39,096**	41,223	**–**	–
Due from a related company	37	**–**	–	**202,471**	88,880
		1,469,581	1,484,023	**1,034,119**	798,171
Current assets					
Biological assets	11	**52,320**	41,963	**–**	–
Inventories	12	**664,922**	760,981	**–**	–
Trade and other receivables	13	**149,054**	161,627	**3,187**	180,948
Prepaid expenses and other current assets	14	**36,716**	30,782	**192**	210
Cash and cash equivalents	15	**21,636**	24,246	**886**	2,709
		924,648	1,019,599	**4,265**	183,867
Noncurrent assets held for sale	16	**4,465**	5,504	**–**	–
		929,113	1,025,103	**4,265**	183,867
Total assets		**2,398,694**	2,509,126	**1,038,384**	982,038
Equity					
Share capital	17	**49,449**	49,449	**49,449**	49,449
Share premium	18	**478,339**	478,323	**478,478**	478,462
Retained earnings	18	**96,074**	95,505	**96,074**	95,505
Reserves	18	**(65,827)**	(64,082)	**(65,827)**	(64,082)
Equity attributable to owners of the Company	38	**558,035**	559,195	**558,174**	559,334
Non-controlling interests	38	**43,106**	49,065	**–**	–
Total equity		**601,141**	608,260	**558,174**	559,334
Noncurrent liabilities					
Loans and borrowings	19	**985,915**	983,603	**241,015**	129,594
Employee benefits	21	**63,781**	76,905	**148**	3
Environmental remediation liabilities	22	**697**	144	**–**	–
Deferred tax liabilities - net	9	**6,404**	7,128	**–**	–
Other noncurrent liabilities	20	**30,015**	35,195	–	–
		1,086,812	1,102,975	**241,163**	129,597
Current liabilities					
Loans and borrowings	19	**492,740**	481,620	**135,070**	206,034
Employee benefits	21	**27,640**	37,645	**–**	–
Trade and other current liabilities	23	**188,669**	276,618	**103,977**	87,073
Current tax liabilities		**1,692**	2,008	**–**	–
		710,741	797,891	**239,047**	293,107
Total liabilities		**1,797,553**	1,900,866	**480,210**	422,704
Total equity and liabilities		**2,398,694**	2,509,126	**1,038,384**	982,038

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 2019, 2018 and 2017
(In US$'000)

	Note	<------------------ Group	------------------	------------------>	<--------------- Company	---------------	-------------->
		Year ended 30 April 2019	**Year ended 30 April 2018**	**Year ended 30 April 2017**	**Year ended 30 April 2019**	**Year ended 30 April 2018**	**Year ended 30 April 2017**
Revenue	24	**1,954,842**	2,197,309	2,252,783	**–**	–	–
Cost of sales	25	**(1,559,857)**	(1,764,835)	(1,757,891)	**–**	–	–
Gross profit		**394,985**	432,474	494,892	**–**	–	–
Distribution and selling expenses	25	**(202,839)**	(221,433)	(203,168)	**–**	–	–
General and administrative expenses	25	**(115,540)**	(163,378)	(165,074)	**(10,685)**	(8,823)	(15,906)
Other income (expenses) - net		**3,516**	(18,162)	960	**1,234**	839	673
Results from operating activities		**80,122**	29,501	127,610	**(9,451)**	(7,984)	(15,233)
Finance income	26	**21,985**	41,472	5,809	**20,231**	1,086	47
Finance expense	26	**(100,424)**	(105,653)	(111,068)	**(17,518)**	(16,275)	(22,829)
Net finance expense		**(78,439)**	(64,181)	(105,259)	**2,713**	(15,189)	(22,782)
Share in net income (loss) of joint ventures and subsidiaries	29	**(983)**	(1,552)	(1,909)	**27,059**	(13,303)	62,393
Profit (loss) before taxation	25	**700**	(36,232)	20,442	**20,321**	(36,476)	24,378
Tax benefit (expense)	27	**13,524**	(14,844)	(551)	**(2)**	(16)	(12)
Profit (loss) for the year		**14,224**	(51,076)	19,891	**20,319**	(36,492)	24,366
Profit (loss) attributable to:							
Owners of the Company		**20,319**	(36,492)	24,366	**20,319**	(36,492)	24,366
Non-controlling interests		**(6,095)**	(14,584)	(4,475)	**–**	–	–
		14,224	(51,076)	19,891	**20,319**	(36,492)	24,366
Earnings per share							
Basic earnings (loss) per share (US cents)	28	**0.03**	(2.70)	1.21			
Diluted earnings (loss) per share (US cents)	28	**0.03**	(2.70)	1.21			

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 2019, 2018 and 2017
(In US$'000)

	Note	Year ended 30 April 2019	Year ended 30 April 2018	Year ended 30 April 2017
Group				
Profit (loss) for the year		**14,224**	(51,076)	19,891
Other comprehensive income				
Items that will or may be reclassified subsequently to profit or loss:				
Currency translation differences		**(1,838)**	(13,428)	(18,276)
Effective portion of changes in fair value of cash flow hedges	9	**462**	9,330	18,140
Tax impact on share in cash flow hedges	9	**(113)**	(4,098)	(6,893)
		(1,489)	(8,196)	(7,029)
Items that will not be reclassified to profit or loss:				
Remeasurement of retirement plans	21	**(2,513)**	23,326	20,337
Tax impact on remeasurement of retirement plans	9	**2,127**	(5,469)	(6,360)
Gain on property revaluation	5	**–**	–	4,119
Tax impact on revaluation reserve	9	**–**	–	(1,236)
		(386)	17,857	16,860
Other comprehensive income (loss) for the year, net of tax		**(1,875)**	9,661	9,831
Total comprehensive income (loss) for the year		**12,349**	(41,415)	29,722
Total comprehensive income (loss) attributable to:				
Owners of the Company		**18,194**	(28,824)	31,675
Non-controlling interests		**(5,845)**	(12,591)	(1,953)
		12,349	(41,415)	29,722

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 2019, 2018 and 2017
(In US$'000)

	Year ended 30 April 2019	Year ended 30 April 2018	Year ended 30 April 2017
Company			
Profit (loss) for the year	**20,319**	(36,492)	24,366
Other comprehensive income			
Items that will or may be reclassified subsequently to profit or loss:			
Share in currency translation differences of subsidiaries	**(1,860)**	(13,428)	(18,274)
Share in effective portion of changes in fair value of cash flow hedges of a subsidiary	**425**	8,777	16,224
Tax impact on share in cash flow hedges	**(113)**	(4,098)	(6,165)
	(1,548)	(8,749)	(8,215)
Items that will not be reclassified to profit or loss:			
Share in remeasurement of retirement plans of subsidiaries	**(1,812)**	21,448	18,393
Tax impact on share in remeasurement of retirement plans	**1,235**	(5,031)	(5,752)
Share in the revaluation reserve of a subsidiary	**–**	–	4,119
Tax impact on share in the revaluation reserve of a subsidiary	**–**	**–**	(1,236)
	(577)	16,417	15,524
Other comprehensive income (loss) for the year, net of tax	**(2,125)**	7,668	7,309
Total comprehensive income (loss) for the year	**18,194**	(28,824)	31,675

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 2019, 2018 and 2017
(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													
2019													
At 30 April 2018		49,449	478,323	(91,515)	10,885	18,225	(2,764)	1,373	(286)	95,505	559,195	49,065	608,260
Total comprehensive income (loss) for the year													
Profit (loss) for the year		–	–	–	–	–	–	–	–	20,319	20,319	(6,095)	14,224
Other comprehensive income													
Currency translation differences		–	–	(1,860)	–	–	–	–	–	–	(1,860)	22	(1,838)
Remeasurement of retirement plans, net of tax	21	–	–	–	–	(577)	–	–	–	–	(577)	191	(386)
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	312	–	–	–	312	37	349
Total other comprehensive income (loss)		–	–	(1,860)	–	(577)	312	–	–	–	(2,125)	250	(1,875)
Total comprehensive income (loss) for the year		–	–	(1,860)	–	(577)	312	–	–	20,319	18,194	(5,845)	12,349
Transactions with owners of the Company recognised directly in equity													
Contributions by and distributions to owners of the Company													
Refund of transaction costs from issue of preference shares in FY2018		–	16	–	–	–	–	–	–	–	16	–	16
Value of employee services received for issue of share options	25	–	–	–	–	–	–	380	–	–	380	(114)	266
Dividends	18	–	–	–	–	–	–	–	–	(19,750)	(19,750)	–	(19,750)
Total contributions by and distributions to owners		–	16	–	–	–	–	380	–	(19,750)	(19,354)	(114)	(19,468)
At 30 April 2019	18	49,449	478,339	(93,375)	10,885	17,648	(2,452)	1,753	(286)	96,074	558,035	43,106	601,141

Del Monte Pacific Limited and its Subsidiaries

Statements of changes in equity (cont'd)
Years ended 30 April 2019, 2018 and 2017
(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													
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	17	–	(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 2019, 2018 and 2017
(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 2019, 2018 and 2017
(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
2019											
At 30 April 2018		49,449	478,462	(91,515)	10,885	18,225	(2,764)	1,373	(286)	95,505	559,334
Total comprehensive income for the year											
Profit (loss) for the year		–	–	–	–	–	–	–	–	20,319	20,319
Other comprehensive income											
Currency translation differences		–	–	(1,860)	–	–	–	–	–	–	(1,860)
Remeasurement of retirement plans, net of tax	21	–	–	–	–	(577)	–	–	–	–	(577)
Effective portion of changes in fair value of cash flow hedges, net of tax		–	–	–	–	–	312	–	–	–	312
Total other comprehensive income (loss)		–	–	(1,860)	–	(577)	312	–	–	–	(2,125)
Total comprehensive income (loss) for the year		–	–	(1,860)	–	(577)	312	–	–	20,319	18,194
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Refund of transaction costs from issue of preference shares in FY2018		–	16	–	–	–	–	–	–	–	16
Value of employee services received for issue of share options	25	–	–	–	–	–	–	380	–	–	380
Dividends	18	–	–	–	–	–	–	–	–	(19,750)	(19,750)
Total contributions by and distributions to owners		–	16	–	–	–	–	380	–	(19,750)	(19,354)
At 30 April 2019		49,449	478,478	(93,375)	10,885	17,648	(2,452)	1,753	(286)	96,074	558,174

Del Monte Pacific Limited and its Subsidiaries
Statements of changes in equity (cont'd)
Years ended 30 April 2019, 2018 and 2017
(In US$'000)

	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
Company											
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 2019, 2018 and 2017
(In US$'000)

Company	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasurement of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total equity
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

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 2019, 2018 and 2017
(In US$'000)

	Note	Group Year ended 30 April 2019	Group Year ended 30 April 2018	Group Year ended 30 April 2017	Company Year ended 30 April 2019	Company Year ended 30 April 2018	Company Year ended 30 April 2017
Cash flows from operating activities							
Profit (loss) for the year		**14,224**	(51,076)	19,891	**20,319**	(36,492)	24,366
Adjustments to reconcile profit (loss) for the year to net cash flows:							
Amortisation of intangible assets	8	**6,654**	7,784	9,347	**–**	–	–
Depreciation of property, plant and equipment	5	**132,052**	140,061	138,995	**–**	–	–
Impairment loss (reversal of impairment) of property, plant and equipment	5	**1,262**	24,534	(330)	**–**	–	–
Loss (gain) on disposal of property, plant and equipment	25	**(6,158)**	(11,317)	729	**–**	–	–
Equity-settled share-based payment transactions		**266**	377	890	**–**	30	96
Share in earnings (losses) of joint ventures and subsidiaries		**983**	1,552	1,909	**(27,060)**	13,303	(62,393)
Finance income		**(18,132)**	(38,567)	(5,735)	**(20,231)**	(1,086)	(47)
Finance expense		**100,363**	104,991	111,024	**17,518**	16,275	22,829
Unrealised foreign exchange gains - net		**(3,792)**	(2,243)	(30)	**–**	–	–
Tax expense – current	27	**11,721**	11,701	6,730	**7**	25	14
Tax credit – deferred	27	**(25,245)**	3,143	(6,179)	**(5)**	(9)	(2)
Ineffective portion of cash flow hedges		**264**	846	(1,070)	**–**	–	–
Impairment losses on noncurrent assets held for sale		**775**	–	–	**–**	–	–
		215,237	191,786	276,171	**(9,452)**	(7,954)	(15,137)
Changes in:							
Other assets		**6,281**	(5,169)	1,786	**–**	–	–
Inventories		**104,077**	147,643	(64,858)	**–**	–	–
Biological assets		**(10,650)**	(537)	19,852	**–**	–	–
Trade and other receivables		**12,043**	12,716	(331)	**(24)**	(1)	(5)
Prepaid expenses and other current assets		**(4,083)**	10,600	(8,602)	**30**	(143)	(102)
Trade and other payables		**(138,454)**	(11,777)	(7,255)	**(5,481)**	(6,833)	3,360
Employee benefits		**3,304**	16,298	5,052	**–**	–	–
Operating cash flows		**187,755**	361,560	221,815	**(14,927)**	(14,931)	(11,884)
Taxes paid		**(6,830)**	(4,574)	(2,344)	**(31)**	(22)	–
Net cash flows provided by (used in) operating activities		**180,925**	356,986	219,471	**(14,958)**	(14,953)	(11,884)

Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows (cont'd)
Years ended 30 April 2019, 2018 and 2017
(In US$'000)

	Note	Group Year ended 30 April 2019	Group Year ended 30 April 2018	Group Year ended 30 April 2017	Company Year ended 30 April 2019	Company Year ended 30 April 2018	Company Year ended 30 April 2017
Cash flows from investing activities							
Interest received		**715**	550	476	**–**	5	–
Proceeds from disposal of property, plant and equipment and noncurrent assets held for sale		**16,206**	41,241	2,191	–	–	–
Acquisitions of property, plant and equipment		**(123,479)**	(144,776)	(176,525)	**–**	–	–
Investments in joint ventures	7	**–**	(949)	(3,570)	**–**	(949)	–
Advances to joint ventures		**–**	–	–	**(950)**	(1,570)	–
Repayments from joint ventures		**–**	–	–	**–**	6,013	–
Advances to related company		**–**	–	–	**(89,232)**	(97,335)	–
Dividend received		**–**	–	–	**33,000**	57,989	–
Net cash flows used in investing activities		**(106,558)**	(103,934)	(177,428)	**(57,182)**	(35,847)	–
Cash flows from financing activities							
Interest paid		**(87,494)**	(94,961)	(103,098)	**(15,927)**	(12,370)	(24,183)
Proceeds from borrowings	19	**886,279**	807,822	930,901	**227,841**	154,570	52,650
Repayment of borrowings	19	**(860,631)**	(1,053,042)	(1,056,280)	**(187,670)**	(145,500)	(205,580)
Proceeds from issuance of share capital	17	**–**	100,000	200,000	**–**	100,000	200,000
Refund (payment) of transaction costs related to issuance of share capital		**16**	(2,085)	(4,523)	**16**	(2,085)	(4,523)
Repayments of advances from related companies		**–**	–	–	–	(281,994)	247
Advances from related companies		**–**	–	–	**65,866**	262,025	25,542
Payment of debt related costs		**(146)**	(4,515)	–	**–**	(730)	–
Dividends paid	18	**(19,750)**	(27,172)	(25,828)	**(19,750)**	(27,172)	(25,828)
Net cash flows provided by (used in) financing activities		**(81,726)**	(273,953)	(58,828)	**70,376**	46,744	18,325

Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows (cont'd)
Years ended 30 April 2019, 2018 and 2017
(In US$'000)

	Note	<---- Group		---->	<---- Company		---->
		Year ended 30 April 2019	**Year ended 30 April 2018**	**Year ended 30 April 2017**	**Year ended 30 April 2019**	**Year ended 30 April 2018**	**Year ended 30 April 2017**
Net increase (decrease) in cash and cash equivalents		**(7,359)**	(20,901)	(16,785)	**(1,764)**	(4,056)	6,441
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		**4,749**	7,576	7,153	**(59)**	(2)	(35)
Cash and cash equivalents at beginning of year		**24,246**	37,571	47,203	**2,709**	6,767	361
Cash and cash equivalents at end of year	15	**21,636**	24,246	37,571	**886**	2,709	6,767

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 5 July 2019.

1. Domicile and activities

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

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

The principal activity of the Company is that of investment holding. Its subsidiaries are principally engaged in growing, processing, and selling packaged fruits, vegetable and tomato, fresh pineapples, sauces, condiments, pasta, broth and juices, mainly under the brand names of "Del Monte", "S&W", "Today's", "Contadina", "College Inn" and other brands. The Company's subsidiaries also produce and distribute private label food products.

The immediate holding company is NutriAsia Pacific Limited ("NAPL") whose indirect shareholders are NutriAsia Inc. ("NAI") and Well Grounded Limited ("WGL"), which at 30 April 2019, 2018 and 2017, 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 2019 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$234.8 million compared to current assets as at 30 April 2019 (30 April 2018: US$109.2 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$218.4 million as at 30 April 2019 (30 April 2018: US$227.2 million) and the Company expects to receive dividend payments from its subsidiaries in the next 12 months; and
- the Group generated net operating cash flow of US$180.9 million (30 April 2018: US$ 357.0 million). Management expect that the operating costs will be further reduced in the succeeding years as the Group further review its manufacturing and distribution footprint in the US as well as streamline its operations to further improve operational efficiency with the intent of increasing future operating cash flows.
- the Group has sufficient credit lines available for draw down and as such, management believes that the Group will have sufficient working capital to enable it to meet its objectives and future financial obligations.

3. Basis of preparation

3.1 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

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 22	– Estimation of environmental remediation liabilities
Note 23	– Estimation of trade promotion accruals
Note 27	– Measurement of tax
Note 34	– Determination of fair values
Note 36	– Contingencies

3.5 Measurement of fair value

Fair value is the estimated 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, effective 1 May 2018. Adoption of these pronouncements did not have a significant impact to the financial statements of the Group and the Company unless otherwise stated.

- IFRS 9, *Financial Instruments*

  IFRS 9 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 Group applied IFRS 9 retrospectively, with an initial application date of 1 May 2018. The Group has not restated the comparative information, which continues to be reported under IAS 39.

  Classification

  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. IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities.

  The assessment of the Group's business model was made as of the date of initial application, 1 May 2018. The assessment of whether contractual cash flows on debt instruments are solely payments of principal and interest (SPPI) was made based on the facts and circumstances as at the initial recognition of the assets.

  Cash in banks, trade and other receivables, notes receivable and refundable deposits, previously classified as loans and receivables, are held to collect contractual cash flows and give rise to cash flows representing SPPI. These are now classified and measured as financial assets at amortised cost. The Group has not designated any financial liabilities as at FVTPL. There are no changes in the classification and measurement for the Group's financial liabilities.

  The measurement requirements of IFRS 9 did not have a significant impact to the Group. The Group continued measuring at amortised cost all financial assets previously carried at amortised cost under IAS 39.

As at 1 May 2018, the Group had the following required reclassifications upon the adoption of IFRS 9:

	1 May 2018	
	IAS 39 Measurement	**IFRS 9 Measurement**
	Loans and Receivables	**Amortised Cost**
	US$'000	**US$'000**
Cash and cash equivalents	24,246	24,246
Trade and other receivables	161,627	161,627
Refundable deposits	1,858	1,858
Notes receivables	7,744	7,744

Impairment

IFRS 9 replaces the "incurred loss" model in IAS 39 with a forward-looking "expected credit loss" (ECL) model. The new impairment model applies to the Group's financial assets measured at amortised cost and any contract assets recognised under IFRS 15 *Revenue from Contracts with Customers*.

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss approach. IFRS 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at FVTPL and contract assets.

The adoption of the ECL approach has no material effect on the financial position and financial performance of the Group.

Hedge Accounting

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 meet the requirements of IFRS 9 and are aligned with the entity's risk management strategy and objective. The Group has applied hedge accounting requirements under IFRS 9 prospectively.

- IFRS 15, *Revenue from Contracts with Customers*

  IFRS 15 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 for the measurement of revenue. 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.

  Before IFRS 15, the Group's revenue from the sale of goods 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. 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. Under IFRS 15, although the resulting timing of recognition generally remained similar for the Group's transactions, the Group's sale of goods is now recognised at the point in time that control of the goods transfer to the customer.

  Before IFRS 15, revenue was measured at the fair value of the consideration received or receivable, net of customer returns, consumer promotion costs relating to coupon redemption, trade promotions, performance allowances, customer pick-up allowances and discounts. 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. Under IFRS 15, although the resulting measurement of revenue generally remained similar for the Group's transactions, the Group now measures revenue at the transaction price determined based on new requirements from the standard, including detailed guidance on variable consideration and consideration payable to customers.

  The Group has adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 May 2018. Under this method, IFRS 15 can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Group elected to apply the method only to those contracts that are not completed as at 1 May 2018. Accordingly, the information presented for fiscal year ended 30 April 2018 has not been restated and the disclosure requirements in IFRS 15 have not generally been applied to comparative information. The adoption of IFRS 15 did not have a material impact to the financial statements.

The effects on the statement of financial position as at May 1, 2018 are as follows:

	As at May 1, 2018 before application	IFRS 15 Adjustment Increase (decrease)	As at May 1, 2018 after application
Liabilities			
Contract liabilities	US$–	US$13,592	US$13,592
Deferred revenue	13,592	(13,592)	–

- Amendments to IAS 40, *Investment Property*, *Transfers of Investment Property*
  The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Retrospective application of the amendments is not required and is only permitted if this is possible without the use of hindsight.

  Since the Group's current practice is in line with the clarifications issued, the adoption of the amendments did not affect the consolidated financial statements.

- IFRIC-22, *Foreign Currency Transactions and Advance Consideration*
  The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transaction for each payment or receipt of advance consideration. Retrospective application of this interpretation is not required.

  Since the Group's current practice is in line with the clarifications issued, the adoption of this interpretation did not affect the consolidated financial statements.

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

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

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

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, *Business Combinations,* 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.

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 OCI 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

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial Recognition and Subsequent Measurement Prior to the Adoption of IFRS 9

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 and HTM financial assets as at 30 April 2018.

(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.

Starting May 1, 2018, the Group has adopted IFRS 9.

(i) Recognition and measurement

Financial instruments are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset, unless it is a trade receivable without a financing component, or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price determined under IFRS 15.

(ii) Classification and subsequent measurement

Financial assets

On initial recognition, the Group classifies its financial assets into the following categories: financial assets at amortised cost, financial assets at FVTPL, and financial assets at FVOCI. The classification depends on the Group's business model for managing financial instruments and the contractual cash flow characteristics of the financial instruments. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at FVTPL: (1) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and (2) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated at FVTPL: (1) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and (2) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

The Group's financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group has insignificant investment in club shares classified and measured at FVOCI.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Impairment losses on trade receivables are recognised under selling expenses. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets at amortised cost comprise cash in banks and cash equivalents, trade and other receivables, due from related party, refundable deposits and note receivables.

Business model assessment

The business model refers to how an entity manages its financial assets in order to generate cash flows. It determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group makes an assessment of the objective of the business model in which financial assets held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the policies and objectives in managing the Group's financial assets for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group's management;

- the risks that affect the performance of the business model and how those risks are managed;

Assessment Whether Contractual Cash Flows are Solely Payments of Principal and Interest (SPPI)

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable-rate features;

- prepayment and extension features; and

- terms that limit the Group's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at amortised cost comprise bank loans, trade and other payables.

(iii) Derecognition

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.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. Repurchases of a portion of a financial liability result in the allocation of the original carrying value of the financial liability between the portion that continues to be recognised and the portion that was repurchased based on the relative fair values on the date of the repurchase.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them 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.

(v) 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 as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation based upon the exposure being hedged.

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 also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other. To qualify for hedge accounting, the hedging relationship has to meet the following hedge effectiveness requirements:

- there is an economic relationship between the hedged item and the hedging instrument;

- the effect of credit risk does not dominate the value changes that result from that economic relationship;

- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item; and

- the hedged item and the hedging instrument are not intentionally weighted to create hedge ineffectiveness, whether recognised or not, to achieve an accounting outcome that would be inconsistent with the purpose of hedge accounting.

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. Changes therein are recognised in OCI, generally for derivatives designated as effective hedges, or the income statement, for other derivatives.

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 OCI 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 OCI and reclassified to the consolidated income statement in the same period or periods during which the hedged item affects the consolidated income statement, except when a hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, in which case the amount retained in OCI is included directly in the initial cost of the non-financial item when it is recognised.

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. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in OCI remains in equity until, for hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to the income statement in the same period or periods as the hedged expected future cash flows affect the income statement. If a hedged forecast transaction is no longer expected to occur, then the amount accumulated in equity is immediately reclassified to the income statement.

Policy prior to adoption of IFRS 9

Before application of IFRS 9, 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. Other significant accounting policies of the Group on derivative financial instruments remain similar before and after the application of IFRS 9.

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 values 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 OCI 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.

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, estimated costs of dismantling and removing the items and restoring the site on which they are located (when the Group has an obligation to remove the asset or restore the site), 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.

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

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.

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 32nd to 34th month after planting. Depreciation is determined on a per field basis.

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

4.7 Biological assets

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

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, less future growing cost as the basis of fair value and adjusted for margin and associated costs related to production. The Group's harvested produce are measured at fair value at the point of harvest based on the estimated selling prices 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 and cash equivalents

Cash and cash equivalents consist of cash and 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

<u>Impairment of non-derivative financial assets prior to the adoption of IFRS 9</u>

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.

<u>Impairment of non-derivative financial assets upon adoption of IFRS 9</u>

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

ECLs are probability-weighted estimates of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive), discounted at the effective interest rate of the financial asset, and reflects reasonable and supportable information that is available without undue cost or effort about past events, current conditions and forecasts of future economic conditions.

Loss allowances are measured on either lifetime ECLs or 12-month ECLs. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date, or a shorter period if the expected life of the instrument is less than 12 months.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for debt securities that are determined to have low credit risk at the reporting date and other debt securities and bank balances for which credit risk has not increased significantly since initial recognition, which are measured at 12-month ECLs.

Loss allowances for trade receivables and contract assets without a significant financing component are measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held), or when the financial asset is more than 90 days past due.

The Group considers a debt security to have a low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade".

At each reporting date, the Group assesses whether financial assets at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired may include significant financial difficulty of the debtor, a breach of contract such as a default, the restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that the debtor or issuer will enter bankruptcy or other financial reorganisation, the disappearance of an active market for that financial asset because of financial difficulties, adverse changes in the payment status of borrowers or issuers, or economic conditions that correlate with defaults.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets in the statement of financial position. The gross carrying amount of a financial asset is written-off when the Group has no realistic prospects of recovery of the asset.

(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 VIU 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 the Income Approach, which indicates the recoverable amount of an asset based on the value of the cash flows that the asset can be expected to generate in the future.

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.

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.

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 arising from involuntary termination are recognised as an expense once the Group has announced the plan to affected employees. Termination benefits arising from voluntary redundancy are recognised when the employee has accepted the offer.

(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 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 contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, excluding amounts collected on behalf of third parties. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sales of goods

Revenue from the sale of goods is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery and acceptance of the promised goods.

Each contract with a customer specifies minimum quantity, fixed prices and effective period and is not subject to change for the contractual period unless mutually agreed by the parties. Invoices are usually payable within 30 days.

Certain customers are entitled to, and in most cases avail of, cash discounts when payments are made within a defined time frame. For certain contracts, the Group may be charged a penalty for late deliveries. Variable amounts related to these discounts and penalties are estimated using the most likely amount and included in the transaction price to the extent it is highly probable that a significant revenue reversal will not subsequently occur.

The Group provides allowances under trade promotions to customers and coupons to end consumers which are reimbursable by the Group to customers when redeemed. Allowances and coupons are considered as reductions from the transaction price and recognised at the later of when the Group recognises revenue for the transfer of the related goods and when the Group pays or promises to pay the allowances or coupons.

Variable amounts related to these allowances and coupons are estimated using the expected value method or most likely amount and included in the transaction price to the extent it is highly probable that a significant revenue reversal will not subsequently occur. Accruals for trade promotions are based on expected levels of performance. Settlement typically occurs in subsequent periods primarily through an off-invoice allowance at the time of sale or through an authorised process for deductions taken by a customer from amounts otherwise due to the Group. Evaluation of trade promotions are performed monthly and adjustments are made where appropriate to reflect changes in the Group's estimates. The Group accrues coupon redemption costs based on estimates of redemption rates that are developed by management. Management's estimates are based on recommendations from independent coupon redemption clearing-houses as well as historical information. Should actual redemption rates vary from amounts estimated, adjustments may be required.

The Group's customers generally do not have the right to return products unless damaged or defective. Accordingly, returns are not considered as variable consideration and the related costs are accounted for as warranty provisions.

The Group recognises a contract liability, presented under "Deferred revenue", for consideration received or due from a customer before the related revenue qualifies for recognition – e.g., receipt of payment in advance of the delivery of goods.

The Group recognises a contract asset representing conditional rights to consideration in exchange for goods the Group transferred to a customer. The Group recognises a trade receivable when the Group's right to consideration is or becomes unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

(ii) Finance income

Such income is recognised as the interest accrues taking into account the effective interest yield on the asset.

(iii) Other income

Other income is recognised when earned.

(iv) Bill-and-hold arrangements

Bill-and-hold arrangements pertain to sales of the Group wherein the customers are billed for goods that are ready for delivery, but the Group retains physical possession of the product until it is transferred to the customer at a future date. The Group assessed whether control has transferred to the customers, even though the customers do not have physical possession of the goods. The following criteria must all be met in order for the customers to have obtained control in bill-and-hold arrangements:

- the reason for the bill-and-hold arrangement must be substantive;
- the product must be identified separately as belonging to the customer;
- the product currently must be ready for physical transfer to the customer; and
- the entity cannot have the ability to use the product or to direct it to another customer.

Custodial services provided to the customers are identified as a separate performance obligation. A portion of the contract price should be allocated to the custodial services and separately recognised over the period of time the product is being held by the Group, along with the related costs of storing the product.

Penalty on the late payment of the invoices affects the estimate of the transaction price.

Under IAS 18, prior to the adoption of IFRS 15, revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably, regardless of when payment is being made. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of Goods

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

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

(ii) Finance income

Revenue is recognised as the interest accrues, taking into account the effective yield on the asset.

(iii) Others

Revenue is recognised when earned.

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 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.

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

- IFRS 16, *Leases*

  IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17, *Leases*. The standard includes two recognition exemptions for lessees – leases of “low-value” assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

  Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under IFRS 16 is substantially unchanged from today's accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

IFRS 16 also requires lessees and lessors to make more extensive disclosures than under IAS 17.

A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

Early application is permitted for entities that apply IFRS 15 at or before the date of initial application of IFRS 16. The Group has performed preliminary impact assessment of the adoption of IFRS 16 and expects that the adoption of IFRS 16 will result in increase in total assets and total liabilities, EBITDA and gearing ratio.

- 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.

  The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12, *Income Taxes,* and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

  The interpretation specifically addresses the following:
  - Whether an entity considers uncertain tax treatments separately
  - The assumptions an entity makes about the examination of tax treatments by taxation authorities
  - How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
  - How an entity considers changes in facts and circumstances

  An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

  The interpretation is effective for annual periods beginning on or after 1 May 2019. Earlier application is permitted. The Group is currently assessing the impact of this new standard.

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

  The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

  - Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event

  - Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after May 1, 2019, with early application permitted. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Group.

- *Annual Improvements to IFRSs 2015-2017 Cycle*

  This cycle of improvements contains amendments to the following standards relevant to the Group:

  - Amendments to IFRS 3, and IFRS 11, *Joint Arrangements*, *Previously Held Interest in a Joint Operation*

    The amendments clarify that, when an entity obtains control of a business that is a joint operation, 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.

    A party that participates in, but does not have joint control of, a joint operation, might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in IFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

    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 May 1, 2019 and to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after May 1, 2019, with early application permitted.

  - Amendments to IAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*

    The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

    An entity applies those amendments for annual reporting periods beginning on or after May 1, 2019, with early application is permitted.

  - Amendments to IAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*

    The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after May 1, 2019, with early application permitted.

- 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. These amendments have no impact on the consolidated financial statements of the Group.

- 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 amendments 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, *Investments in Associates and Joint Ventures*.

  The amendments are effective for annual periods beginning on or after 1 May 2019. Earlier application is permitted. These amendments are not applicable to the Group since interests in joint ventures is accounted for using equity method.

<u>Applicable for the first annual reporting period that begins on or after 1 May 2020</u>

- *Definition of a Business* (Amendments to IFRS 3)

  The amendments to IFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after May 1, 2020, with earlier application permitted.

- *Definition of Material (*Amendments to IAS 1, *Presentation of Financial Statements and* IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors)*

  The amendments refine the definition of material in IAS 1 and align the definitions used across IFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

  An entity applies those amendments prospectively for annual reporting periods beginning on or after May 1, 2020, with earlier application permitted.

<u>Applicable for the first annual reporting period that begins on or after 1 May 2021</u>

- IFRS 17*, Insurance Contracts.*

  IFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  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

  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.

Deferred effectivity

- Amendments to IFRS 10, *Consolidated Financial Statements*, and IAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

  The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an 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. 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 investors' interests in the associate or joint venture.

  On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

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**
Cost/Valuation						
At 1 May 2018	217,950	552,084	55,941	260,424	67,109	1,153,508
Additions	1,781	2,285	34,906	82,627	–	121,599
Disposals	(7,948)	(5,897)	–	–	(839)	(14,684)
Write off – closed fields	–	–	–	(29,234)	–	(29,234)
Reclassifications	6,848	48,978	(58,130)	–	(4,646)	(6,950)
Currency realignment	(318)	(1,327)	(234)	(1,880)	(83)	(3,842)
At 30 April 2019	218,313	596,123	32,483	311,937	61,541	1,220,397
At 1 May 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 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**
Accumulated depreciation and impairment losses						
At 1 May 2018	67,563	298,398	–	172,361	4,297	542,619
Charge for the year	10,647	50,036	–	71,369	–	132,052
Impairment loss	1,262	–	–	–	–	1,262
Write off – closed fields	–	–	–	(29,234)	–	(29,234)
Disposals	(935)	(4,036)	–	–	–	(4,971)
Reclassification	(1,068)	–	–	–	–	(1,068)
Currency realignment	(61)	(858)	–	(1,377)	–	(2,296)
At 30 April 2019	77,408	343,540	–	213,119	4,297	638,364
At 1 May 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 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**
Carrying amounts						
At 30 April 2019	140,905	252,583	32,483	98,818	57,244	582,033
At 30 April 2018	150,387	253,686	55,941	88,063	62,812	610,889

The Group has amounts in accrued liabilities relating to property, plant and equipment acquisitions of US$0.6 million as of 30 April 2019 (30 April 2018: US$6.4 million). Down payments made by the Group for the acquisition of property, plant and equipment amounted to US$2.6 million as of 30 April 2019 (30 April 2018: US$2.9 million). The cost of fields closed and written off in 2019 amounted to US$29.2 million, which have been fully depreciated during the year (2018: US$34.0 million).

Bearer Plants

	Group	
	30 April 2019	**30 April 2018**
Hectares planted with growing crops:		
– Pineapples	14,992	16,402
– Papaya	47	59
Fruits harvested from the growing crops: (in metric tons)		
– Pineapples	651,517	743,008
– Papaya	3,554	1,312

Bearer plants is stated at cost which comprises actual costs incurred in nurturing the crops reduced by depreciation. Depreciation represents the estimated 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 total 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 2019 and 2018, 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 2019 in various locations:

Located in	**Valuation US$'000**	**Date of Valuation**
The Philippines	8,786	2016 (Various)
United States of America	39,399	31 December 2016
Singapore	9,059	9 September 2016
	57,244	

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.

In fiscal year 2019, the Group reclassified US$4.6 million of its freehold land as held-for-sale (2018: US$0.4 million) and disposed US$0.8 million (2018: US$0.1 million).

The carrying amount of the Group's freehold land as at 30 April 2019 would be US$41.9 million (2018: US$47.5 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 a new juicing facility plant and cyberspace security network. Most of the CIP items are expected to be completed within fiscal year 2020.

Plant closures and divestiture of Sager Creek business

In connection with the plant closures, the Group recognised impairment losses amounting to US$1.3 million in fiscal year 2019 (2018: US$24.5 million).

Seed Operation Exit

In fiscal year 2019, the Group entered into production and packaging agreements to meet breeding objectives with the Group's intellectual property (research and breeding lines) for its seed operations. The Group will maintain the variety selection process it's had in the past to select varieties that meet the Group's standards. Due to these agreements, the Group closed its Idaho Falls, Idaho and Gilroy, California seed operations in August 2018 and February 2019, respectively. In connection with the Idaho Falls plant closure, the Group recognised a gain on the sale of related property, plant and equipment amounting to US$1.5 million in fiscal year 2019. Additionally, in fiscal year 2019, management committed to a plan to sell certain assets of the Group's Gilroy plant. Those assets have been reclassified as "Assets held for sale" in the consolidated statement of financial position.

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. Remaining employee severance benefits amounting to US$0.2 million were settled in fiscal year 2019. 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). The plant's office building and land were sold in 2019.

Sager Creek - Siloam Springs, Arkansas

The Group also closed its Country production plant in Siloam Springs, Arkansas. The operations ceased on 20 September 2017.

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. Employee severance benefits amounting to less than US$0.1 million were settled in fiscal year 2019. 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) and were correspondingly sold in 2019 for US$4.4 million.

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 occurred during the first half of 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. Employee severance benefits amounting to US$0.5 million were settled in fiscal year 2019, with US$0.1 million outstanding as of 30 April 2019. The employee severance benefits are presented under “Employee benefits”.

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 2019 US$'000	30 April 2018 US$'000
Unquoted equity shares, at cost	640,699	640,699
Amounts due from subsidiaries (nontrade)	205,106	75,243
	845,805	715,942
Accumulated share in (losses) profit and other comprehensive income at the beginning of the year	(8,298)	115,946
Share in net profit (losses) of subsidiaries	27,931	(12,066)
Dividends declared by subsidiaries	(33,000)	(120,000)
Share in other comprehensive (losses) income of subsidiaries, net of tax	(1,965)	7,668
Others	382	154
	(14,950)	(8,298)
Interests in subsidiaries at the end of the year	830,855	707,644

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.

In April 2019, the Company converted its advances to wholly owned subsidiaries Del Monte Pacific Resources Limited (DMPRL) and DMPL India, Pte Ltd (DMPLI) in the amounts of US$167.6 million and US$70.1 million, respectively, into other equity. The conversion was approved by the Board of directors on 30 April 2019.

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2019 %	Effective equity held by the Group 30 April 2018 %
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
Dewey Limited ("Dewey") [4] [7]	Mainly investment holding	Bermuda	100.00	–

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2019 %	30 April 2018 %
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") [4] [7]	Mainly investment holding	Bermuda	–	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") [a] [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				
DMPL India Limited	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	89.43

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2019 %	30 April 2018 %
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 in-corporation and business	Effective equity held by the Group 30 April 2019 %	30 April 2018 %
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") [b]	Investment holding	State of Delaware, U.S.A.	89.43	89.43
Held by DM Ventures				
Del Monte Avo, LLC [b]	Development, production, marketing, sale and distribution of UHP avocado products	State of Delaware, U.S.A.	45.61	45.61
Del Monte Chilled Fruit Snacks, LLC [b]	Development, production, marketing, sale and distribution of processed refrigerated fruit products	State of Delaware, U.S.A.	45.61	45.61
Held by Del Monte Andina C.A.				
Del Monte Argentina S.A. [8]	Inactive	Argentina	–	–

(a) 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. In its special meeting held on 22 April 2019, DMTDI's board of directors approved the dissolution and liquidation of DMTDI by shortening its corporate term to 30 April 2019.

(b) 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 2019 and 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] On 30 April 2019, the Board of Directors of CARI approved the transfer of its outstanding shares in Dewey, as well as all rights, title and interest attributed thereto, to DMPRL.

[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 2019 %	30 April 2018 %
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.

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 2019 US$'000	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**
Revenue	76,597	76,588	72,914
Loss from continuing operations [a]	(222)	(630)	(3,352)
Other comprehensive income	–	–	–
Total comprehensive income	(222)	(630)	(3,352)
[a] Includes:			
- depreciation	134	151	177
- interest expense	1,501	1,522	2,086
Noncurrent assets	13,475	14,657	15,877
Current assets	22,309	21,882	20,907
Noncurrent liabilities	(17,798)	(17,992)	(19,927)
Current liabilities	(13,910)	(13,684)	(11,616)
Net assets	4,076	4,863	5,241
Proportion of the Group's ownership including non-controlling interest	50%	50%	50%
	2,038	2,432	2,621
Goodwill	20,000	20,000	20,000
Translation adjustment	1,408	1,125	1,251
Carrying amount of investment	23,446	23,557	23,872

	Year ended 30 April 2019 US$'000	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**
Carrying amount of interest in FFPL at beginning of the year	23,557	23,872	20,661
Capital injection during the year	–	–	4,887
Group's share of:			
- loss from continuing operations	(111)	(315)	(1,676)
- other comprehensive income	–	–	–
total comprehensive loss	(111)	(315)	(1,676)
Carrying amount of interest at end of the year	23,446	23,557	23,872

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

	Year ended 30 April 2019 US$'000	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**
Carrying amount of interest in NFHKL at beginning of the year	1,638	1,925	2,159
Capital injection during the year	–	950	–
Group's share of:			
- loss from continuing operations	(872)	(1,237)	(234)
- other comprehensive income	–	–	–
total comprehensive loss	(872)	(1,237)	(234)
Carrying amount of interest at end of the year	766	1,638	1,925

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

	Year ended 30 April 2019 US$'000	Year ended 30 April 2018 US$'000	Year ended 30 April 2017 US$'000
Group's interest in joint ventures			
FFPL	23,446	23,557	23,872
NFHKL	766	1,638	1,925
Carrying amount of investments in joint ventures	24,212	25,195	25,797

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 2019 %	30 April 2018 %
Pre-tax discount rate	13.8	14.1
Revenue growth rate	19.0 – 21.0	15.0 – 20.0
EBITDA margin	4.9 – 13.0	7.0 – 12.0
Long-term EBITDA margin	12.8	11.6
Terminal value growth rate	5.0	5.0

In fiscal year 2019, 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 rate of debt leveraging rate of 14.3% in 2019 (2018: 15.7%), at a market interest rate of 9.7% in 2019 (2018: 9.5%).

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 32% (2018: 18%) 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 2019 %	31 March 2018 %
Group		
Discount rate	6.8	5.4
Revenue growth rate	(5.0)	(5.0)

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 2018 / 30 April 2019		203,432	408,043	24,180	107,000	742,655
At 1 May 2017		203,432	408,043	36,080	120,500	768,055
Disposal	16	–	–	(11,900)	(13,500)	(25,400)
At 30 April 2018		203,432	408,043	24,180	107,000	742,655
Accumulated amortisation						
At 1 May 2018		–	–	5,616	22,388	28,004
Amortisation	25	–	–	1,303	5,351	6,654
At 30 April 2019		–	–	6,919	27,739	34,658
At 1 May 2017		–	–	6,405	20,624	27,029
Amortisation	25	–	–	1,731	6,053	7,784
Disposal	16	–	–	(2,520)	(4,289)	(6,809)
At 30 April 2018		–	–	5,616	22,388	28,004
Carrying amounts						
At 30 April 2019		203,432	408,043	17,261	79,261	707,997
At 30 April 2018		203,432	408,043	18,564	84,612	714,651

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 2019 and 2018, the recoverable amounts of these intangible assets were 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. 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.

	2019	2018
	%	%
Royalty rate	3.0	3.0
Discount rate	13.9	9.0
Revenue growth rate (five years average)	5.0	11.0

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 2019 and 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.

	2019 %	2018 %
Royalty rate	3.0	3.0
Revenue growth rate (five years average)	14.0	14.0
Discount rate	16.2	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 2019 and 2018, the recoverable amount of the CGU was based on VIU being greater than the fair value less costs of disposal:

	30 April 2019 US$'000	30 April 2018 US$'000
Value-in-use	2,650,000	2,630,000
Fair value less costs of disposal – income approach	2,600,000	1,920,000
Recoverable amount	2,650,000	2,630,000

The Americas trademarks were also included in the CGU used in the goodwill impairment testing.

As of valuation date in January 2019 and 2018, the estimated recoverable amount of the CGU exceeded its carrying amount by approximately US$1,174.3 million and US$1,156.4 million, respectively. Therefore, the CGU is not impaired.

VIU
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.

	2019 %	2018 %
Pre-tax discount rate	8.6	9.1
Terminal value growth rate	2.0	2.0
Long-term EBITDA margin	11.9	13.0
Revenue growth rate	(14.3) – 6.2	(16.1) – 11.3
Gross margin	14.3 – 25.4	14.3 – 25.4

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible range of debt leveraging of 72% as of 30 April 2019 (2018: 44%) at a risk free interest rate of 3.5% as of 30 April 2019 (2018: 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 Income Approach, which indicates value based on the present value of the cash flows that a business is expected to generate in the future.

The Discounted Cash Flow Method was used in applying the Income Approach. The Discounted Cash Flow Method estimates the value of a business or an asset by combining the projected annual cash flows available to all capital holders in the business (i.e., debt and equity investors) for a discrete period with the residual value of the cash flows, grown into perpetuity at an estimated long-term growth rate. Additionally, other adjustments may be warranted to reflect specific characteristics of the valuation subject. Accuracy of the indicated results depends on the reasonableness of the underlying cash flow projections.

The approach involves the use of both observable inputs and unobservable inputs (e.g., projected revenue and EBITDA). Accordingly, the fair value measurement is categorised under level 3 of the fair value hierarchy.

Fair value less costs of disposal is also 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 Brands, 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:

	2019		2018	
	Selected multiple	**Assigned weight**	**Selected multiple**	**Assigned weight**
MVIC/Revenue – Last twelve months	1.5x	33%	1.1x	25%
MVIC/Revenue – Projected	2.0x	33%	1.3x	25%
MVIC/EBITDA – Last twelve months	15.2x	0%	13.3x	25%
MVIC/EBITDA – Projected	11.8x	33%	12.5x	25%

Sensitivity analysis

Management has identified that a reasonably possible change in the discount rate or long-term margin could cause the carrying amount to exceed the recoverable amount. The following table shows the amount to which these would need to change independently for the estimated recoverable amount of the DMFI CGU to be equal to its carrying amount.

	Breakeven Multiple	
	2019	**2018**
MVIC/Revenue – Last twelve months	0.8x	0.7x
MVIC/Revenue – Projected	0.7x	0.8x
MVIC/EBITDA – Last twelve months	14.7x	12.6x
MVIC/EBITDA – Projected	7.9x	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.

	2019	**2018**
	%	**%**
Discount rate	11.8	12.2
Long-term EBITDA margin	(6.5)	(7.7)

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 use of estimates and assumptions. The estimated fair value would change depending on the assumptions used, such as the discount rate and long-term margin.

Amortisable trademarks and customer relationship

	Net carrying amount		Remaining amortisation period (years)	
	30 April 2019	30 April 2018	2019	2018
	US$'000	US$'000		
Asia S&W trademark	–	4	–	0.2
America S&W trademark	963	1,162	4.8	5.8
America Contadina trademark	16,298	17,398	14.8	15.8
	17,261	18,564		

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.

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 2019	30 April 2018
	US$'000	US$'000
Net carrying amount	79,261	84,612
Remaining amortisation period	14.8	15.8

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 2019 US$'000	**30 April 2018 US$'000**	**30 April 2019 US$'000**	**30 April 2018 US$'000**
Group				
Provisions	4,928	3,291	–	–
Employee benefits	24,043	23,348	–	–
Property, plant and equipment – net	–	–	(24,480)	(26,227)
Intangible assets and goodwill	–	–	(63,072)	(50,944)
Effective portion of changes in fair value of cash flow hedges	890	1,166	–	–
Tax loss carry-forwards	146,586	127,780	–	–
Inventories	1,812	2,547	–	–
Biological assets	–	–	(1,053)	(2,390)
Deferred income	–	–	(11,456)	(8,562)
Interest	14,415	–	–	–
Others	7,304	2,692	–	–
Deferred tax assets (liabilities)	199,978	160,824	(100,061)	(88,123)
Set off of tax	(93,657)	(80,995)	93,657	80,995
Deferred Taxes	106,321	79,829	(6,404)	(7,128)

Movements in deferred tax assets and deferred tax liabilities of the Group during the year are as follows:

	At 1 May 2018 US$'000	Recognised in profit or loss US$'000	Recognised in other comprehen-sive income US$'000	Currency realignment US$'000	At 30 April 2019 US$'000
30 April 2019					
Provisions	3,291	400	–	1,237	4,928
Employee benefits	23,348	(431)	2,127	(1,001)	24,043
Property, plant and equipment - net	(26,227)	1,746	–	1	(24,480)
Intangible assets and goodwill	(50,944)	(12,128)	–	–	(63,072)
Effective portion of changes in fair value of cash flow hedges	1,166	(163)	(113)	–	890
Tax loss carry-forwards	127,780	18,806	–	–	146,586
Inventories	2,547	334	–	(1,069)	1,812
Biological assets	(2,390)	–	–	1,337	(1,053)
Deferred income	(8,562)	(2,894)	–	–	(11,456)
Interest	–	14,415	–	–	14,415
Others	2,692	5,160	–	(548)	7,304
	72,701	25,245	2,014	(43)	99,917

	At 1 May 2017 US$'000	Recognised in profit or loss US$'000	Recognised in other comprehen-sive 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)	(5,469)	(3,571)	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	(10,519)	–	–	127,780
Inventories	1,518	1,029	–	–	2,547
Biological assets	(2,436)	(156)	–	202	(2,390)
Deferred income	–	(8,562)	–	–	(8,562)
Others	8,798	(6,084)	(19)	(3)	2,692
	88,873	(3,143)	(9,586)	(3,443)	72,701

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 2019, is approximately US$7.9 million (30 April 2018: US$14.4 million).

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. No stock dividends were declared in 2019.

Unrecognised deferred tax assets

The following deferred tax assets have not been recognised as of 30 April 2019 and 2018:

	30 April 2019 US$'000	30 April 2018 US$'000
Deductible temporary differences	5,024	9,281
Tax losses and tax credits	481	549
	5,505	9,830

The tax losses will expire in 2020 and 2021. The tax carry forwards will expire between 2024 and 2028. 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 2019, deferred tax assets amounting to US$146.6 million (30 April 2018: US$127.8 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, deferred tax assets of DMFI of US$199.9 million as at 30 April 2019 may not be realised. The majority of the tax loss for 30 April 2019 can be carried forward indefinitely and tax loss carry forwards prior to 30 April 2019 may be utilised up to a 20-year period.

10. Other noncurrent assets

		Group	
	Note	**30 April 2019 US$'000**	**30 April 2018 US$'000**
Advances to growers		12,861	13,358
Land expansion (development costs of acquired leased areas)		8,230	6,353
Advance rentals and deposits		7,116	6,233
Excess insurance		5,514	5,960
Note receivables	32, 33, 34	4,038	7,744
Prepayments		631	268
Others		706	1,307
		39,096	41,223

Advances to growers and advance rentals and deposits consists of short term, generally noninterest-bearing cash and other advances to growers and landowners which are collected against delivery of fruits or minimum guaranteed profits of the growers or against payment of rentals to landowners.

Excess insurance relate mainly to reimbursements from insurers to cover certain workers' compensation claims liabilities (see Note 20).

The note receivables include a receivable relating to the sale of certain assets of Sager Creek which is payable in three years until 2020 (see Note 16). 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. Total note receivables due in 2020 amounted to US$7.7 million, the current portion of US$5.4 million as at 30 April 2019 (2018: US$2.6 million), is presented under "Trade and other receivables (see Notes 13).

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 2019 US$'000	Group 30 April 2018 US$'000
Livestock		
At beginning of the year	1,629	1,420
Purchases of livestock	990	909
Sales of livestock	(927)	(646)
Currency realignment	(10)	(54)
At end of the year	1,682	1,629

	Group 30 April 2019 US$'000	Group 30 April 2019 US$'000
Agricultural produce		
At beginning of the year	23,473	23,307
Additions	11,755	10,458
Harvested	(8,674)	(9,452)
Currency realignment	(133)	(840)
At end of the year	26,421	23,473
Fair value gain on produce prior to harvest	25,899	18,490
At end of the year	52,320	41,963

	Group 30 April 2019 US$'000	Group 30 April 2018 US$'000
Current	52,320	41,963
Noncurrent	1,682	1,629
Total	54,002	43,592

	Note	Group 30 April 2019 US$'000	Group 30 April 2018 US$'000
Fair value gain (loss) recognised under:			
Inventories	34	6,016	9,174
Cost of sales	25	39,002	36,651
Unharvested agricultural produce		7,409	(721)
Fair value gain recognised under revenues		52,427	45,104

The changes in fair values of the Group's biological assets are recorded as part of revenues (see Note 24).

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 estimated 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 2019 US$'000	**30 April 2018 US$'000**
Finished goods		
- at cost	470,698	554,712
- at net realisable value	30,092	33,448
Semi-finished goods		
- at cost	981	454
- at net realisable value	15,623	18,945
Raw materials and packaging supplies		
- at net realisable value	147,528	153,422
	664,922	760,981

Inventories recognised as an expense in cost of sales amounted to US$1,101.1 million for the year ended 30 April 2019 (30 April 2018: US$1,241.2 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 2019 US$'000**	**30 April 2018 US$'000**
At beginning of the year		26,616	15,086
Allowance for the year	25	19,245	21,823
Release of NRV		(13,080)	–
Write-off against allowance		(22,775)	(9,284)
Currency realignment		521	(1,009)
At end of the year		10,527	26,616

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, including the write-down of inventory subsequently purchased by McCall Farms, in fiscal year 2018. In 2019, these reserves were reversed since the related inventories had been sold.

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 2019 US$'000	30 April 2018 US$'000	30 April 2019 US$'000	30 April 2018 US$'000
Trade receivables		132,934	145,094	–	–
Nontrade receivables	10	25,893	21,946	32	8
Amounts due from subsidiaries (nontrade)	37	–	–	635	179,370
Amounts due from joint venture (nontrade)		–	1,570	2,520	1,570
Allowance for doubtful accounts - trade		(5,158)	(2,440)	–	–
Allowance for doubtful accounts - nontrade		(4,615)	(4,543)	–	–
Trade and other receivables		149,054	161,627	3,187	180,948

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.

Nontrade 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.

Nontrade receivables also includes of the current portion of the notes receivable from sale of Sager Creek Assets amounting to US$5.4 million and US$2.6 million as at 30 April 2019 and 2018, respectively (See Note 10).

The ageing of trade and nontrade receivables at the reporting date is:

	Group			
	Gross		**Impairment losses**	
	Trade	**Nontrade**	**Trade**	**Nontrade**
At 30 April 2019	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Not past due	80,706	16,831	–	–
Past due 0 - 60 days	26,033	867	–	–
Past due 61 - 90 days	1,232	523	–	–
Past due 91 - 120 days	5,935	482	–	–
More than 120 days	19,028	7,190	(5,158)	(4,615)
	132,934	25,893	(5,158)	(4,615)

	Group			
	Gross		**Impairment losses**	
	Trade	**Nontrade**	**Trade**	**Nontrade**
At 30 April 2018	**US$'000**	**US$'000**	**US$'000**	**US$'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)

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**	
	Trade	**Nontrade**	**Trade**	**Nontrade**
At 30 April 2019	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Not past due	–	3,187	–	–
Past due 0 - 60 days	–	–	–	–
Past due 61 - 90 days	–	–	–	–
Past due 91 - 120 days	–	–	–	–
More than 120 days	–	–	–	–
	–	3,187	–	–

	Company			
	Gross		**Impairment losses**	
	Trade	**Nontrade**	**Trade**	**Nontrade**
At 30 April 2018	**US$'000**	**US$'000**	**US$'000**	**US$'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	–	–

Movements in allowance for impairment during the year are as follows:

			Group	
	Note	**Trade US$'000**	**Nontrade US$'000**	**Total US$'000**
At 1 May 2018		2,440	4,543	6,983
Provision for the year	25	2,574	72	2,646
Currency realignment		144	–	144
At 30 April 2019		5,158	4,615	9,773

			Group	
	Note	**Trade US$'000**	**Nontrade US$'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

In fiscal year 2018, allowance for doubtful accounts are based on specific and collective impairment assessment by the Group. In fiscal year 2019, new impairment loss model applies to the Group which are based on a provision matrix that tracks loss rates over a prior of three years and adjusted for forward-looking information.

Source of estimation uncertainty

The Group maintains an allowance for impairment of accounts receivables at a level considered adequate to provide for potential uncollectible receivables based on the applicable ECL methodology. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment 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. Additionally, allowance is also determined, through a provision matrix based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The amount and timing of recorded expenses for any period would differ if the Group made different judgement or 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 expenses and other current assets

	Note	Group 30 April 2019 US$'000	Group 30 April 2018 US$'000	Company 30 April 2019 US$'000	Company 30 April 2018 US$'000
Prepaid expenses		30,046	24,931	150	179
Down payment to suppliers		4,921	4,166	–	–
Derivative asset	20, 32, 33, 34	64	305	–	–
Others		1,685	1,380	42	31
		36,716	30,782	192	210

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

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

15. Cash and cash equivalents

	Group 30 April 2019 US$'000	Group 30 April 2018 US$'000	Company 30 April 2019 US$'000	Company 30 April 2018 US$'000
Cash on hand	41	51	–	–
Cash in banks	17,231	17,370	886	2,709
Cash equivalents	4,364	6,825	–	–
Cash and cash equivalents	21,636	24,246	886	2,709

Certain cash in bank accounts earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 0.50% per annum in 2019 (2018: 0.01% to 3.38%). 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 0.18% to 6.50% as of 30 April 2019 (30 April 2018: 0.18% to 3.38%) 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 (see Note 5).

In 2018, management committed to a plan to sell certain assets of the Group's Plymouth, Indiana plant and an office building in Siloam Springs, Arkansas. The majority of these assets have been sold during fiscal year 2019.

In 2019, management committed to a plan to sell certain assets of the Group's Gilroy, California and Kenwood, Arkansas plants. Accordingly, these assets were presented as assets held for sale. Efforts to sell the assets have started and a sale is 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 US$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 US$30.0 million at closing on 18 September 2017, US$15.0 million on 27 February 2018 and US$2.5 million on 28 February 2019. The remaining US$7.5 million, is due in installments along with accrued interest: US$5.0 million on 28 February 2020 and US$2.5 million on 1 December 2020. As of 30 April 2019 and 2018, the Group has recorded current receivables of US$5.4 million and US$2.6 million, respectively, in "Trade and other receivables" and noncurrent receivables of US$2.7 million and US$7.7 million, respectively, in "Other noncurrent assets" related to this sale. In 2019, the Group recognised a gain on sale amounting to US$16.4 million relating to the sale of certain assets of Sager Creek.

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 2019		**30 April 2018**	
	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	30,000	30,000
	1,974,936	49,449	1,974,936	49,449

Reconciliation of number of outstanding ordinary shares in issue:

	Note	Year ended 30 April 2019	Year ended 30 April 2018
		No. of shares	
		('000)	('000)
At beginning of the year		1,943,960	1,943,214
Release of share awards		-	746
At end of the year		1,943,960	1,943,960

Reconciliation of number of outstanding preference shares in issue:

	Year ended 30 April 2019	Year ended 30 April 2018
	No. of shares	
	('000)	('000)
At beginning of the year	30,000	20,000
Issuance of shares	-	10,000
At end of the year	30,000	30,000

The following summarises the information on the Company's registration of securities under the Securities Regulation Code of the Philippines (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 SEC issued an order rendering effective the registration of additional 5,500,000 ordinary shares which were offered and sold to the public in the Philippines.*
****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 as it was part of the shelf-registration previously applied by the Company with the SEC.*
***Date of issuance of the SEC Permit to Sell.*

The total number of ordinary shareholders as at 30 April 2019 and 2018 is 7,646 and 7,752, respectively. Additionally, the total number of Series A-1 preference shareholders as at 30 April 2019 and 2018 is 15 and 14, respectively. The total number of Series A-2 preference shareholders as at 30 April 2019 and 2018 is 22 and 20, respectively.

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 September 2017, the Company transferred 745,918 of its treasury shares to ordinary shares in connection with the release of share awards granted to certain 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 theUS$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 fiscal year 2018.

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

	Group			Company		
	30 April 2019 US$'000	**30 April 2018 US$'000**	**30 April 2017 US$'000**	**30 April 2019 US$'000**	**30 April 2018 US$'000**	**30 April 2017 US$'000**
Declared and paid during the financial year:						
Dividends on ordinary shares						
2019: US$nil (2018: US$0.0061; 2017: US$0.0133)	-	11,882	25,828	-	11,882	25,828
Dividends on preference shares						
A-1 preference shares for 2019 and 2018: US$0.33125	13,250	13,250	-	13,250	13,250	-
A-2 preference shares for 2019 and 2018: US$0.20403	6,500	2,040	-	6,500	2,040	-
	19,750	15,290	-	19,750	15,290	-
	19,750	27,172	25,828	19,750	27,172	25,828
Proposed but not recognised as a liability as at 30 April 2019:						
Dividends on ordinary shares						
2019: US$0.0052	10,109	-	-	10,109	-	-

Ordinary shares

On 20 June 2019, the Board approved the declaration of dividend of 0.52 US cents (US$0.0052) per share to stockholders on record as at 12 July 2019 payable on 19 July 2019.

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.

Preference shares

On 20 March 2019, 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 2018 to 7 April 2019. 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$0.32500 per Series A-2 Preference Share for the six-month period from 8 October 2018 to 7 April 2019. The final dividends were paid on 8 April 2019.

On 19 September 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 7 April 2018 to 7 October 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$0.32500 per Series A-2 Preference Share for the six-month period from 7 April 2018 to 7 October 2018. The final dividends were paid on 8 October 2018.

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 2019 and 2018.

The retained earnings is restricted for the payment of dividends representing the accumulated equity in net earnings of the subsidiaries amounting to US$465.9 million as at 30 April 2019 (30 April 2018: US$433.5 million). The accumulated equity in net earnings of the subsidiaries will be available for dividend distribution upon receipt of dividends from the subsidiaries. As of 30 April 2019 and 2018, joint ventures have no undistributed net earnings.

Share premium

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 2019 US$'000	**30 April 2018 US$'000**	**30 April 2019 US$'000**	**30 April 2018 US$'000**
Translation reserve	(93,375)	(91,515)	(93,375)	(91,515)
Remeasurement of retirement plan	17,648	18,225	17,648	18,225
Revaluation reserve	10,885	10,885	10,885	10,885
Hedging reserve	(2,452)	(2,764)	(2,452)	(2,764)
Share option reserve	1,753	1,373	1,753	1,373
Reserve for own shares	(286)	(286)	(286)	(286)
	(65,827)	(64,082)	(65,827)	(64,082)

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 2019 and 2018, the Group held 975,802 of the Company's shares.

19. Loans and borrowings

	Group		Company	
	30 April 2019 US$'000	**30 April 2018 US$'000**	**30 April 2019 US$'000**	**30 April 2018 US$'000**
Current liabilities				
Unsecured bank loans	353,870	417,310	135,070	152,140
Secured bank loans	138,870	64,310	–	53,894
	492,740	481,620	135,070	206,034
Noncurrent liabilities				
Unsecured bank loans	168,825	57,990	111,241	–
Secured bank loans	817,090	925,613	129,774	129,594
	985,915	983,603	241,015	129,594
	1,478,655	1,465,223	376,085	335,628

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 2019 Face value US$'000	30 April 2019 Carrying amount US$'000	30 April 2018 Face value US$'000	30 April 2018 Carrying amount US$'000
Group							
Unsecured bank loans	PHP	3.00%-4.50%	2020	57,584	57,584	61,856	61,856
Unsecured bank loans	USD	2.00%-4.50%	2019-2021	465,111	465,111	413,444	413,444
Secured bridging loan	USD	4.50%-5.29%	2020	53,500	53,500	54,000	53,894
Secured bridging loan	USD	4.50%	2020	76,500	76,274	130,000	129,594
Secured bank loan under ABL Credit Agreement	USD	Tranche A – 4.11% - 6.75% Tranche B – 4.61% - 7.25%	2019/2020	136,672	133,851	10,000	6,442
Secured First lien term loan	USD	Higher of Libor or 1% + 3.25% or total of 5.90%	2021	674,500	668,697	681,600	671,247
Secured Second lien term loan	USD	Higher of Libor or 1% + 7.25% or total of 10.15%	2021	28,555	23,638	135,055	128,746
				1,492,422	1,478,655	1,485,955	1,465,223

	Currency	Nominal interest rate % p.a.	Year of maturity	30 April 2019 Face value US$'000	30 April 2019 Carrying amount US$'000	30 April 2018 Face value US$'000	30 April 2018 Carrying amount US$'000
Company							
Unsecured bank loans	USD	2.75%-4.50%	2019-2021	246,311	246,311	152,140	152,140
Secured bridging loans	USD	4.50%-5.29%	2020	130,000	129,774	184,000	183,488
				376,311	376,085	336,140	335,628

The secured bridging loans of US$53.5 million as at 30 April 2019 (2018: US$54 million) is the remaining balance for the bridging loan that was obtained by the Company to finance the acquisition of Sager Creek and its related costs. In 2017, the Company signed a two-year extension of the US$350.0 million BDO loans from 10 February 2017 to 2019. In April 2017, the Company settled US$196.0 million of the US$350.0 million BDO loan using the proceeds from the issuance of Series A-1 preference shares. In December 2017, the Company settled an additional US$100.0 million using the proceeds from the issuance of Series A-2 Preference Shares (see Note 17). In 2019, the Company settled an additional US$0.5 million and extended the maturity date from February 2019 to August 2020. The loans are secured by the following: 1) Share Charge by DMPL on its share in DMPL Foods Limited; 2) Pledge by DMPRL of its shares in CARI; and 3) Pledge by CARI of its shares in DMPI.

In 2015, the Company obtained loans from BDO amounting to US$130 million to refinance its existing bridge loans with the same bank and other bridge loans with other lenders and for general corporate requirements. The loans are secured by DMPI suretyship. In 2019, the Company settled US$53.5 million bringing the balance to US$76.5 million.

The BDO bridging loans above require the Company to continuously maintain a debt to equity ratio of 3:1 applicable to fiscal years 2018 to 2020 and interest coverage of 1.5x. The Company is compliant with these covenants as at 30 April 2019 and 2018.

The Company has also entered into an agreement with DBS for an omnibus facility comprising of a short-term dollar denominated loan (US$30 million) and import financing facilities. The maximum aggregate utilization for the loans shall not exceed US$80 million at all times. The Company has drawn US$30 million during the fiscal year and will mature in May 2019.

The Company also obtained additional loans from Bank of Commerce (BOC) amounting to US$54.0 million and Development Bank of the Philippines (DBP) amounting to US$57.2 million for various financing needs.

Long-term Borrowings

Long-term Borrowings	**Original Principal (In '000)**	**Outstanding Balance (In '000)**	**Interest Rate** % p.a.	**Year of Maturity**	**Payment Terms (e.g., annually, quarterly, etc.)**	**Interest already paid 1 May 2018 to 30 April 2019 (In '000)**
Senior secured variable rate first lien term loan	USD 710,000	USD 674,500	Higher of Libor or 1% + 3.25% or total of 5.90%	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 38,538
Senior secured second lien variable rate term loan	USD 260,000	USD 28,555	Higher of Libor or 1% + 7.25% or total of 10.15%	2021	Due in full at its maturity, 18 August 2021.	USD 7,106
BDO Long-term Loan	USD 350,000	USD 53,500	4.50%	2020	Quarterly interest payment and principal on maturity date.	USD 2,496
BDO Long-term Loan	USD 130,000	USD 76,500	4.50%	2020	Quarterly interest payment and principal on maturity date.	USD 4,575
BOC Long-term Loan	USD 54,000	USD 54,000	4.50%	2020	Monthly interest payment and principal on maturity date.	USD 1,229
DBP Long-term Loan	USD 57,241	USD 57,241	3.98%	2021	Quarterly interest payment and principal on maturity date	–
BDO Long-term Loan	PHP 3,000,000	PHP 3,000,000	Higher of Libor or 4.50%	2020	Quarterly interest payment and principal on maturity date	PHP 140,981

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 2019 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2019 US$'000**	**Year ended 30 April 2018 US$'000**
Beginning of year		20,732	25,663	512	2,146
Additions		868	4,223	–	730
Amortisation	26	(7,833)	(9,154)	(286)	(2,364)
End of year		13,767	20,732	226	512

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 2019, the interest rate for First Lien Term Loans is 5.90% (30 April 2018: 5.15%) and the interest rate for Second Lien Term Loans is 10.15% (30 April 2018: 9.06%).

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. On 5 June 2018, 24 July 2018 and 15 April 2019, an additional US$4.0 million, US$95.1 million and US$6.5 million, respectively, of the Second Lien Term Loans were purchased. The pre-tax net gain from the purchase of the loans in 2019 amounting to US$16.9 million (2018: US$33.6 million), net of transaction costs amounting to US$2.0 million (2018: 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 in fiscal year 2018 with an additional US$87.8 million extended in fiscal year 2019. As of 30 April 2019, such loans are subject to interest of 13.90%, subject to quarterly repricing, and will mature on 18 August 2021. The interest income earned by the Company on this loan amounted to US$20.2 million in 2019 (2018: US$1.0 million).

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. 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. As of 30 April 2019 and 30 April 2018, the Group’s commitment could not exceed US$450 million. Tranche A matured on 18 February 2019 and Tranche B matures 19 November 2020.

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 2.50% for Tranche B at 30 April 2019 (and may decrease to 2.25% or increase to 2.75% depending on average excess availability) (30 April 2018: Tranche A: 2.00% and Tranche B: 2.50%) and with respect to base rate borrowings is 1.50% for Tranche B at 30 April 2019 (and may decrease to 1.25% or increase to 1.75% depending on average excess availability) (30 April 2018: Tranche A: 1.00% and Tranche B: 1.50%).

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, Tranche A matured and on 19 November 2020 Tranche B will mature. As of 30 April 2019, under Tranche B of the ABL Credit Agreement, there were US$136.7 million (30 April 2018: Tranche A: US$0.9 million and Tranche B: US$9.1 million) of loans outstanding and US$16.9 million of letters of credit issued (30 April 2018: Tranche A: US$1.6 million and Tranche B: US$15.3 million). The Group's net availability under the ABL Credit Agreement was US$289.0 million as of 30 April 2019 (30 April 2018: US$415.7 million). The weighted average interest rate on the ABL Credit Agreement was approximately 4.90% on 30 April 2019 (30 April 2018: 6.20%).

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.

Minimum Consolidated EBITDA. Beginning on 1 May 2018, 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 2019 and 2018.

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.

	Bank	**Principal In '000**	**Debt-to equity ratio**	**Interest coverage**
Unsecured loans	BOC	USD 54,000	3.0x	2.0x
Unsecured loans	DBP	USD 57,241	3.0x	–
Unsecured loans	BDO	PHP 3,000,000	2.0x	–

The Company and the Group is compliant with its loan covenants as at 30 April 2019 and 2018.

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.

In 2019, the Company also availed of an omnibus facility with DBS totaling US$80 million of which US$30 million has already been drawn.

20. Other noncurrent liabilities

	Group	
	30 April 2019 US$'000	**30 April 2018 US$'000**
Workers' compensation	19,304	22,209
Accrued lease liabilities	7,610	7,555
Derivative liabilities	1,759	1,803
Accrued vendors liabilities	802	1,208
Due to related party - non current	–	684
Deferred rental liabilities	–	333
Other payables	540	1,403
	30,015	35,195

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 2019 and 2018, 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 2019 US$'000**	**30 April 2018 US$'000**
Interest rate swap	32, 34	(3,960)	(5,017)
Commodity contracts		64	259
Total		(3,896)	(4,758)
Included in :			
Prepaid expenses and other current assets	14, 33	64	305
Trade and other current liabilities	23	(2,201)	(3,260)
Other noncurrent liabilities		(1,759)	(1,803)
		(3,896)	(4,758)

The effect of economic hedges in the consolidated income statement were as follows:

	Group	
	30 April 2019 US$'000	**30 April 2018 US$'000**
Commodity contracts	(283)	(1,381)
Foreign exchange contracts	–	(3,422)

At 30 April 2019, US$2.6 million (30 April 2018: US$3.5 million) are expected to be reclassified from OCI to the consolidated income statement within the next 12 months.

21. Employee benefits

	Group	
	30 April 2019 US$'000	**30 April 2018 US$'000**
Pension asset	8,240	10,607
Total pension asset (noncurrent)	8,240	10,607
Post-retirement benefit obligation	16,914	34,594
Executive retirement plan	3,092	5,169
Cash incentive award	6,210	7,459
Short-term employee benefits	17,115	30,278
Other plans	6,360	6,499
Net defined benefit liability	41,730	30,551
Total employee benefit liability	91,421	114,550
Current	27,640	37,645
Noncurrent	63,781	76,905
	91,421	114,550

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 does not expect to make contributions to the plan in fiscal year 2020.

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 does not expect to make contributions to the plan in fiscal year 2020.

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.

As of 30 April 2019, there was an amendment to the post-retirement benefit plan. Under the amendment, certain benefits will be eliminated after fiscal year 2022. The net liability impact of this amendment was a decrease of US$13.4 million, which was recognised immediately in "General and administrative expenses" in the consolidated income statement.

DMFI does not expect to make contributions to the plan in fiscal year 2020.

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		Effect of Asset Ceiling		Net defined benefit liability (asset)	
	30 April 2019 US$'000	30 April 2018 US$'000	30 April 2019 US$'000	30 April 2018 US$'000	30 April 2019 US$'000	30 April 2018 US$'000	30 April 2019 US$'000	30 April 2018 US$'000
Group								
Balance, Beginning	385,105	418,602	(336,939)	(347,157)	6,372	–	54,538	71,445
Included in profit or loss:								
Current service cost	7,827	9,620	–	–	–	–	7,827	9,620
Past service cost	(15,099)	–	–	–	–	–	(15,099)	–
Plan administration cost	–	–	675	926	–	–	675	926
Interest cost/ (income)	16,400	16,688	(14,754)	(13,845)	497	–	2,143	2,843
	394,233	444,910	(351,018)	(360,076)	6,869	–	50,084	84,834
Included in OCI								
Remeasurements loss (gain):								
- Actuarial loss (gain) arising from:								
- financial assumptions	10,297	(17,043)	–	–	–	–	10,297	(17,043)
- demographic assumptions	(514)	(2,396)	–	–	–	–	(514)	(2,396)
- experience adjustment	(366)	(6,755)	–	–	–	–	(366)	(6,755)
- Return on plan assets excluding interest income	–	–	(703)	(6,976)	–	–	(703)	(6,976)
- Changes in the effect of the asset ceiling	–	–	–	–	(5,380)	6,372	(5,380)	6,372
- Effect of movements in exchange rates	(100)	(1,158)	258	1,519	19	–	177	361
	9,317	(27,352)	(445)	(5,457)	(5,361)	6,372	3,511	(26,437)
Others								
Contributions	–	–	(1,692)	(2,080)	–	–	(1,692)	(2,080)
Benefits paid	(39,573)	(32,453)	38,074	30,674	–	–	(1,499)	(1,779)
	(39,573)	(32,453)	36,382	28,594	–	–	(3,191)	(3,859)
Balance, Ending	363,977	385,105	(315,081)	(336,939)	1,508	6,372	50,404	54,538

Represented by:

	Net defined benefit liability (asset) 30 April 2019 US$'000	Net defined benefit liability (asset) 30 April 2018 US$'000
Net defined benefit asset	(8,240)	(10,607)
Post-retirement benefit obligation	16,914	34,594
Net defined benefit liability	41,730	30,551
	50,404	54,538

Plan assets

Plan assets comprise:

	Group	
	30 April 2019 US$'000	**30 April 2018 US$'000**
Interest-bearing cash/bank deposits	14,501	10,791
Real estate (within Philippines)	15,004	15,176
Common collective trust funds:		
Fixed income	68,624	74,884
Equity fund	87,474	107,320
Mutual funds -		
Equity fund	13,840	8,647
Debt instruments:		
Corporate	41,191	41,491
Government	42,590	44,566
Others	5,109	6,272
Equity securities -		
Quoted	12,602	15,069
Others	14,146	12,723
Fair value of plan assets	315,081	336,939

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 2019 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 30 April 2019.

The principal actuarial assumptions used for accounting purposes expressed as weighted average were:

	DMFI 30 April 2019	DMFI 30 April 2018
Discount rate (per annum)	3.65% – 4.25%	4.05% – 4.25%
Future salary increases (per annum)	3.00% – 4.00%	3.00% – 4.00%
Current health care cost trend rate (per annum)	6.80%	7.10%
Ultimate health care cost trend rate	4.50%	4.50%
Mortality rate	RP-2014 adjusted backward to 2006 with MP-2014 and projected forward using MP-2018	RP-2014 adjusted backward to 2006 with MP-2014 and projected forward using MP-2017

	DMPI 30 April 2019	DMPI 30 April 2018
Discount rate (per annum)	6.06%	7.88%
Future salary increases (per annum)	6.00%	6.00%

	ROHQ 30 April 2019	ROHQ 30 April 2018
Discount rate (per annum)	6.21%	8.04%
Future salary increases (per annum)	6.00%	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 for DMFI plan was determined based on an analysis of interest rates for high-quality, long-term corporate debt at each measurement date. The discount rate for DMPI and ROHQ Plans were determined based on the theoretical spot yield curve calculated for the government securities market. 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 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 2019, the weighted average duration of DMPI's and ROHQ's defined benefit retirement obligation is 7.4 years and 6.5 years, respectively (30 April 2018: 8.5 years and 8.8 years, respectively).

The projected future benefit payments for the DMPI and ROHQ plans as of 30 April 2019 are as follows:

	DMPI US$'000	ROHQ US$'000	Total Expected Benefit Payments US$'000
2020	2,337	35	2,372
2021	4,295	40	4,335
2022	3,548	44	3,592
2023	2,671	49	2,720
2024	4,290	53	4,343
2025 to 2029	14,802	638	15,440

The weighted average duration of DMFI's defined benefit retirement obligation are as follows:

	Duration (years)	
	30 April 2019	30 April 2018
Qualified retirement plan	9.3	9.3
Post-retirement benefits plan	9.5	11.1
Executive retirement plans	9.3 – 9.4	6.5 - 10.7

The projected future benefit payments for the DMFI plan as of 30 April 2019 are as follows:

	Normal Retirement US$'000	Other than Normal Retirement US$'000	Total US$'000
Less than one year	30,187	-	30,187
More than one year to five years	112,396	-	112,396
More than five years	120,484	-	120,484

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 2019	Target Allocation Range
Equity securities	36%	31-51%
Debt securities	50%	42-64%
Other	14%	2-19%
Total	100%	

	30 April 2018	Target Allocation Range
Equity securities	39%	31-51%
Debt securities	27%	42-64%
Other	34%	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---------------------------->**			
	2019		**2018**	
	0.5% increase US$'000	0.5% decrease US$'000	0.5% increase US$'000	0.5% decrease US$'000
Discount rate (per annum)	(13,151)	14,264	(13,502)	14,646
Future salary increases (per annum)	1,070	(1,020)	1,364	(1,318)

Defined benefit obligation	**<------------------------------DMPI---------------------------->**			
	2019		**2018**	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Discount rate (per annum)	(2,253)	1,963	(1,858)	2,139
Future salary increases (per annum)	2,232	(1,981)	1,901	(1,683)

Defined benefit obligation	<------ROHQ			------>
	2019		**2018**	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Discount rate (per annum)	(38)	35	(30)	31
Future salary increases (per annum)	38	(35)	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 2019 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			------>
	2019		**2018**	
	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)	908	(744)	2,991	(2,501)

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. Contribution 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$6.7 million and US$6.1 million during fiscal years 2019 and 2018, 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 2019 was US$4.1 million (30 April 2018: US$4.8 million; 30 April 2017: US$4.3 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 2019 US$'000	**30 April 2018 US$'000**
At beginning of the year	144	6,198
Provision made during the year	631	31
Reversal during the year	-	(5,837)
Provisions used during the year	(78)	(78)
Reclassification	-	(170)
At end of the year	697	144

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 --------->		<-------- Company ------->	
		30 April 2019 US$'000	**30 April 2018 US$'000**	**30 April 2019 US$'000**	**30 April 2018 US$'000**
Trade payables		113,202	156,450	335	479
Deferred revenue		530	13,592	–	–
Accrued operating expenses:					
Advertising		11,108	22,223	–	–
Accrued interest		10,481	11,939	2,159	2,345
Trade promotions		9,476	10,167	–	–
Freight and warehousing		7,121	7,163	–	–
Professional fees		6,292	13,474	–	1,725
Taxes and insurance		6,246	7,355	–	–
Tinplate and consigned stocks		3,340	1,986	–	–
Salaries, bonuses and other employee benefits		2,579	4,653	–	–
Plant closure costs		–	3,025	–	–
Miscellaneous		4,709	2,512	360	420
Accrued payroll expenses		3,617	5,583	2,661	2,874
Overdrafts		3,478	3,606	–	–
Withheld from employees (taxes and social security cost)		2,259	1,527	28	35
Derivative liabilities	20	2,201	3,260	–	–
VAT payables		1,104	1,215	120	136
Other payables		622	6,571	120	39
Advances from customers		304	317	–	–
Amounts due to subsidiaries (non-trade)	37	–	–	98,194	79,020
		188,669	276,618	103,977	87,073

Deferred revenue pertains to contract liabilities relating to advances from customers which are generally expected to be recognised as revenue within periods of less than one year. Accordingly, opening contract liabilities are recognised within each reporting period. The Group applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose the aggregate amount of the transaction price of unsatisfied or partially unsatisfied performance obligations as of the end of the reporting period because its contracts have original expected durations of one year or less (see Note 24).

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 amount of discount to be redeemed based on volumes sold when the services are performed and billings are received.

24. Revenue

Revenue of the Group comprises fair value gains arising from biological assets, gross invoiced sales of goods, net of discounts and returns, and is recognised when goods are delivered. All intra-group transactions have been excluded from Group revenue.

Revenue for fiscal year ended 30 April 2019 is net of discounts of US$75.8 million, returns of US$16.8 million and direct promotions of US$327.2 million. 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.

Disaggregation of revenue is presented in Note 29.

Contract Balances

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers.

	Group	
	30 April 2019 US$'000	**30 April 2018 US$'000**
Receivables, included in Trade and other receivables	127,776	142,654
Contract liabilities	530	13,592

The Group recognised revenue adjustments from performance obligations satisfied or partially satisfied in previous periods due to changes in estimates of trade promotions, coupon redemptions, cash discounts and penalties amounting to US$3.5 million in fiscal year 2019 and 2018.

The Group recognised revenue from contract liabilities as of 1 May 2018 amounting to US$13.4 million in fiscal year 2019.

25. Profit (loss) before taxation

Profit (loss) before taxation is arrived at after charging (crediting):

	Note	<------------------ Group ------------------>			<---------------- Company ---------------->		
		Year ended 30 April 2019 US$'000	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2019 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**
Inventories recognised as cost of sales	12	1,101,109	1,241,195	1,288,042	–	–	–
Depreciation of property, plant and equipment	5	132,052	140,061	138,995	–	–	–
Operating lease rentals	35	57,971	62,272	64,951			
Changes in fair value of agricultural produce harvested and sold	11	39,002	36,651	33,501	–	–	–
Impairment loss (reversal of impairment) on property, plant and equipment	5	1,262	24,534	(330)	–	–	–
Allowance for inventory obsolescence	12	19,245	21,823	7,415	–	–	–
Research and development expenses		11,526	13,522	2,779	–	–	–
Amortisation of intangible assets	8	6,654	7,784	9,347	–	–	–
Impairment of trade and nontrade receivables	13	2,646	502	791	–	–	–
Audit fees							
- paid to the auditors of the Company		345	340	371	345	340	371
- paid to other auditors		998	1,064	1,553	–	–	–
Non-audit fees							
- paid to other auditors		144	150	667	3	11	14
Loss (gain) on disposal of property, plant and equipment		(6,158)	(11,317)	729	–	–	–
Legal (reversal of legal expenses)		2,626	4,956	7,334	1	(204)	997
Staff costs							
Wages and salaries		228,769	353,944	385,192	4,638	3,533	3,792
Social security costs		16,133	17,063	18,760	4	–	–
Pension costs - defined benefit pension plan*		7,633	13,390	14,917	59	–	–
Pension costs - provident fund		4,435	5,366	4,825	1	–	–
Equity-settled share-based payment transactions	31	266	377	890	–	30	96

**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 Year ended 30 April 2019 US$'000	Group Year ended 30 April 2018 US$'000	Group Year ended 30 April 2017 US$'000	Company Year ended 30 April 2019 US$'000	Company Year ended 30 April 2018 US$'000	Company Year ended 30 April 2017 US$'000
Finance income							
Interest income from:							
Bank deposits		481	269	129	–	5	4
Due from a related party		–	–	–	20,231	1,079	–
Others		744	871	362	–	–	–
Gain on purchase of second lien term loan	19	16,900	33,623	–	–	–	–
Foreign exchange gain		3,860	6,709	5,318	–	2	43
		21,985	41,472	5,809	20,231	1,086	47
Finance expense							
Interest expenses on bank loans		(89,125)	(93,169)	(101,375)	(17,216)	(13,910)	(21,047)
Amortisation of debt issue cost, discount	19	(7,833)	(9,154)	(8,613)	(286)	(2,364)	(1,740)
Foreign exchange loss		(3,466)	(3,330)	(1,080)	(16)	(1)	(42)
		(100,424)	(105,653)	(111,068)	(17,518)	(16,275)	(22,829)
Net finance expense		(78,439)	(64,181)	(105,259)	2,713	(15,189)	(22,782)

As discussed in Note 19, the Group recognised a gain of US$16.9 million (2018: US$33.6 million) on purchase of a portion of the Second Lien term loan.

27. Tax expense (credit) - net

	Note	Group Year ended 30 April 2019 US$'000	Group Year ended 30 April 2018 US$'000	Group Year ended 30 April 2017 US$'000
Current tax expense				
- current year		11,721	11,701	6,730
Deferred tax credit				
- origination and reversal of temporary differences	9	(25,245)	3,143	(6,179)
		(13,524)	14,844	551
Reconciliation of effective tax rate				
Profit (loss) before taxation		700	(36,232)	20,442
Taxation on profit at applicable tax rates		(8,878)	(13,687)	(11,869)
Non-deductible expenses		2,225	2,022	2,183
Non-taxable income		(2,733)	(2,537)	(995)
Change in unrecognised deferred tax asset		(4,325)	2,199	11,428
Others		187	(90)	(196)
Change in tax rate		–	26,937	–
		(13,524)	14,844	551

	Company		
	Year ended 30 April 2019 US$'000	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**
Current tax expense			
- current year	7	25	14
Deferred tax credit			
- origination and reversal of temporary differences	(5)	(9)	(2)
	2	16	12

	Group		
	Year ended 30 April 2019 US$'000	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 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%	25%	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% (2018 and 2017: 5%) tax on gross profit in lieu of the statutory 30% (2018 and 2017: 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%.

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 amounted to US$1.3 million as of 30 April 2019 and 2018.

	Group		
	Year ended 30 April 2019	**Year ended 30 April 2018**	**Year ended 30 April 2017**
Profit (loss) attributable to owners of the Company (US$'000)	20,319	(36,492)	24,366
Cumulative preference share dividends for the year (US$'000)	(19,750)	(15,958)	(847)
	569	(52,450)	23,519
Weighted average number of ordinary shares ('000):			
Outstanding ordinary shares at 1 May	1,943,960	1,943,214	1,943,214
Effect of share awards granted	–	456	–
Weighted average number of ordinary shares during the year	1,943,960	1,943,670	1,943,214
Basic earnings (loss) per share (in US cents)	0.03	(2.70)	1.21

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 2019	**Year ended 30 April 2018**	**Year ended 30 April 2017**
Profit (loss) attributable to owners of the Company (US$'000)	20,319	(36,492)	24,366
Cumulative preference share dividends for the year (US$'000)	(19,750)	(15,958)	(847)
	569	(52,450)	23,519
Diluted weighted average number of shares ('000):			
Weighted average number of ordinary shares at end of year (basic)	1,943,960	1,943,670	1,943,214
Potential ordinary shares issuable under share awards	–	–	746
Weighted average number of ordinary shares issued (diluted)	1,943,960	1,943,670	1,943,960
Diluted earnings (loss) per share (in US cents)	0.03	(2.70)	1.21

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 2019 and 2018 because their exercise price is greater than the market price. As at 30 April 2019, 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 2019 US$'000	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2019 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2019 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2019 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**
Revenue												
Packaged/processed fruit and vegetable	1,150,516	1,349,509	1,363,015	101,861	123,136	127,092	22,501	24,359	28,254	1,274,878	1,497,004	1,518,361
Beverage	14,507	19,522	28,859	122,691	131,412	131,258	9,413	9,133	14,745	146,611	160,067	174,862
Culinary	245,695	274,208	298,454	121,299	123,620	120,857	–	–	–	366,994	397,828	419,311
Fresh fruit and others	4,277	2,217	1,108	162,082	140,193	139,141	–	–	–	166,359	142,410	140,249
Total	**1,414,995**	**1,645,456**	**1,691,436**	**507,933**	**518,361**	**518,348**	**31,914**	**33,492**	**42,999**	**1,954,842**	**2,197,309**	**2,252,783**
Gross profit												
Packaged/processed fruit and vegetable	191,191	214,615	239,208	27,939	37,704	38,694	3,515	8,587	11,706	222,645	260,906	289,608
Beverage	559	(275)	10,018	27,493	37,014	41,212	(4,292)	(2,585)	6,403	23,760	34,154	57,633
Culinary	49,094	44,226	54,949	44,311	48,582	46,268	–	–	–	93,405	92,808	101,217
Fresh fruit and others	1,119	499	250	54,056	44,107	46,184	–	–	–	55,175	44,606	46,434
Total	**241,963**	**259,065**	**304,425**	**153,799**	**167,407**	**172,358**	**(777)**	**6,002**	**18,109**	**394,985**	**432,474**	**494,892**
Share in net loss of joint ventures												
Packaged/processed fruit and vegetable	(176)	–	–	(610)	(97)	(491)	(111)	–	–	(897)	(97)	(491)
Beverage	–	–	–	(8)	(23)	(97)	–	–	–	(8)	(23)	(97)
Culinary	–	–	–	(72)	(185)	(1,003)	–	–	–	(72)	(185)	(1,003)
Fresh fruit and others	–	–	–	(6)	(1,247)	(318)	–	–	–	(6)	(1,247)	(318)
Total	**(176)**	**–**	**–**	**(696)**	**(1,552)**	**(1,909)**	**(111)**	**–**	**–**	**(983)**	**(1,552)**	**(1,909)**

Information about reportable segments

	<----Americas----		---->	<----Asia Pacific----		---->	<----Europe----		---->	<----Total----		---->
	Year ended 30 April 2019 US$'000	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2019 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2019 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2019 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**
Profit (loss) before taxation												
Packaged/processed fruit and vegetable	(49,323)	(81,733)	(55,362)	11,107	20,404	17,617	577	5,618	8,265	(37,639)	(55,711)	(29,480)
Beverage	(4,247)	(5,775)	1,021	1,725	9,683	13,752	(5,513)	(3,685)	–	(8,035)	223	14,773
Culinary	(5,987)	(27,904)	(13,095)	20,706	24,789	17,915	–	–	4,781	14,719	(3,115)	9,601
Fresh fruit and others	(204)	(51)	2,790	31,859	22,422	22,758	–	–	–	31,655	22,371	25,548
Total	**(59,761)**	**(115,463)**	**(64,646)**	**65,397**	**77,298**	**72,042**	**(4,936)**	**1,933**	**13,046**	**700**	**(36,232)**	**20,442**
Other Material Non-Cash Items												
Depreciation and amortisation	51,738	54,677	47,278	86,968	93,168	101,064	–	–	–	138,706	147,845	148,342
Capital expenditure	**21,092**	**30,937**	**44,591**	**73,153**	**79,801**	**99,532**	**–**	**–**	**–**	**94,245**	**110,738**	**144,123**
Segment assets	**1,843,771**	**1,972,616**	**2,228,986**	**533,690**	**521,213**	**503,177**	**21,233**	**15,297**	**24,983**	**2,398,694**	**2,509,126**	**2,757,146**
Segment liabilities	**1,104,990**	**1,198,647**	**1,508,147**	**649,852**	**624,249**	**610,411**	**42,711**	**77,970**	**60,033**	**1,797,553**	**1,900,866**	**2,178,591**

Major customer

Revenues from a major customer of the Americas segment for fiscal year 2019 amounted to approximately US$394.4 million or 20% (2018: US$631.9 million or 29%, 2017: US$630.3 million or 28%) of the Group's total revenue. The customer accounted for approximately 12% of trade and other receivable 30 April 2019 (2018: 13%, 2017: 15%).

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 five months from August to December.

The Group operates 12 production facilities (30 April 2018 and 2017: 12 and 15 production facilities, respectively) 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. Any options granted by the Company prior to 24 July 2009 would continue to be valid for a period of ten years from the date of the grant of options. All options previously granted under the ESOP 1999 had since lapsed on 6 March 2018 and there are no further outstanding options under the ESOP 1999.

The Company adopted 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 and directors 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, and no options had been granted to-date.

The ESOP 2016 is administered by the Remuneration Share Option Committee (RSOC).

Details of the outstanding options granted to the Company's directors and employees under the ESOP 1999 and Del Monte Pacific RSP on unissued ordinary shares of the Company at the reporting date, are as follows:

ESOP

Date of grant of options	Exercise period	Exercise price S$	Options outstanding 30 April 2019	30 April 2018	30 April 2017
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2011	0.627	–	–	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
1 July 2015	Up to 100%: 6 March 2018	0.578	–	–	75,765
			–	–	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 2019 and 2018, there is no outstanding ESOP options 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 2019 and 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.

During the second quarter of fiscal year 2016, DMFHI established a new plan, the 2015 Executive Long-Term Incentive Plan (LTIP), which intends to provide key executives with the opportunity to receive grants of stock options, cash-based awards and other stock-based awards. 9,000,000 shares of common stock of DMFHI were reserved for grant under the plan. In fiscal year 2016, the Company granted nonqualified stock options and cash incentive awards under 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 2019 and 2018, 14,372,044 and 13,577,999 share 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:

	2019		**2018**	
	Number of options	**Weighted-average exercise price**	**Number of options**	**Weighted-average exercise price**
Outstanding at beginning of year	1,422,001	5.39	2,759,592	5.39
Cancelled	(212,163)	5.39	(64,302)	5.39
Forfeited	(581,882)	5.39	(1,273,289)	5.39
Outstanding at end of year	627,956	5.39	1,422,001	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 2019 (fiscal year 2018: US$0.4 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. Of the total grant, US3.5 million and US$4.6 million remained outstanding as of 30 April 2019 and 2018, respectively.

In March 2018, DMFI granted an additional US$0.3 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 2019 and 2018, US$0.3 million remained outstanding.

On November 3, 2015, DMFHI granted a total cash incentive of US$13.8 million to key executives under cash incentive award agreements. The awards will vest when the employee remains employed for a period of approximately four (4) years from the grant date until the defined vesting date. Of the total grant, US$4.0 million and US$6.1 million remained outstanding as of 30 April 2019 and 2018, respectively.

The accrued net obligation for the cash incentives amounted to US$6.2 million and US$5.7 million as of 30 April 2019 and 2018, respectively, and the total expense recognised under "Wages, salaries and other benefits" in the income statement of the Group amounted to US$3.1 million, US$2.9 million and US$3.4 million in fiscal years 2019, 2018 and 2017, respectively.

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 2019 US$'000**	**30 April 2018 US$'000**
Americas		81,658	90,311
Europe		5,470	6,097
Asia Pacific		83,521	89,414
	13,15	170,649	185,822

At 30 April 2019, the Group's most significant customer accounted for 12% of the trade and other receivables carrying amount (30 April 2018: 22%).

Impairment losses

The ageing of financial assets excluding cash on hand that were not impaired at the reporting date was:

Group	**Note**	**30 April 2019 US$'000**	**30 April 2018 US$'000**
Not past due		125,095	157,275
Past due 0 - 60 days		26,900	15,069
Past due 61 - 90 days		1,755	4,317
Past due 91 - 120 days		6,417	(604)
More than 120 days		16,445	19,672
	10,13,14,15	176,612	195,729

As at 30 April 2019 and 2018, the Company's financial assets are 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 2019		
	Note	**Grade A**	**Grade B**	**Total**
		US$'000	**US$'000**	**US$'000**
Cash in banks and cash equivalents	15	21,595	–	21,595
Trade and other receivables	13	–	149,054	149,054
Note receivables	10	4,038	–	4,038
Refundable deposits*	10	–	1,861	1,861
Derivative assets	14	–	64	64
		25,633	150,979	176,612

included under advance rentals and deposits

		30 April 2018		
	Note	**Grade A**	**Grade B**	**Total**
		US$'000	**US$'000**	**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 under advance rentals and deposits

As at 30 April 2019 and 2018, the Company's financial assets were all classified under Grade A and Grade B, respectively.

		30 April 2019		
	Note	**Grade A**	**Grade B**	**Total**
		US$'000	**US$'000**	**US$'000**
Cash in banks and cash equivalents	15	886	–	886
Trade and other receivables	13	–	3,187	3,187
		886	3,187	4,073

		30 April 2018		
	Note	**Grade A**	**Grade B**	**Total**
		US$'000	**US$'000**	**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

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 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.

The Group assessed that all balances under Grade A and Grade B have not experienced significant increase in credit risk as of 30 April 2019 and 2018.

The Group applies the simplified approach in measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The Group uses a provision matrix to measure ECLs. Loss rates are based on actual credit loss experience over a period of three years. The Group has assessed that adjusting the loss rates for forward-looking information does not have a material effect considering the significantly low historical loss rates and the absence of economic factors that are highly correlated with the Group's credit loss experience on receivables.

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 2019 %	**30 April 2018 %**
Group		
United States of America	13	10
Philippines	45	56
Hong Kong	41	33
Singapore	1	1
Company		
Philippines	55	11
Hong Kong	45	89

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 2019 US$'000	**30 April 2018 US$'000**	**30 April 2019 US$'000**	**30 April 2018 US$'000**
Fixed rate instruments				
Loans and borrowings	372,574	402,854	183,774	129,594
Variable rate instruments				
Loans and borrowings	1,106,081	1,062,369	192,311	206,034
Interest rate swaps	3,960	5,017	–	–
	1,110,041	1,067,386	192,311	206,034

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 2019		
Variable rate instruments	(6,825)	6,825
Interest rate swaps	(6,407)	2,491
Cash flow sensitivity (net)	(13,232)	9,316
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

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$655.7 million (30 April 2018: US$663.9 million) in credit lines, of which 46% (30 April 2018: 29%) remain available. The lines are mostly for short-term financing requirements since the long term facilities have been fully drawn. 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 assets and 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 2019						
Derivative financial assets						
Commodity contracts	14	64	64	64	–	–
Non-derivative financial assets						
Cash in banks and cash equivalents	15	21,595	21,595	21,595	–	–
Trade and other receivables	13	149,054	149,054	149,054	–	–
Note receivables	10	4,038	4,038	–	4,038	–
Refundable deposits*	10	1,861	1,861	–	–	1,861
		176,612	176,612	170,713	4,038	1,861

**included under advance rentals and deposits*

Derivative financial liabilities						
Interest rate swaps used for hedging, net-settled	20	3,960	4,704	2,410	2,294	–

	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
Non-derivative financial liabilities						
Unsecured bank loans						
- Short-term	19	353,870	354,778	354,778	–	–
- Long-term	19	168,825	180,353	7,381	172,972	–
Secured bank loans						
- Short-term	19	138,870	145,547	145,547	–	–
- Long-term	19	817,090	905,424	46,884	858,540	–
Trade and other current liabilities*	23	182,271	182,271	182,271	–	–
		1,664,886	1,773,077	739,271	1,033,806	–
Net financial liabilities (assets)		1,488,274	1,596,465	568,558	1,029,768	(1,861)

**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 2018						
Derivative financial assets						
Commodity contracts	14	305	305	305	–	–
Non-derivative financial assets						
Cash in banks and cash equivalents	15	24,195	24,195	24,195	–	–
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
		195,729	195,729	186,127	7,744	1,858

**included under advance rentals and deposits*

	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
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	417,310	418,162	418,162	–	–
- Long-term	19	57,990	63,991	2,705	61,286	–
Secured bank loans						
- Short-term	19	64,310	74,057	74,057	–	–
- Long-term	19	925,613	1,282,900	71,001	1,211,899	–
Trade and other current liabilities*	23	256,707	259,967	259,967	–	–
		1,726,947	2,103,017	828,156	1,274,861	–
Net financial liabilities (assets)		1,531,218	1,907,288	642,029	1,267,117	(1,858)

**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 2019						
Non-derivative financial assets						
Cash in banks and cash equivalents	15	886	886	886	–	–
Trade and other receivables	13	3,187	3,187	3,187	–	–
		4,073	4,073	4,073	–	–
Non-derivative financial liabilities						
Unsecured bank loans						
- Short-term	19	135,070	135,532	135,532	–	–
- Long-term	19	111,241	119,571	4,783	114,788	–
Secured bank loans						
- Long-term	19	129,774	138,797	5,906	132,891	–
Trade and other current liabilities*	23	103,829	103,829	103,829	–	–
		479,914	497,729	250,050	247,679	–
Net financial liabilities (assets)		475,841	493,656	245,977	247,679	–
		**excludes withheld from employees (taxes and social security cost) and VAT payables*				
30 April 2018						
Non-derivative financial assets						
Cash in banks and cash equivalents	15	2,709	2,709	2,709	–	–
Trade and other receivables	13	180,948	180,948	180,948	–	–
		183,657	183,657	183,657	–	–
Non-derivative financial liabilities						
Unsecured bank loans						
- Short-term	19	152,140	152,685	152,685	–	–
Secured bank loans						
- Short-term	19	53,894	56,957	56,957	–	–
- Long-term	19	129,594	142,041	5,820	136,191	–
Trade and other current liabilities*	23	86,902	86,902	86,902	–	–
		422,530	438,585	302,364	136,191	–
Net financial liabilities (assets)		238,873	254,928	118,707	136,191	–
		** excludes withheld from employees (taxes and social security cost) and VAT payables*				

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 2019		
Trade and other receivables	40,259	2,554
Cash and cash equivalents	8,434	552
Other noncurrent assets	27,654	705
Loans and borrowings	(57,584)	–
Trade and other payables	(68,766)	(8,234)
	(50,003)	(4,423)
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)

The Company has no significant exposure to foreign currencies as at 30 April 2019 and 2018.

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 2019				
10% strengthening	(5,000)	–	(442)	–
10% weakening	5,000	–	442	–
30 April 2018				
10% strengthening	(7,475)	–	(239)	–
10% weakening	7,475	–	239	–

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. The Group has no active commodity hedges as of 30 April 2019 and 2018.

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	Financial assets at amortised cost US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Group						
30 April 2019						
Cash and cash equivalents	15	21,636	–	–	21,636	21,636
Trade and other receivables	13	149,054	–	–	149,054	149,054
Note receivables	10	4,038	–	–	4,038	4,038
Refundable deposits	10	1,861	–	–	1,861	1,861
Derivative assets	14	–	64	–	64	64
		176,589	64	–	176,653	176,653
Loans and borrowings	19	–	–	1,478,655	1,478,655	1,324,846
Trade and other payables*	23, 32	–	–	182,271	182,271	182,271
Derivative liabilities	20, 23	–	3,960	–	3,960	3,960
		–	3,960	1,660,926	1,664,886	1,511,077

**excludes derivative liabilities, advances from customers, deferred revenue, withheld from employees (taxes and social security cost) and VAT payables*

	Note	Financial assets at amortised cost 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
		195,475	305	–	195,780	195,780
Loans and borrowings	19	–	–	1,465,223	1,465,223	1,362,771
Trade and other payables*	23, 32	–	–	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	Financial assets at amortised cost US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Company					
30 April 2019					
Cash and cash equivalents	15	886	–	886	886
Trade and other receivables	13	3,187	–	3,187	3,187
Due from a related party	37	202,471	–	202,471	136,668
		206,544	–	206,544	140,741
Loans and borrowings	19	–	376,085	376,085	367,610
Trade and other payables*	23, 32	–	103,829	103,829	103,829
		–	479,914	479,914	471,439

**excludes withheld from employees (taxes and social security cost) and VAT payables*

	Note	Financial assets at amortised cost US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
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, 32	–	86,902	86,902	86,902
		–	422,530	422,530	419,824

**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 2019			
	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative assets	14	–	64	–	64
Notes receivables	10	–	4,038	–	4,038
Non-financial assets					
Fair value of agricultural produce harvested under inventories	11	–	–	6,016	6,016
Fair value of growing produce	11	–	–	52,320	52,320
Freehold land	5	–	–	57,244	57,244
Noncurrent assets held for sale	16	–	–	4,465	4,465
Financial liabilities					
Derivative liabilities	20, 23	–	3,960	–	3,960
Loans and borrowings	19	–	1,324,846	–	1,324,846

		30 April 2018			
	Note	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative assets	14	–	305	–	305
Notes receivables	10	–	7,744	–	7,744
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
Loans and borrowings	19	–	1,362,771	–	1,362,771

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 2019 and 2018.

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Financial instruments measured at fair value

Type	Valuation technique
Forward exchange contracts	Market comparison technique: The fair values are based on brokers' quotes. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.
Interest rate swaps	Market comparison technique: The fair values are calculated using a discounted cash flow analysis based on terms of the swap contracts and the observable interest rate curve. Fair values reflect the risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.
Commodities contracts	Market comparison technique. The commodities are traded over-the-counter and are valued based on the Chicago Board of Trade quoted prices for similar instruments in active markets or corroborated by observable market data available from the Energy Information Administration. The values of these contracts are based on the daily settlement prices published by the exchanges on which the contracts are traded.

Financial instruments not measured at fair value

Type	Valuation technique
Financial liabilities and note receivable	The fair value of the secured first lien term loans, second lien term loans, and note receivable are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date (Level 2).
Other financial assets and liabilities	The notional amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are, because of the short period to maturity, assumed to approximate their fair values. All financial assets and liabilities with maturity of more than one year are discounted using risk free rates, LIBOR and credit spreads to determine their fair values ranging from 3.8% to 4.5% (30 April 2018: 2.0% to 5.3%) (Level 2).

Other non-financial assets

Assets	**Valuation technique**	**Significant unobservable inputs**
Freehold land	The fair value of freehold land is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation method used is sales comparison approach. This is a comparative approach that consider the sales of similar or substitute properties and related market data and establish a value estimate by involving comparison (Level 3).	The unobservable inputs used to determine market value are the net selling prices, sizes, property location and market values. Other factors considered to determine market value are the desirability, neighbourhood, utility, terrain, and the time element involved. The market value per square meter ranges from US$62.9 to US$69.6. The market value per acre ranges from US$2,300 to US$80,582.
Livestock (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 measured at fair value from the time of maturity of the bearer plant until harvest.	The unobservable inputs are estimated pineapple selling price and gross margin per ton for fresh and processed

Assets	Valuation technique	Significant unobservable inputs
	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.	products, estimated volume of harvest and future growing costs.
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 2019 US$'000	**30 April 2018 US$'000**
Within one year	46,450	46,104
Between one to five years	135,678	150,888
More than five years	66,060	64,206
	248,188	261,198

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 2019, 2018 and 2017 amounted to US$57,971, US$62,272 and US$64,951, 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 2019 US$'000	**30 April 2018 US$'000**
Within one year	278,910	276,836
After one year but within five years	270,448	284,157
After five years	406,047	417,949
	955,405	978,942

Future capital expenditure

	Group	
	30 April 2019 US$'000	**30 April 2018 US$'000**
Capital expenditure not provided for in the financial statements		
- approved by Directors and contracted for	8,467	10,785
- approved by Directors but not contracted for	39,418	59,481
	47,885	70,266

36. Contingencies

In fiscal year 2019, a contingent liability of a subsidiary, DMPL India Limited, 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 was fully settled.

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 2019 and 2018.

As of 30 April 2019, provision for probable losses arising from environmental remediation amounted to US$1.1 million, US$0.7 million of which is noncurrent (30 April 2018: US$2.4 million, US$0.1 million of which is noncurrent) (see Note 22).

As of 30 April 2019, provision for retained liabilities arising from workers' compensation claims amounted to US$22.6 million, US$19.3 million of which is noncurrent (30 April 2018: US$26.0 million, US$22.2 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.

Group			**Outstanding balance**			
Category/ Transaction	**Year**	**Amount of the transaction US$'000**	**Due from Related Parties* US$'000**	**Due to Related Parties** US$'000**	**Terms**	**Conditions**
Under Common Control						
▪ Shared IT services	**2019**	**161**	**242**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2018	343	247	–		
	2017	351	57	–		
▪ Sale of tomato paste	**2019**	**31**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2018	32	–	–		
	2017	34	–	–		

<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**
▪ Inventory count shortage	**2019**	**–**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2018	33	–	–		
	2017	–	–	–		
▪ Purchases	**2019**	**115**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured
	2018	393	–	–		
	2017	247	–	24		
▪ Share in JYCC Fit Out Project	**2019**	**–**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2018	–	–	–		
	2017	16	–	–		
▪ Tollpack fees	**2019**	**556**	**90**	**–**	Due and demandable; non-interest bearing	Unsecured
	2018	572	110	–		
	2017	666	–	60		
Other Related Party						
▪ Management fees from DMPI retirement fund	**2019**	**96**	**230**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2018	19	446	–		
	2017	4	241	–		
▪ Rental to DMPI Retirement	**2019**	**1,827**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured
	2018	1,858	–	–		
	2017	1,619	–	277		
Other Related Party						
▪ Rental to NAI Retirement	**2019**	**536**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured
	2018	543	–	–		
	2017	572	–	48		
▪ Rental to DMPI provident fund	**2019**	**–**	**–**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2018	–	–	–		
	2017	5	–	–		
▪ Cash advances NAI	**2019**	**6,000**	**6,000**	**–**	Short-term; Non interest bearing	Unsecured; no impairment
	2018	-	–	–		
	2017	-	–	–		
	2019	**9,322**	**6,562**	**–**		
	2018	3,793	803	–		
	2017	3,514	298	409		

**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	Outstanding Balance Due to Related Parties** US$'000	Terms	Conditions
Subsidiaries						
▪ Dividend income	**2019**	**33,000**	–	–	Due and demandable; non-interest bearing	Unsecured; no impairment
	2018	120,000	62,011	–		
▪ Long-term loans receivable	**2019**	**91,741**	**202,471**	**–**	Due on 2021; Interest-bearing	Unsecured; no impairment
	2018	88,880	88,880	–		
▪ Reimbursement of expenses	**2019**	**(97,981)**	**635**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2018	136,455	114,938	–		
▪ Cash advance	**2019**	**(20,923)**	**–**	**98,104**	Due and demandable; non-interest bearing	Unsecured
	2018	29,801	–	77,400		
▪ Management fees payable to subsidiaries	**2019**	**437**	**–**	**90**	Due and demandable; non-interest bearing	Unsecured
	2018	748	–	1,620		
Joint Venture						
▪ Cash advance	**2019**	**99**	**2,520**	**–**	Due and demandable; non-interest bearing	Unsecured; no impairment
	2018	–	2,421	–		
	2019	**6,373**	**205,626**	**98,194**		
	2018	375,884	268,250	79,020		

**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.

Except for transactions identified in the previous section as interest-bearing, outstanding balances at financial reporting date are unsecured, interest-free and settlement occurs in cash and are collectible or payable on demand. For the years ended 30 April 2019 and 2018, the Group has not made any provision for doubtful accounts relating to amounts owed by related parties.

As discussed in Note 19, the Company extended a loan to DMFHII that was used to finance DMFHII's purchase of DMFI's 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 2019 US$'000	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2019 US$'000**	**Year ended 30 April 2018 US$'000**	**Year ended 30 April 2017 US$'000**
Directors -						
Fees and remuneration	2,964	2,873	2,969	2,541	2,531	2,507
Key executive officers (excluding Directors):						
Short-term employee benefits	3,836	3,317	3,331	1,691	1,486	1,459
Post-employment benefits	170	180	128	–	–	–

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 2019 US$'000	**30 April 2018 US$'000**	**30 April 2017 US$'000**
DMPLFL			
Ownership interests held by non-controlling interests	10.57%	10.57%	10.57%
Revenue	1,421,317	1,649,060	1,696,457
Profit (loss)	(49,826)	(138,130)	(41,512)
Other comprehensive income	2,170	18,860	23,872
Total comprehensive income			
Attributable to non-controlling interests:			
- Profit (loss)	(5,265)	(14,597)	(4,387)
- Other comprehensive income	229	1,993	2,523
Total comprehensive income	(5,036)	(12,604)	(1,864)
Noncurrent assets	1,179,843	1,210,583	1,289,889
Current assets	659,036	753,475	930,153
Noncurrent liabilities	(982,861)	(1,274,477)	(1,058,455)
Current liabilities	(400,529)	(215,884)	(568,530)
Net assets	455,489	473,697	593,057
Net assets attributable to non-controlling interests	48,133	50,057	62,671

	30 April 2019 US$'000	30 April 2018 US$'000	30 April 2017 US$'000
Cash flows provided by (used in) operating activities	(51,844)	266,304	183,936
Cash flows used in investing activities	(4,976)	(24,323)	(42,482)
Cash flows provided by (used in) financing activities, before dividends to non-controlling interests	57,184	(242,599)	(139,504)
Currency realignment	9	3	(22)
Net increase (decrease) in cash and cash equivalents	373	(615)	1,928

39. Supplemental Disclosure of Cash Flow Information

The changes in liabilities arising from financing activities of the Group for the year ended 30 April 2019 are as follows:

Group		30 April 2018 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 2019 US$'000
Current interest-bearing loans and borrowings	19	481,620	721,538	(710,798)	–	(1,508)	1,888	492,740
Noncurrent interest-bearing loans and borrowings	19	983,603	164,741	(149,833)	–	(406)	(12,190)	985,915
Accrued interest payable	23	11,939	–	(83,958)	82,623	(3)	(120)	10,481
Derivative liabilities	20, 23	5,063	–	(3,536)	–	–	2,433	3,960
Total liabilities from financing activities		1,482,225	886,279	(948,125)	82,623	(1,917)	(7,989)	1,493,096

Company	Note	30 April 2018 US$'000	Cash inflows US$'000	Cash outflows US$'000	Accrued interest but not yet paid US$'000	Reclassification and others US$'000	30 April 2019 US$'000
Current interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	19	206,034	63,100	(134,170)	–	106	135,070
Noncurrent interest-bearing loans and borrowings, excluding obligations under finance leases and hire purchase contracts	19	129,594	164,741	(53,500)	–	180	241,015
Accrued interest payable	23	2,345	–	(15,927)	15,741	–	2,159
Total liabilities from financing activities		337,973	227,841	(203,597)	15,741	286	378,244

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.

SGV
Building a better working world

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1226 Makati City
Philippines

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

BOA/PRC Reg. No. 0001,
October 4, 2018, valid until August 24, 2021
SEC Accreditation No. 0012-FR-5 (Group A),
November 6, 2018, valid until November 5, 2021

**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 2019 and 2018 and for each of the three years in the period ended 30 April 2019 and have issued our report thereon dated 5 July 2019. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Catherine E. Lopez

Catherine E. Lopez
Partner
CPA Certificate No. 86447
SEC Accreditation No. 0468-AR-3 (Group A),
February 19, 2019, valid until February 18, 2022
Tax Identification No. 102-085-895
BIR Accreditation No. 08-001998-65-2018
February 26, 2018, valid until February 25, 2021
PTR No. 7332564, January 3, 2019, Makati City

5 July 2019

Del Monte Pacific Limited and Subsidiaries
Index to the Consolidated Financial Statements and Supplementary Schedules
30 April 2019

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$'000	Value based on market quotations at 30 April 2019 US$'000	Income received and accrued US$'000
Cash and cash equivalents	–	21,636	21,636	481
Trade and other receivables	–	143,628	143,628	–
Notes receivable, including current portion	–	9,464	9,464	506
Refundable deposits	–	1,861	1,861	–
Derivative assets	–	64	64	–
	–	**176,653**	**176,653**	**987**

Schedule B – Amounts receivable from directors, officers, employees and related parties and principal stockholders (other than related parties)

Name and designation of debtor	Balance at beginning of period US$'000	Additions US$'000	Amounts collected US$'000	Amounts written off US$'000	Current US$'000	Non-current US$'000	Balance at end of period US$'000
Advances to officers and employees	642	9,521	(9,539)	–	335	289	624
	642	9,521	(9,539)	–	335	289	624

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$'000	Amounts assigned US$'000	Current US$'000	Non-current US$'000	Balance at end of period US$'000
Philippines Packing Management Services Corporation	418	2,320	(2,704)	–	34	–	34
Del Monte Philippines, Inc.	277,586	244,801	(266,318)	–	256,069	–	256,069
Central American Resources, Inc.	83,298	–	(7,638)	(68,247)	4,980	2,433	7,413
Dewey Sdn. Bhd.	41,538	–	–	(38,453)	2,908	177	3,085
Dewey Limited	34,307	14,692	(7,638)	(38,453)	2,908	–	2,908
Del Monte Pacific Resources Limited	162,945	62,712	(7,638)	(155,307)	62,712	–	62,712
GTL Limited	309,701	232,237	(283,687)	(47,484)	164,091	46,676	210,767
S&W Fine Foods International Limited	39,757	30,340	(33,732)	(5,120)	31,245	–	31,245
S&W Japan Limited	48	89	(111)	–	26	–	26
DMPL Management Services Pte Ltd.	2,526	1,661	(2,523)	295	1,502	457	1,959
DM Pacific Limited-ROHQ	292	1,670	(1,418)	–	544	–	544
Del Monte Pacific Limited	392,804	140,654	(7,638)	(217,526)	2,702	305,592	308,294
DMPL India Pte Ltd	–	65,104	–	–	65,104	–	65,104
Del Monte Foods Incorporated	255	1,910	–	–	2,165	–	2,165
South Bukidnon Fresh Trading, Inc.	242	10	(243)	–	9	–	9
Del Monte Foods Holdings II Inc.	88,880	91,741	–	–	–	202,471	202,471
	1,434,597	889,941	(621,288)	(570,295)	596,999	557,806	1,154,805

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	18,564	–	–	(1,303)	–	–	–	17,261
Customer relationships	84,612	–	–	(5,351)	–	–	–	79,261
Total	**714,651**	–	–	(6,654)	–	–	–	**707,997**

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						
BOC long-term loan	54,000	54,000	–	54,000	4.5%	2020
DBP long-term loan	57,241	57,241	–	57,241	3.98%	2021
BDO long-term loan	57,584	57,584	–	57,584	Higher of Libor or 4.50%	2020
Secured bank loans						
BDO long-term loan	350,000	53,500	–	53,500	4.5%-5.29%	2020
BDO long-term loan	130,000	76,500	–	76,500	4.5%	2020
Secured First lien term loan	710,000	674,500	8,875	665,625	Higher of Libor or 1% + 3.25% or total of 5.90%	2021
Secured Second lien term Loan	260,000	28,555	–	28,555	Higher of Libor or 1% + 7.25% or total of 10.15%	2021
Long-term Debt	1,618,825	1,001,880	8,875	993,005		
Less: Unamortized debt issue cost	–	(11,963)	(4,873)	(7,090)		
	1,618,825	989,917	4,002	985,915		

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	–	1,386,276	19,854	537,830
Preference shares	600,000	30,000	–	30,000	–	–	40	29,960
	3,600,000	**1,974,936**	**976**	**1,973,960**	**–**	**1,386,276**	**19,894**	**567,790**

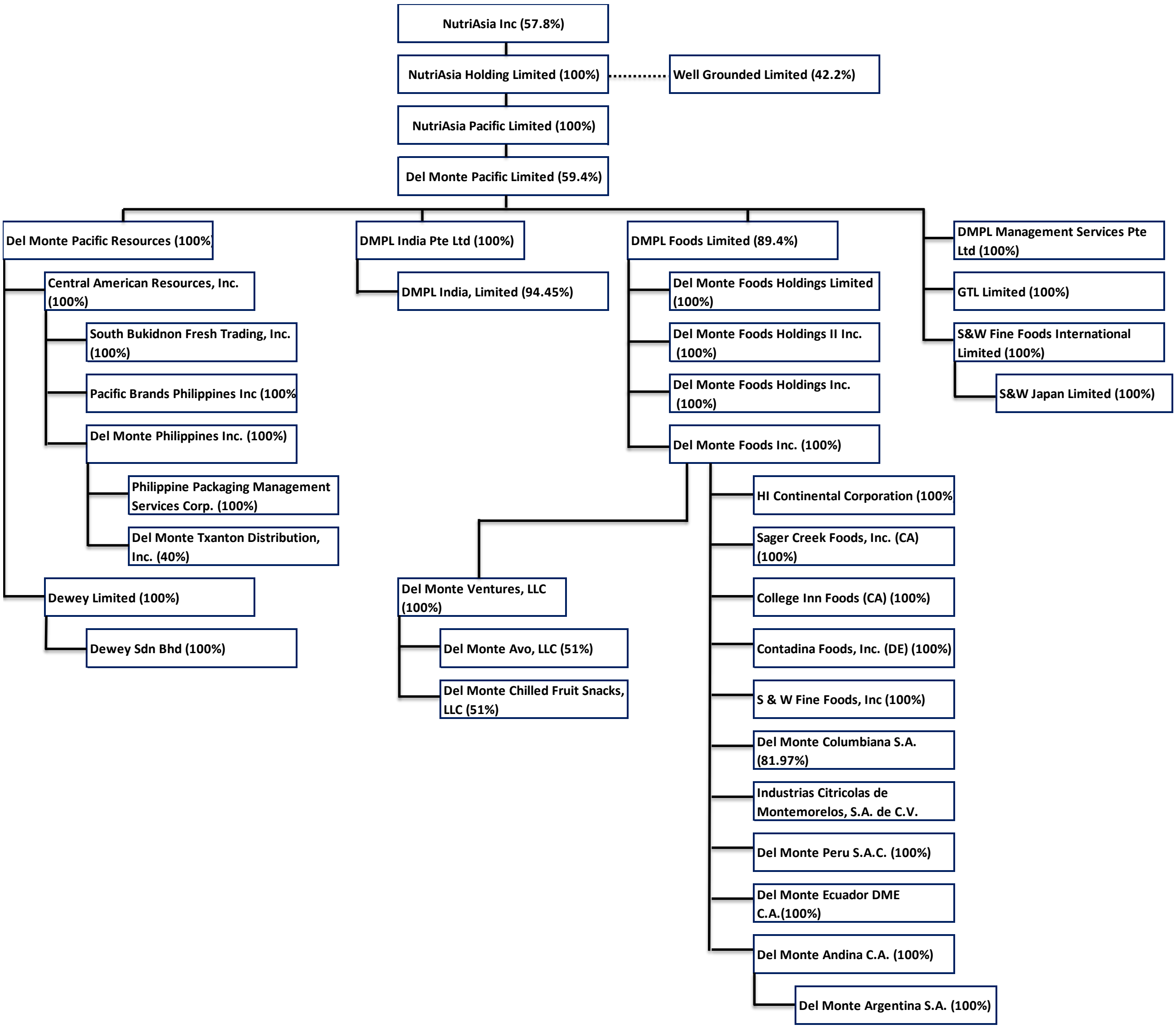
SUPPLEMENTARY SCHEDULE OF ALL THE EFFECTIVE STANDARDS AND INTERPRETATIONS

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of 30 April 2019		Adopted	Not Adopted	Not Applicable
International Financial Reporting Standards (IFRS)				
IFRS 1	First-time Adoption of IFRS			✓
IFRS 2	Share-based Payment	✓		
	Amendments to IFRS 2, Classification and Measurement of Share-based Payment Transactions	✓		
IFRS 3	Business Combinations	✓		
IFRS 4	Insurance Contracts			✓
	Amendments to IFRS 4, Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts			✓
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		
IFRS 6	Exploration for and Evaluation of Mineral Resources			✓
IFRS 7	Financial Instruments: Disclosures	✓		
IFRS 8	Operating Segments	✓		
IFRS 9	Financial Instruments	✓		
IFRS 10	Consolidated Financial Statements	✓		
IFRS 11	Joint Arrangements	✓		
IFRS 12	Disclosure of Interests in Other Entities	✓		
IFRS 13	Fair Value Measurement	✓		
IFRS 14	Regulatory Deferral Accounts			✓
IFRS 15	Revenue from Contracts with Customers	✓		
IFRS 16	Leases	**Not early adopted**		
IFRS 17	Insurance Contracts	**Not early adopted**		
International Accounting Standards (IAS)				
IAS 1	Presentation of Financial Statements	✓		
IAS 2	Inventories	✓		
IAS 7	Statement of Cash Flows	✓		
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
IAS 10	Events after the Reporting Period	✓		
IAS 12	Income Taxes	✓		

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of 30 April 2019		**Adopted**	**Not Adopted**	**Not Applicable**
IAS 16	Property, Plant and Equipment	✓		
IAS 17	Leases	✓		
IAS 19	Employee Benefits	✓		
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
IAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
IAS 23	Borrowing Costs	✓		
IAS 24	Related Party Disclosures	✓		
IAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
IAS 27	Separate Financial Statements	✓		
IAS 28	Investments in Associates and Joint Ventures	✓		
	Amendments to IAS 28, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to IFRSs 2014 - 2016 Cycle)	✓		
IAS 29	Financial Reporting in Hyperinflationary Economies			✓
IAS 32	Financial Instruments: Presentation	✓		
IAS 33	Earnings per Share	✓		
IAS 34	Interim Financial Reporting	✓		
IAS 36	Impairment of Assets	✓		
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
IAS 38	Intangible Assets	✓		
IAS 39	Financial Instruments: Recognition and Measurement	✓		
IAS 40	Investment Property			✓
	Amendments to IAS 40, Transfers of Investment Property			✓
IAS 41	Agriculture	✓		
IFRIC and SIC Interpretations				
IFRIC-1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✓		
IFRIC-2	Members' Shares in Co-operative Entities and Similar Instruments			✓
IFRIC-4	Determining whether an Arrangement contains a Lease	✓		
IFRIC-5	Rights to Interests arising from	✓		

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of 30 April 2019		**Adopted**	**Not Adopted**	**Not Applicable**
	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-10	Interim Financial Reporting and Impairment	✓		
IFRIC-12	Service Concession Arrangements			✓
IFRIC-14	IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
IFRIC-16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC-17	Distributions of Non-cash Assets to Owners			✓
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	✓		
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-32	Intangible Assets—Web Site Costs			✓

III. Map of Relationships of the Companies within the Group



IV. Financial Ratios

Ratio	Formula	30 April 2019	30 April 2018
(i) Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.3	1.3
Quick Ratio	(Current Assets - Inventories - Prepaid expenses and other current assets - Biological Assets – Noncurrent assets held for sale) / Current Liabilities	0.2	0.2
(ii) Solvency Ratio	Total Assets / Total Liabilities	1.3	1.3
Financial Leverage Ratios:			
Debt Ratio	Total Liabilities/Total Assets	0.7	0.8
Debt-to-Equity Ratio	Total Liabilities/Total Stockholders' Equity	3.0	3.1
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	4.0	4.1
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	0.8	0.3
(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)	12.51	18.58
(vi) Profitability Ratios			
Gross Profit Margin	Revenue - Cost of Sales / Revenue	20.21%	19.68%
Net Profit Margin attributable to owners of the company	Net Profit/(Loss) attributable to owners / Revenue	1.04%	(1.66%)
Net Profit Margin	Net Profit/(Loss) / Revenue	0.73%	(2.32%)
Return on Assets	Net Profit/(Loss) / Total Assets	0.59%	(2.04%)
Return on Equity	Net Profit/(Loss) / Total Stockholders' Equity	2.36%	(8.40%)

V. Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration *

	Amount (In US$'000)
Unappropriated retained earnings, beginning	**$95,505**
Less: Non-actual/unrealized income net of tax	
Equity in net income of subsidiaries and joint ventures	**(52,720)**
Treasury shares	**(286)**
Unappropriated retained earnings, as adjusted to available for dividend distribution, beginning	**42,499**
Add: Net income actually earned/realized during the period	
Net income during the period closed to retained earnings	**20,319**
Less: Non-actual/unrealized income net of tax	
Equity in net income of subsidiaries and joint ventures	**(27,059)**
Net income actually earned during the period	**(6,740)**
Add (Less):	
Dividends declared during the period	**(19,750)**
Dividends received during the period	**33,000**
Unappropriated retained earnings available for dividend declaration, end	**$49,009**

**The Company was incorporated in the British Virgin Islands. Thus, it may be subject to different rules on dividend declaration.*

**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, 2019, and 2018 and for each of the three years in the period ended April 30, 2019, 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 5th day of July 2019.

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

MAKATI CITY

JUL 19 2019 MAKATI CITY

SUBCRIBED AND SWORN to before me this 19th day of July, 2019, in the City of Makati, by the affiants who exhibited to me the following -

Name	Competent Evidence of Identity	Date and Place of Issue/ Expiry Date
Joselito D. Campos, Jr.	Passport No. P0033661A	24 Aug 2016 / DFA – Manila
Parag Sachdeva	Passport No. Z3084975	24 Dec 2014 / Shanghai

Witness my hand and seal on the date and at the place first above-written.

Doc. No: 120;
Page No: 195;
Book No: 955;
Series of 2019.

RUBEN T.M. RAMIREZ
NOTARY PUBLIC
UNTIL DEC. 31, 2019
IBP. NO. 058333/01-03-2019
ROLL NO. 28947/MCLE 5/6-8-17
PTR NO. MKT. 7333572/1-3-19 APPT. NO. M-127
2086 E. PASCUA ST., MAKATI CITY

FOREIGN SERVICE OF THE
REPUBLIC OF THE PHILIPPINES

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

CERTIFICATE OF AUTHENTICATION

I, **LAARNI ZORAYDA S. GANDAROSA, Vice Consul** of the Embassy of the Republic of the Philippines to 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 **18 July 2019**

PHILIPPINE EMBASSY SINGAPORE

Service No. : 9440
O.R. No. : *1381838*
Fee Paid : *$42.50*

The validity of this certification shall follow the validity of the attached/underlying document.

LAARNI ZORAYDA S. GANDAROSA
Vice Consul

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, 2019 and did see **ROLANDO C. GAPUD** (holder of Passport PHL No. P5914111A), 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 Nineteen.

Which I attest

Notary Public,
Singapore

REPUBLIC OF SINGAPORE
NOTARY PUBLIC

NOTARY PUBLIC
Tan Mary
N2019/0315
1 Apr 2019 – 31 Mar 2020
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, 2019, and 2018 and for each of the three years in the period ended April 30, 2019, 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

NOTARY PUBLIC
Tan Mary
N2019/0315
1 Apr 2019 – 31 Mar 2020
SINGAPORE

18th July, 2019

REPUBLIC OF SINGAPORE
NOTARY PUBLIC

Signature____

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

Signature____

Parag Sachdeva, Chief Financial Officer

Effective from the 5th day of July 2019.

ANNEX "D"

DEL MONTE PACIFIC LIMITED
(Incorporated in the British Virgin Islands with limited liability)

This is the Information Memorandum in relation to the renewal of the shareholders' mandate for Interested Person Transactions referred to in Explanatory Note (vi) in the Notice of Annual General Meeting dated 5 August 2019.

INFORMATION MEMORANDUM

in relation to

RENEWAL OF SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

1. Background

Pursuant to Chapter 9 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited, Del Monte Pacific Limited ("**DMPL**" or the "**Company**") was granted a shareholders' mandate on 26 July 2006 ("**IPT Mandate**") to enable the Company, its subsidiaries and associated companies (as defined in the Appendix***** to this Information Memorandum ["**Appendix**"]), or any of them, to enter into any of the transactions falling within the classes of Interested Persons described in the Appendix***** ("**Interested Persons**"), provided that such transactions are made on normal commercial terms and in accordance with the review procedures for Interested Person Transactions ("**IPTs**") as set out in the Appendix. This Appendix is a revised and updated version of Appendix 1 of the Company's Circular to shareholders dated 4 July 2006 which provides information on the rationale of the IPT Mandate, the scope of the IPT Mandate, the benefit to shareholders, the classes of Interested Persons, the particulars of the IPTs and the review procedures for IPTs in respect of which shareholders' approval is sought for the IPT Mandate to be renewed.

2. Audit and Risk Committee's Statement

Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit and Risk Committee ("**ARC**"), comprising Mr Benedict Kwek Gim Song, Mr Godfrey E Scotchbrook, Dr Emil Q Javier and Mrs Yvonne Goh, confirms that:

(i) the review procedures for IPTs set out in the Appendix ("**Review Procedures**") have not changed since shareholders approved the IPT Mandate at the Company's General Meeting of 26 July 2006; and

(ii) the Review Procedures are sufficient to ensure that the IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

All transactions carried out with Interested Persons are subject to the periodic review of the ARC to ensure that the prevailing rules and regulations of the Listing Manual (in particular Chapter 9 of the Listing Manual) are complied with.

The ARC will also consider from time to time whether the Review Procedures have become inappropriate or are insufficient to ensure that the transactions are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

3. Disclosures

Disclosure will be made in the Company's Annual Report on the aggregate value of all IPTs conducted pursuant to the IPT Mandate during the financial year from 1 May 2018 to 30 April 2019, and in the Annual Reports for the subsequent financial years that the IPT Mandate is renewed and continues in force, in accordance with the form set out in Rule 907 of the Listing Manual. Further, the aggregate value of the transactions conducted pursuant to the IPT Mandate for each quarterly period will also be disclosed in the quarterly financial statements that will be reported in accordance with Rule 705 of the Listing Manual.

The Company will comply with the provisions of Chapter 9 of the Listing Manual in respect of all future IPTs and, if required under the Listing Manual, the Company will seek a fresh mandate from shareholders should the existing guidelines and procedures for transactions with Interested Persons become inappropriate. If a member of the ARC has an interest in a transaction, he will abstain from participating in the review and approval process in relation to that transaction.

The classes of Interested Persons for which the renewal of the IPT Mandate is sought are:

(i) NutriAsia Inc and its associates (as such term is defined in paragraph 1.5(c) of the Appendix); and

(ii) NutriAsia Holdings Ltd and its subsidiaries.

4. Directors' and substantial shareholders' interests

The interests of the Directors and substantial shareholders of the Company in the issued share capital of the Company can be found in the Company's FY2019 Annual Report.

NutriAsia Pacific Limited and its respective associates, being Interested Persons in relation to the proposed renewal of the IPT Mandate, will abstain from voting their respective shareholdings (if any) in the Company on Resolution 10 relating to the renewal of the IPT Mandate at the forthcoming Annual General Meeting to be held on 28 August 2019.

This Appendix is a revised and updated extract of Appendix 1 of the Company's Circular to Shareholders dated 4 July 2006 on the rationale and scope of the IPT Mandate, the benefit to shareholders, the classes of Interested Persons, the particulars of the IPTs, and the review procedures for IPTs in respect of which the IPT Mandate is sought to be renewed.

1. CHAPTER 9 OF THE LISTING MANUAL

*1.1 Chapter 9 of the Listing Manual ("**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's Interested Persons. When this Chapter applies to a transaction and the value of that transaction alone or in aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for that transaction.*

*1.2 Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement and shareholders' approval would be required in respect of transactions with Interested Persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated net tangible assets ("**NTA**") are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:*

(a) 5 per cent of the listed company's latest audited consolidated NTA; or

(b) 5 per cent of the listed company's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

*1.3 Based on the latest audited consolidated accounts of the Company and its subsidiaries (the "**DMPL Group**" or "**Group**") for the financial year ended 30 April 2019, the consolidated NTA of the DMPL Group was (US$106,856,719) and 5 per cent of this was (US$ 5,342,836).*

1.4 Chapter 9 of the Listing Manual permits a listed company, however, to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's Interested Persons.

1.5 Under the Listing Manual:

*(a) an "**entity at risk**" (EAR) means:*

(i) the listed company;

(ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

*(iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), has control over the associated company;*

*(b) an "**associated company**" means a company in which at least 20% but not more than 50% of its shares are held by the listed company or listed group;*

*(c) an "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted-child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family has an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;*

*(d) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;*

*(e) an "**interested person**"[1] means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder; and*

*(f) an "**interested person transaction**" means a transaction between an entity at risk and an interested person.*

2. RATIONALE FOR THE NEW IPT MANDATE[1] FOR THE INTERESTED PERSON TRANSACTIONS

It is envisaged that, in the ordinary course of their businesses, transactions between companies in the EAR Group (as defined below) and the Company's Interested Persons are likely to occur from time to time. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the EAR Group to the Company's Interested Persons or the obtaining of goods and services from them.

*In view of the time-sensitive nature of commercial transactions, the obtaining of a mandate (the "**New IPT Mandate**") pursuant to Chapter 9 of the Listing Manual will enable:*

(a) DMPL;

(b) subsidiaries of DMPL (other than subsidiaries listed on the SGX-ST or an approved exchange); and

*(c) associated companies of DMPL (other than associated companies listed on the SGX-ST or an approved exchange) over which the DMPL Group, or the DMPL Group and interested person(s) of DMPL has or have control, (together, the "**EAR Group**"), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions ("**Interested Person Transactions**") set out in paragraph 6 below with the specified classes of DMPL's Interested Persons (the "**Interested Persons**") set out in paragraph 5 below, provided such Interested Person Transactions are made on normal commercial terms.*

3. SCOPE OF THE NEW IPT MANDATE[1]

3.1 The New IPT Mandate will cover Interested Person Transactions as set out in paragraph 6 below.

3.2 The New IPT Mandate will not cover any transaction by a company in the EAR Group with an Interested Person that is below S$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions.

3.3 Transactions with Interested Persons (including the Interested Persons) that do not fall within the ambit of the New IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

4. BENEFIT TO SHAREHOLDERS

The New IPT Mandate (and its subsequent renewal thereafter on an annual basis) will enhance the ability of companies in the EAR Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for DMPL to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant company in the EAR Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channeled towards attaining other corporate objectives.

5. CLASSES OF INTERESTED PERSONS

The New IPT Mandate will apply to the Interested Person Transactions which are carried out with the following classes of Interested Persons:

*(a) NutriAsia Inc and its associates (as such term is defined in paragraph 1.5(c) of this Appendix 1) (the "**NutriAsia Inc Group**");*

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[1] The IPT Mandate which was approved by shareholders in a general meeting held on 26 July 2006 was subsequently renewed on 27 April 2007, 28 April 2008, 27 April 2009, 28 April 2010, 29 April 2011, 30 April 2012, 30 April 2013, 15 April 2014, 28 August 2015, 30 August 2016, 30 August 2017, and 17 August 2018 respectively.

*(b) NutriAsia Holdings Limited and its subsidiaries (the "**NutriAsia Holdings Group**"); and*

(c) Mr Edgardo M Cruz, Jr, Mr Rolando C Gapud, and their respective associates (as such term is defined in paragraph 1.5(c) of this Appendix 1).

6. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

The Interested Person Transactions with the Interested Persons (as described in paragraph 5 above) which will be covered by the New IPT Mandate are set out below:

(a) ***General Transactions***

*This category relates to general transactions ("**General Transactions**") in connection with the provision to, or the obtaining from, Interested Persons of products and services in the normal course of business of the EAR Group or which are necessary for the day-to-day operations of the EAR Group comprising the following:*

(i) the sale and/or purchase, or joint sale and/or purchase, of packaging materials, food or food-related supplies, items and livestock;

(ii) the provision and obtaining of expansion of food service distribution;

(iii) the provision and obtaining of food preparation, manufacturing, processing, toll packing and related services;

(iv) the provision and obtaining of, and sale/purchase of, technical, IT, insurance and other related services (such as warehouse/inventory management, software support etc.);

(v) the provision and obtaining of call centre and customer hotline services; and

(vi) the provision or the obtaining of such other products and/or services which are incidental to, or in connection with, the provision or obtaining of products and/or services in sub-paragraphs (i) to (v) above and which are recurring transactions of a revenue or trading nature or necessary for its business.

(b) ***Treasury Transactions***

*Treasury transactions comprise the entry into with any Interested Person of forex, swap and option transactions for hedging purposes or in connection with the operations of the DMPL Group ("**Treasury Transactions**").*

The EAR Group may be able to benefit from competitive rates and quotes in an expedient manner on the entry into any forex, swap and option transactions with any Interested Persons.

7. REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

7.1 The EAR Group has established the following procedures to ensure that Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms.

(a) ***General Transactions***

Review Procedures

In general, there are procedures established by the EAR Group to ensure that Interested Person Transactions with Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the EAR Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties.

In particular, the following review procedures have been put in place.

(aa) ***Provision of Services or the Sale of Products***

The review procedures are:

(i) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market rates or prices of the service or product providers, on terms which are no

more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms; and

(ii) where the prevailing market rates or prices are not available due to the nature of the service to be provided or the product to be sold, the EAR Group's pricing for such services to be provided or products to be sold to Interested Persons is determined in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties. Such comparisons are based on the EAR Group's business experience in relation to those services or products previously provided or sold, which are as comparable as possible to the service or product to be provided or sold. In determining the transaction price payable by Interested Persons for such services or products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.

(bb) ***Obtaining of Services or the Purchasing of Products***

The review procedures are:

(i) all purchases made by the EAR Group, including purchases from Interested Persons, are governed by the same internal control procedures which detail matters such as the constitution of internal approving authorities, their monetary jurisdictions, the number of vendors from whom bids are to be obtained and the review procedures. The guiding principle is to objectively obtain the best products and/or services on the best terms. In determining whether the price and terms offered by vendors, including Interested Persons, are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account; and

*(ii) in the event that quotations from unrelated third party vendors cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), both the Chief Financial Officer ("**CFO**") and Chief Executive Officer ("**CEO**") of the Company (as long as they have no interest, direct or indirect in that transaction) will determine whether the price and terms offered by the Interested Persons are fair and reasonable by using their business experience in relation to those services or products previously obtained or purchased, which are as comparable as possible to the service or product to be obtained or purchased and will ensure that the terms of supply will (where applicable) be in accordance with, or not higher than, industry norms. If any one of the two has an interest in the transaction, whether direct or indirect, the reasonableness of the price shall be determined by the Audit and Risk Committee of the Company ("**ARC**").*

(b) ***Treasury Transactions***

<u>Review Procedures</u>

In general, there are procedures established by the EAR Group to ensure that Treasury Transactions with Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the EAR Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties.

In relation to forex, swap and option transactions with any Interested Person by the EAR Group, the Company will require that rate quotations shall be obtained from such Interested Person and at least two commercial banks. The EAR Group will only enter into such forex, swap or option transactions with such Interested Person provided that such terms quoted are no less favourable than the terms quoted by such banks.

7.2 In addition to the review procedures, the EAR Group will supplement its internal systems to ensure that Interested Person Transactions are undertaken with Interested Persons on an arm's length basis and on normal commercial terms as follows:

(a) each Interested Person Transaction equal to or exceeding S$100,000 (or such equivalent in US$) but less than S$1,000,000 (or such equivalent in US$) in value will be endorsed by the CFO of the Company and approved by the CEO of the Company, and the ARC shall be advised; and

(b) each Interested Person Transaction equal to or exceeds S$1,000,000 (or such equivalent in US$) in value will be endorsed by the CFO and CEO of the Company, respectively, and approved by the ARC.

Where the CFO of the Company has any interest, direct or indirect, in the Interested Person Transaction, such Interested Person Transaction shall be approved by the CEO of the Company. Where such CEO is not available, the ARC shall approve such Interested Person Transaction.

Where the CEO of the Company has any interest, direct or indirect, in the Interested Person Transaction, such Interested Person Transaction shall be approved by the ARC. Where any member of the ARC is interested in any of the Interested Person Transactions, he will abstain from voting in relation to such transactions.

7.3 The Company will maintain a register of transactions carried out with Interested Persons pursuant to the New IPT Mandate (recording the transaction values, basis, including the quotations obtained to support such basis, on which they were entered into), and the Company's internal audit plan will incorporate an annual review of all transactions entered into in the relevant financial year pursuant to the New IPT Mandate.

7.4 The ARC shall review the internal audit report on Interested Person Transactions to ascertain that the established review procedures to monitor Interested Person Transactions have been complied with. The ARC shall review the Interested Person Transactions on a quarterly basis.

7.5 If, during these periodic reviews by the ARC, the ARC is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the EAR Group are conducted, the Company will revert to Shareholders for a fresh mandate based on new guidelines and review procedures to ensure that Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

8. EXPIRY AND SUBSEQUENT RENEWAL OF THE NEW IPT MANDATE

If approved by Shareholders at the Annual General Meeting of the Company which is scheduled to be held on 28 August 2019, the New IPT Mandate will take effect from the date of passing of the ordinary resolution relating thereto and will continue in force until the conclusion of the next Annual General Meeting of the Company, unless revoked or varied by the Company in a general meeting.

The Company will seek the approval of Shareholders for the subsequent renewal of the New IPT Mandate at every Annual General Meeting, subject to the satisfactory review by the ARC of the continued requirements of the New IPT Mandate and the procedures for the Interested Person Transactions.

9. DISCLOSURE OF INTERESTED PERSON TRANSACTIONS PURSUANT TO THE NEW IPT MANDATE

The Company will announce the aggregate value of transactions conducted with Interested Persons pursuant to the New IPT Mandate for the quarterly financial periods which the Company is required to report on pursuant to the Listing Manual and within the time required for the announcement of such report.

Disclosure will be made in the Annual Report of the Company for the financial year ended 30 April 2019 of the aggregate value of transactions conducted with Interested Persons pursuant to the New IPT Mandate during the financial year, and will be made in the Company's Annual Reports for subsequent financial years that the New IPT Mandate continues to be in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

ANNEX "E"

CIRCULAR DATED 5 AUGUST 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt about its contents or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares (as defined in this Circular) in the capital of Del Monte Pacific Limited (the "**Company**") held through The Central Depository (Pte) Limited ("**CDP**") or the Philippine Depository & Trust Corporation ("**PDTC**"), you need not forward this circular with the Notice of Annual General Meeting ("**AGM**") and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP or PDTC for a separate circular with the Notice of AGM and the attached Proxy Form to be sent to the purchaser or transferee.

If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should at once hand this circular with the Notice of AGM and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

Your attention is drawn to page 24 of this Circular in respect of actions to be taken if you wish to attend and vote at the AGM.

Neither the Singapore Exchange Securities Trading Limited ("**SGX-ST**") nor The Philippine Stock Exchange, Inc. ("**PSE**") assumes any responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this circular.

DEL MONTE PACIFIC LIMITED

(Incorporated in British Virgin Islands with limited liability on 27 May 1999)

CIRCULAR TO SHAREHOLDERS
IN RELATION TO THE PROPOSED RENEWAL OF SHARE PURCHASE MANDATE

Important Dates and Times:

Last date and time for lodgement of Proxy Form	:	26 August 2019 at 10.00 a.m.
Date and time of AGM	:	28 August 2019 at 10.00 a.m.
Place of AGM	:	Banquet Suite, Level 10 of M Hotel, 81 Anson Road, Singapore 079908

CONTENTS

LETTER TO SHAREHOLDERS

In this Circular, the following definitions apply throughout unless otherwise stated:

"Act"	:	Business Companies Act 2004 of the British Virgin Islands as amended, modified or supplemented from time to time
"AGM"	:	Annual General Meeting of the Company to be held on Wednesday, 28 August 2019 at Banquet Suite, Level 10 of M Hotel, 81 Anson Road, Singapore 079908
"Articles"	:	Articles of Association of the Company
"Associated Company"	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
"Board"	:	The Board of Directors of the Company for the time being
"BVI"	:	British Virgin Islands
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 5 August 2019
"Company"	:	Del Monte Pacific Limited, a company incorporated in the British Virgin Islands
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over the Company
"Depositor"	:	An account holder or a depository agent but does not include a sub-account holder
"Depository Agent"	:	An entity registered as a depository agent with CDP or PDTC or the purpose of maintaining securities sub-accounts for its own account and for the account of others
"Depository Register"	:	A register maintained by the CDP or PDTC in respect of the Shares
"Directors"	:	The directors of the Company as at the date of this Circular
"EPS"	:	Earnings per Share
"FY"	:	The financial year ended or ending 30 April

"Group"	:	The Company and its subsidiaries
"Latest Practicable Date"	:	10 July 2019, being the latest practicable date prior to the printing of this Circular
"Listing Rules"	:	The rules of the Listing Manual
"Listing Manual"	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
"Market Day"	:	A day on which the SGX-ST is open for securities trading
"Memorandum and Articles"	:	The memorandum and articles of association of the Company
"Notice of AGM"	:	The notice of the AGM as set out on pages N1 to N7 of this Circular
"NTA"	:	Net tangible assets
"PDTC"	:	The Philippine Depository & Trust Corporation
"PSE"	:	The Philippine Stock Exchange, Inc.
"SFA"	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share"	:	Ordinary share(s) of US$0.01 each in the capital of the Company
"Shareholder"	:	The registered holder/holders of the Shares except that where the registered holder is CDP or the PCD Nominee (in PDTC), the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the persons named as depositors in the Depository Register maintained by CDP or PDTC and into whose Securities Accounts those Shares are credited. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders' Securities Account
"Share Purchase Mandate"	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in the Circular, as well as the rules and regulations set forth in the Listing Manual

"Subsidiary"	:	A company in which at least 50 per cent. (50%) of its shares is held by the Company and over which the Company has control
"Substantial Shareholder"	:	A Shareholder who has an interest in not less than five per cent. (5%) of the issued Shares
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
"trading day"	:	A day on which Shares are traded on the SGX-ST
"Treasury Shares"	:	Such shares as defined in the Act or any other statutory modification thereof. For the purpose of the Listing Rules, treasury shares will be excluded from references to "issued share capital" and "equity securities", and for the calculation of market capitalisation and public float where referred to in the Listing Rules
"US$" and "US cents"	:	US dollar and cents respectively
"%" or "per cent."	:	Per centum or percentage

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and used in this Circular shall have the same meaning assigned to it under the Act, or any statutory modification thereof, unless otherwise provided.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

LETTER TO SHAREHOLDERS

DEL MONTE PACIFIC LIMITED
(Incorporated in British Virgin Islands with limited liability on 27 May 1999)

Directors:	***Registered Office:***
Mr Rolando C Gapud (Executive Chairman)	Craigmuir Chambers
Mr Joselito D Campos, Jr (Managing Director and Chief Executive Officer)	PO Box 71
Mr Edgardo M Cruz, Jr (Executive Director)	Road Town, Tortola
Mr Benedict Kwek Gim Song (Lead Independent Director)	British Virgin Islands
Mr Godfrey E Scotchbrook (Independent Director)	
Dr Emil Q Javier (Independent Director)	
Mrs Yvonne Goh (Independent Director)	

5 August 2019

To: The Shareholders of Del Monte Pacific Limited

Dear Sir/Madam,

Circular to Shareholders in relation to the Proposed Renewal of the Share Purchase Mandate

1. INTRODUCTION

1.1 Annual General Meeting

The Board is proposing to seek the Shareholders' approval for the proposed renewal of the Share Purchase Mandate at the forthcoming AGM of the Company.

1.2 Purpose of this Circular

The purpose of this Circular is to explain the reasons for, and to provide Shareholders with, information relating to the aforesaid proposal and to seek Shareholders' approval in relation thereto at the AGM to be held on Wednesday, 28 August 2019 at Banquet Suite, Level 10 of M Hotel, 81 Anson Road, Singapore 079908. The text of the resolutions are as set out in the Notice of the AGM dated 5 August 2019 under Ordinary Resolution 11 on pages N1 to N7 of this Circular.

This Circular has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to by the Company) or for any other purpose.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

The Company's existing Share Purchase Mandate was approved by the Shareholders at a General Meeting held on 17 August 2018 (the "**2018 Mandate**"). The authority conferred on the Directors by the 2018 Mandate will expire on the date of the forthcoming AGM of the Company to be held on 28 August 2019.

Accordingly, the Directors of the Company are seeking the approval of the Shareholders at the AGM of the Company to be held on 28 August 2019 at 10.00 a.m. for the proposed renewal of the Share Purchase Mandate, which shall be on the same terms as the 2018 Mandate.

As the Company is incorporated in the BVI, it is not subject to the Singapore Companies Act, Cap. 50. Therefore, any purchase or acquisition of Shares by the Company will have to be made in accordance with, and in the manner prescribed by the Act, the Memorandum and Articles, the Listing Manual, and such other laws and regulations as may for the time being be applicable.

The Articles provide that any purchase of Shares by the Company shall be exercisable by the Board upon such terms and subject to such conditions as it thinks fit, and subject also to the Act, the Memorandum, and for so long as the Shares are listed on the SGX-ST (or any other stock exchange on which the Shares are quoted or listed), the prior approval by an ordinary resolution of the Shareholders in general meeting. Accordingly, approval is being sought from Shareholders for the proposed renewal of the Share Purchase Mandate and a motion will be proposed as an ordinary resolution at the AGM whereby the Directors will be given the authority to exercise all powers of the Company to purchase its own Shares on the terms of the Share Purchase Mandate.

If the motion in relation to the proposed renewal of the Share Purchase Mandate is approved by Shareholders at the AGM, the authority conferred by the Share Purchase Mandate will continue in force until the date on which the next annual general meeting is held or required by law or the Articles to be held (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the next annual general meeting), provided that the Share Purchase Mandate shall be valid for a period not exceeding 12 months from the date of the general meeting at which the Share Purchase Mandate is approved (the "**Approval Date**").

As at the Latest Practicable Date, 975,802 Shares were held as Treasury Shares.

2.2 **Rationale**

The rationale for the Company to undertake a purchase or acquisition of its Shares is as follows:

(a) In managing the business of the Group, management will strive to increase Shareholders' value by improving, inter alia¸ the return on equity of the Company. A share purchase may be considered as an avenue through which the return on equity of the Company may be enhanced;

(b) The Share Purchase Mandate is an available option for the Company to return surplus cash over, if any, and above its ordinary capital requirements and possible investment needs of the Group to its Shareholders in an expedient and cost effective manner. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, inter alia, the Company's share capital structure and its dividend policy;

(c) Share purchase programmes help buffer short-term share price volatility and offset the effects of short-term speculators and investors and, in turn, bolster Shareholder confidence and employee morale; and

(d) Shares purchased by the Company and held in treasury may be transferred for the purposes of, or pursuant to, employees share option or award schemes.

Shareholders can be assured that purchases of its Shares by the Company would only be made in circumstances where it is considered to be in the best interests of the Company, after considering relevant factors such as working capital requirements, availability of financial resources, expansion and investment plans of the Group as a whole, the prevailing market conditions and the most cost-effective and efficient approach. Further, the Directors do not propose to carry out purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group or affect the listing status of the Company on the SGX-ST.

The approval of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake Share purchases or acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the said five per cent. (5%) limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full extent of five per cent. (5%) as authorised, and no purchases or acquisitions of Shares will be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or the Group or affect the listing status of the Company on the SGX-ST.

2.3 The Act and the Articles

Under the Act and the Articles, the purchase by the Company of its Shares may be made at a price lower than the fair value, and may only be funded out of its surplus or in exchange for newly issued Shares of equal value. In particular, the purchase of its Shares may be funded out of surplus available for dividend or distribution, including its share premium account, before the Shares are purchased.

Surplus is defined by the Act as “the excess, if any, at the time of the determination, of the total assets of the company over the sum of its total liabilities, as shown in the books of account, plus its capital”. Capital is defined as “the sum of the aggregate par value of all outstanding shares with par value of the company and shares with par value held by the company as treasury shares plus (a) the aggregate of the amounts designated as capital of all outstanding shares without par value of the company and shares without par value held by the company as treasury shares, and (b) the amount as are from time to time transferred from surplus to capital by a resolution of directors”.

Under the Act and the Articles, no purchase by the Company of its own Shares can be effected unless the Directors have, before the purchase of Shares, determined the following:

(a) that immediately after the purchase, redemption or acquisition, the Company will be able to satisfy its liabilities as they become due in the ordinary course of its business; and

(b) the realisable value of the assets of the Company will not be less than the sum of its total liabilities, other than deferred taxes as shown in the books of accounts, and its capital; and in the absence of fraud, the decision of the Directors as to realisable value of the assets of the Company is conclusive.

To ensure that the Company complies with the statutory requirements, all purchases of Shares in accordance with the Share Purchase Mandate shall be subject to the prior review and endorsement of both the Chief Financial Officer and Chief Executive Officer of the Company based on guidelines determined by the Directors.

As at the Latest Practicable Date, the Directors confirm that the Company has sufficient surplus available to purchase the maximum number of Shares permitted under the Share Purchase Mandate in accordance with the requirements of the Act.

The Company will, from time to time, evaluate the fair value of its Shares on the basis of its NTA backing, projected performance of the Company and industry market comparable to determine the appropriate time to purchase Shares in order to enhance Shareholders’ value.

2.4 The Terms of the Share Purchase Mandate

The authority and limitations placed on purchases of Shares by the Company under the Share Purchase Mandate are summarised below.

2.4.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased is limited to that number of Shares representing not more than five per cent. (5%) of the total number of issued Shares (excluding any Treasury Shares and subsidiary holdings[1] in each class) as at the Approval Date.

For illustrative purposes only, based on the existing issued share capital of the Company as at the Latest Practicable Date of 1,944,935,826 Shares, and excluding 975,802 Treasury Shares and no subsidiary holdings in each class, and assuming that no further Shares are issued on or prior to the AGM, not more than 97,198,001 Shares (representing five per cent. (5%) of the issued Shares excluding Treasury Shares and subsidiary holdings in each class as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

2.4.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

(a) the date on which the next annual general meeting is held or required by law or the Articles to be held;

(b) the date on which the Share purchases pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(c) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by the Shareholders in a general meeting.

2.4.3 Manner of Purchase of Shares

The Company intends to comply with the Listing Manual in relation to its Share purchases or acquisitions pursuant to the Share Purchase Mandate notwithstanding the absence of any such requirements under the Act and/or in its Memorandum and Articles.

In accordance with the Listing Manual, purchases of Shares may be made by way of, inter alia:

(a) on-market purchases (each a "**Market Purchase**"), transacted on the SGX-ST (or any other stock exchange on which the Shares may for the time being be listed or quoted), through one or more duly licensed stockbrokers or dealers appointed by the Company for the purpose; and/or

(b) off-market purchases (each an "**Off-Market Purchase**") (if effected otherwise than on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed or quoted) in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed or quoted, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

[1] "Subsidiary holdings" is defined in the Listing Manual of the SGX-ST ("**Listing Manual**") to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Singapore Companies Act (Cap. 50).

An Off-Market Purchase must, however, satisfy all of the following conditions:

(a) offers for the purchase or acquisition of Shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their Shares;

(b) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(c) the terms of all the offers are the same, except that there shall be disregarded:

(i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

(ii) differences (if applicable) in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and

(iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares in board lots of 100 Shares after the Share purchases, in the event that there are offeree Shareholders holding odd numbers of Shares.

In addition, the Listing Rules provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed Share purchase;

(d) the consequences, if any, of Share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;

(e) whether the Share purchase, if made, would have any effect on the listing of the Shares on SGX-ST (or any other stock exchange on which the Shares may for the time being be listed or quoted);

(f) details of any Share purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(g) whether the Shares purchased by the issuer will be cancelled or kept as Treasury Shares.

2.4.4 Maximum Purchase Price

In the case of a Market Purchase, the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) (the "**Maximum Purchase Price**") to be paid for the Shares will be determined by the Directors.

However, the Maximum Purchase Price to be paid for a Share as determined by the Directors must not exceed:

(a) in the case of a Market Purchase, 105 per cent. (105%) of the Average Closing Price (as defined hereinafter); and

(b) in the case of an Off-Market Purchase, 130 per cent. (130%) multiplied by the average closing prices of the Shares over the last five (5) consecutive Market Days on which transactions in the Shares were recorded immediately preceding the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares stating therein the purchase price for each Share and the relevant terms of the equal access scheme effecting the Off-Market Purchase,

in either case, excluding related expenses of the purchase.

For the above purposes:

"**Average Closing Price**" is the average of the closing market prices of a Share over the last five (5) market days on which the Shares were transacted on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed or quoted, preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to an Off-Market Purchase, as deemed to be adjusted for any corporate action that occurs after the relevant five (5) market day period;

"**day of the making of the offer**" means the day on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**market day**" means a day on which the SGX-ST is open for securities trading.

_2.5_ Status of Purchased Shares under the Share Purchase Mandate

Under the Act and the Articles, the Shares that are purchased or acquired by the Company may be cancelled or held as Treasury Shares (except to the extent that such shares are in excess of 80 per cent. (80%) of the issued Shares, in which case they shall be cancelled but they shall be available for reissue). The Company currently has 975,802 issued Shares held in treasury.

Shares purchased by the Company which are cancelled will be automatically de-listed by the SGX- ST (or any other stock exchange on which the Shares may for the time being be listed or quoted). Certificates in respect of cancelled purchased Shares will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase. The Shares purchased may be cancelled to further enhance the Company's return on equity and increase the value of its equity for its Shareholders.

Shares purchased by the Company which are held in treasury shall only be treated as outstanding for the purposes of determining the capital of the Company. The Shares held in treasury shall not be entitled to vote or to have dividends paid thereon and are therefore considered disabled.

_2.6_ Treasury Shares

Under the Act, a company may, if authorised by its articles of association, purchase its own shares. The shares so purchased may either be cancelled (in which event, the Company's issued, but not its authorised, capital will be diminished accordingly) or may be held as Treasury Shares. Under the laws of the BVI, if a company holds shares as Treasury Shares, the company shall be entered in the register of members as a member holding the shares but the company is not permitted to exercise any rights in respect of those shares (including any right to attend and vote at meetings) and no dividend or other distribution (whether in cash or otherwise) shall be paid or made to the Company in respect of such shares.

No acquisition by a company of its own shares to be held as Treasury Shares may be effected unless the Directors determine that immediately after the purchase that the Company will be able to satisfy its liabilities as they become due in the ordinary course of its business and the realisable value of the assets of the Company will not be less than the sum of its total liabilities, other than deferred taxes as shown in the books of accounts, and its capital; and, in the absence of fraud, the decision of the Directors as to the realisable value of the assets of the Company is conclusive.

A company that acquires its own shares to be held as Treasury Shares may:

(a) hold all or any of the shares;
(b) dispose of or transfer all or any of the shares for cash or other considerations; or
(c) cancel all or any of the shares.

The Company may transfer any Treasury Shares for the purpose of or pursuant to an employee share option or award scheme. The number of Shares held as Treasury Shares cannot at any time exceed 80 per cent. (80%) of the total issued Shares.

2.7 Source of Funds for Share Purchase

In purchasing Shares pursuant to the proposed Share Purchase Mandate, the Company may only apply funds available for such purchases in accordance with the Act and its Articles. In particular, the purchase of Shares may only be funded out of the Company's surplus.

The Company will principally use its internal sources of funds or external borrowings or a combination of both to finance the purchases or acquisitions of Shares, including its revenue reserves, pursuant to the Share Purchase Mandate.

Where the consideration paid by the Company for a purchase or acquisition of Shares is made out of distributable profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for a purchase or acquisition of Shares is made out of capital, the amount available for a distribution of cash dividends by the Company will not be reduced.

The Directors will consider the appropriate gearing level to ensure solvency. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the working capital requirements or investment ability of the Company would be materially and adversely affected. The purchase of the Shares will only be effected after considering relevant factors such as working capital requirements, availability of financial resources, expansion and investment plans of the Group as a whole, and prevailing market conditions.

2.8 Financial Effects of the Share Purchase Mandate

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, inter alia, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and whether the Shares purchased or acquired are held in treasury or are cancelled.

The purchase of Shares, if cancelled, will result in a reduction in the capital of the Company by an amount equivalent to the par value of the Shares and in the Company's surplus, which consists of the share premium, translation reserves and revenue reserves ("**Distributable Reserves**") by the balance of the purchase price. If the capital of the Company is reduced by a cancellation of Shares, the Directors must have, before the cancellation, made determinations to ensure that:

(a) the capital of the Company will not be reduced to an amount that is less than the sum of the aggregate par value of all outstanding shares with par value and all shares with par value held by the Company as Treasury Shares and the aggregate of the amounts designated as capital of all outstanding shares without par value and all shares without par value held by the Company as Treasury Shares that are entitled to a preference, if any, in the assets of the Company upon liquidation of the Company; and

(b) a reduction of capital will not be effected unless the Directors determine that immediately after reduction, the Company will be able to satisfy its liabilities as they become due in the ordinary course of business, and that the realisable value of the assets of the Company will not be less than its total liabilities other than deferred taxes, as shown in the books of account, and its remaining capital; and, in the absence of fraud, the decision of the Directors as to the realisable value of the assets of the Company is conclusive.

It is not possible for the Company to realistically calculate or quantify the impact of purchase that may be made pursuant to the proposed Share Purchase Mandate on the net asset value and EPS as it would largely depend, inter alia, on the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are held in treasury or cancelled. However, on the basis of the audited consolidated financial position of the Company as at 30 April 2019 (being the date to which the latest published audited financial statements of the Company have been made up) and, in particular, having regard to the amount of Distributable Reserves that are available for payment as dividends, the working capital and gearing position of the Company at that time and the number of Shares as at the Latest Practicable Date, the Directors consider that the purchase of up to the maximum number of Shares permitted by the Share Purchase Mandate during the period which the Share Purchase Mandate is expressed to be in force is not expected to have an adverse effect on the consolidated financial position of the Company or the Group.

For illustrative purposes only, based on the existing issued share capital of the Company as at the Latest Practicable Date of 1,944,935,826 Shares, and excluding 975,802 Treasury Shares and no subsidiary holdings in each class, and assuming that no further Shares are issued on or prior to the GM, the purchase by the Company of up to the maximum limit of five per cent. (5%) of its issued Shares excluding Treasury Shares and subsidiary holdings in each class will result in the purchase or acquisition of 97,198,001 Shares. It is assumed the Average Closing Price is S$0.153 and using exchange rate of US$1:S$1.36.

In the case of a Market Purchase by the Company and assuming that the Company purchases or acquires 97,198,001 Shares at the Maximum Purchase Price of S$0.161 or US$0.118 for one Share (being the price equivalent to 105 per cent. (105%) above the average of the closing market prices of the Shares over the last five (5) Market Days preceding the day of the Market Purchase on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 97,198,001 Shares is S$15,655,682 or US$11,492,096. This calculation is based on the assumption that the purchase consideration will be funded 100 per cent. (100%) through bank loans at an interest rate of five per cent. (5%) per annum.

In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 97,198,001 Shares at the Maximum Purchase Price of S$0.199 or US$0.146 for one Share (being the price equivalent to 130 per cent. (130%) above the average of the closing market prices of a Share for the five (5) Market Days on which transactions in the Shares were recorded, preceding the date of the announcement of the offer for the Off-Market Scheme, the maximum amount of funds required for the purchase or acquisition of 97,198,001 Shares is S$19,383,225 or US$14,228,309. This calculation is based on the assumption that the purchase consideration will be funded 100 per cent. (100%) through bank loans at an interest rate of five per cent. (5%) per annum.

Assuming the above, the financial effects of the:

(i) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and held as Treasury Shares;

(ii) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and cancelled;

(iii) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of profits and held as Treasury Shares; and

(iv) acquisition of Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of profits and cancelled,

on the audited financial statements of the Group and the Company for the financial year ended 30 April 2019 are as follows:

(i) Purchases made entirely out of capital and held as Treasury Shares

	<------------------ Group --------------->			<--------------- Company ------------->		
(US$'000)	**Before Share Purchase**	**After Share Purchase assuming Market Purchase**	**After Share Purchase assuming Off-Market Purchase**	**Before Share Purchase**	**After Share Purchase assuming Market Purchase**	**After Share Purchase assuming Off-Market Purchase**
At 30 April 2019	601,427	601,427	601,427	558,460	558,460	558,460
Treasury share	(286)	(11,778)	(14,514)	(286)	(11,778)	(14,514)
Shareholders' funds	601,141	589,649	586,913	558,174	546,682	543,946
NTA	(106,856)	(118,348)	(121,084)	558,174	546,682	543,946
Current assets	929,113	929,113	929,113	26,319	26,319	26,319
Current liabilities	710,741	722,233	724,969	239,399	250,891	253,627
Working capital	218,372	206,880	204,144	(213,080)	(224,572)	(227,308)
Total borrowings	1,478,655	1,490,147	1,492,883	376,085	387,577	390,313
Cash and cash equivalents	21,636	21,636	21,636	886	886	886
Profit after tax and minority interest	20,319	20,319	20,319	20,319	20,319	20,319
Treasury shares ('000)	(976)	(98,174)	(98,174)	(976)	(98,174)	(98,174)
No. of outstanding shares ('000)	1,943,960	1,846,762	1,846,762	1,943,960	1,846,762	1,846,762
Financial Ratios						
NTA per Share (cents)(1)	(5.50)	(6.41)	(6.56)	28.71	29.60	29.45
Basic EPS (cents)(2)	0.03	0.03	0.03	0.03	0.03	0.03
Net gearing (times)(3)	2.42	2.49	2.51	0.67	0.71	0.72
Return on equity (%)(4)	0.02	0.02	0.02	0.04	0.04	0.04

Notes:

(1) NTA per Share equals to NTA divided by the number of Shares outstanding as at 30 April 2019.

(2) Basic EPS equals to profit attributable to Shareholders divided by the weighted average number of Shares outstanding during the year ended 30 April 2019 of 1,943,960,024 Shares. Whereas, the basic EPS of After Share Purchase was computed based on the weighted average number of shares, as Latest Practicable Date, of 1,846,762,023.

(3) Net gearing equals to total borrowings net of cash and cash equivalents divided by Shareholders' funds.

(4) Return on equity equals profit after tax and minority interest divided by average Shareholders' funds.

(ii) Purchases made entirely out of capital and cancelled

(US$'000)	Group: Before Share Purchase	Group: After Share Purchase assuming Market Purchase	Group: After Share Purchase assuming Off-Market Purchase	Company: Before Share Purchase	Company: After Share Purchase assuming Market Purchase	Company: After Share Purchase assuming Off-Market Purchase
At 30 April 2019	601,427	601,427	601,427	558,460	558,460	558,460
Share capital	-	(972)	(972)	-	(972)	(972)
Share premium	-	(10,520)	(13,256)	-	(10,520)	(13,256)
Treasury Shares	(286)	(286)	(286)	(286)	(286)	(286)
Shareholders' funds	601,141	589,649	586,913	558,174	546,682	543,946
NTA	(106,856)	(118,348)	(121,084)	558,174	546,682	543,946
Current Assets	929,113	929,113	929,113	26,319	26,319	26,319
Current Liabilities	710,741	722,233	724,969	239,399	250,891	253,627
Working Capital	218,372	206,880	204,144	(213,080)	(224,572)	(227,308)
Total Borrowings	1,478,655	1,490,147	1,492,883	376,085	387,577	390,313
Cash and cash equivalents	21,636	21,636	21,636	886	886	886
Profit after tax and minority interest	20,319	20,319	20,319	20,319	20,319	20,319
Treasury Shares ('000)	(976)	(976)	(976)	(976)	(976)	(976)
No. of Shares ('000)	1,943,960	1,846,762	1,846,762	1,943,960	1,846,762	1,846,762
Financial Ratios						
NTA per Share (dollar)(1)	(5.50)	(6.41)	(6.56)	28.71	29.60	29.45
Basic EPS (dollar)(2)	0.03	0.03	0.03	0.03	0.03	0.03
Net gearing (times)(3)	2.42	2.49	2.51	0.67	0.71	0.72
Return on equity (%)(4)	0.02	0.02	0.02	0.04	0.04	0.04

Notes:

(1) NTA per Share equals to NTA divided by the number of Shares outstanding as at 30 April 2019.

(2) Basic EPS equals to profit attributable to Shareholders divided by the weighted average number of Shares outstanding during the year ended 30 April 2019 of 1,943,960,024 Shares. Whereas, the basic EPS of After Share Purchase was computed based on the weighted average number of shares, as Latest Practicable Date, of 1,846,762,023.

(3) Net gearing equals to total borrowings net of cash and cash equivalents divided by Shareholders' funds.

(4) Return on equity equals profit after tax and minority interest divided by average Shareholders' funds.

(iii) Purchases made entirely out of profits and held as Treasury Shares

(US$'000)	<---------------- Group ----------------		>	<-------------- Company --------------		>
	Before Share Purchase	After Share Purchase assuming Market Purchase	After Share Purchase assuming Off-Market Purchase	Before Share Purchase	After Share Purchase assuming Market Purchase	After Share Purchase assuming Off-Market Purchase
At 30 April 2019	601,427	601,427	601,427	558,460	558,460	558,460
Treasury share	(286)	(11,778)	(14,514)	(286)	(11,778)	(14,514)
Shareholders' funds	601,141	589,649	586,913	558,174	546,682	543,946
NTA	(106,856)	(118,348)	(121,084)	558,174	546,682	543,946
Current Assets	929,113	929,113	929,113	26,319	26,319	26,319
Current Liabilities	710,741	722,233	724,969	239,399	250,891	253,627
Working Capital	218,372	206,880	204,144	(213,080)	(224,572)	(227,308)
Total Borrowings	1,478,655	1,490,147	1,492,883	376,085	387,577	390,313
Cash and cash equivalents	21,636	21,636	21,636	886	886	886
Profit after tax and minority interest	20,319	20,319	20,319	20,319	20,319	20,319
Treasury Shares ('000)	(976)	(98,174)	(98,174)	(976)	(98,174)	(98,174)
No. of Shares ('000)	1,943,960	1,846,762	1,846,762	1,943,960	1,846,762	1,846,762
Financial Ratios						
NTA per Share (dollar)(1)	(5.50)	(6.41)	(6.56)	28.71	29.60	29.45
Basic EPS (dollar)(2)	0.03	0.03	0.03	0.03	0.03	0.03
Net gearing (times)(3)	2.42	2.49	2.51	0.67	0.71	0.72
Return on equity (%)(4)	0.02	0.02	0.02	0.04	0.04	0.04

Notes:

(1) NTA per Share equals to NTA divided by the number of Shares outstanding as at 30 April 2019.

(2) Basic EPS equals to profit attributable to Shareholders divided by the weighted average number of Shares outstanding during the year ended 30 April 2019 of 1,943,960,024 Shares. Whereas, the basic EPS of After Share Purchase was computed based on the weighted average number of shares, as Latest Practicable Date, of 1,846,762,023.

(3) Net gearing equals to total borrowings net of cash and cash equivalents divided by Shareholders' funds.

(4) Return on equity equals profit after tax and minority interest divided by average Shareholders' funds

(iv) Purchases made entirely out of profits and cancelled

(US$'000)	Group: Before Share Purchase	Group: After Share Purchase assuming Market Purchase	Group: After Share Purchase assuming Off-Market Purchase	Company: Before Share Purchase	Company: After Share Purchase assuming Market Purchase	Company: After Share Purchase assuming Off-Market Purchase
At 30 April 2019	601,427	601,427	601,427	558,460	558,460	558,460
Revenue reserves	-	(11,492)	(14,228)	-	(11,492)	(14,228)
Treasury Shares	(286)	(286)	(286)	(286)	(286)	(286)
Shareholders' funds	601,141	589,649	586,913	558,174	546,682	543,946
NTA	(106,856)	(118,348)	(121,084)	558,174	546,682	543,946
Current Assets	929,113	929,113	929,113	26,319	26,319	26,319
Current Liabilities	710,741	722,233	724,969	239,399	250,891	253,627
Working Capital	218,372	206,880	204,144	(213,080)	(224,572)	(227,308)
Total Borrowings	1,478,655	1,490,147	1,492,883	376,085	387,577	390,313
Cash and cash equivalents	21,636	21,636	21,636	886	886	886
Profit after tax and minority interest	20,319	20,319	20,319	20,319	20,319	20,319
Treasury Shares ('000)	(976)	(976)	(976)	(976)	(976)	(976)
No. of Shares ('000)	1,943,960	1,846,762	1,846,762	1,943,960	1,846,762	1,846,762
Financial Ratios						
NTA per Share (dollar)(1)	(5.50)	(6.41)	(6.56)	28.71	29.60	29.45
Basic EPS (dollar)(2)	0.03	0.03	0.03	0.03	0.03	0.03
Net gearing (times)(3)	2.42	2.49	2.51	0.67	0.71	0.72
Return on equity (%)(4)	0.02	0.02	0.02	0.04	0.04	0.04

Notes:

(1) NTA per Share equals to NTA divided by the number of Shares outstanding as at 30 April 2019.

(2) Basic EPS equals to profit attributable to Shareholders divided by the weighted average number of Shares outstanding during the year ended 30 April 2019 of 1,943,960,024 Shares. Whereas, the basic EPS of After Share Purchase was computed based on the weighted average number of shares, as Latest Practicable Date, of 1,846,762,023.

(3) Net gearing equals to total borrowings net of cash and cash equivalents divided by Shareholders' funds.

(4) Return on equity equals profit after tax and minority interest divided by average Shareholders' funds.

The disclosed financial effects remain the same irrespective of whether:

(a) the purchase of Shares is effected out of capital or profits, or

(b) the purchased Shares are held in treasury or cancelled.

Shareholders should note that the financial effects set out above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the latest audited financial statements of the Company as at 30 April 2019 and is not necessarily representative of the future financial performance of the Company. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to five per cent. (5%) of the issued Shares excluding Treasury Shares and subsidiary holdings in each class, the Company may not necessarily purchase or acquire the entire five per cent. (5%). In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased as Treasury Shares.

Shareholders should also note however, that the actual financial impact of purchases of Shares will depend, inter alia, on the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are held in treasury or are cancelled. The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company or the Group.

It is not the purpose of the Share Purchase Mandate to assist any Shareholder or its concert parties to obtain or consolidate effective control of the Company. The Directors will decide when, how many and on what terms to purchase any Shares pursuant to the Share Purchase Mandate in the interests of the Company and its Shareholders as a whole, taking into consideration relevant factors such as the financial effects of such purchases on the Company, working capital requirements, availability of financial resources, the expansion and investment plans of the Company and prevailing market conditions. If it becomes necessary for funds to be borrowed, the Directors will consider the appropriate gearing level to ensure the solvency of the Company. The proposed Share Purchase Mandate will only be exercised with a view to enhance the EPS of the Group.

2.9 Listing Rules

2.9.1 The Listing Rules provide that a listed company shall report all purchases or acquisitions of its Shares to SGX-ST:

(a) in the case of a Market Purchase, by 9.00 a.m. on the Market Day following the day of purchase or acquisition of any of its Shares; and

(b) in the case of an Off-Market Purchase under an equal access scheme, by 9.00 a.m. on the second Market Day after the close of acceptances of the offer.

Such announcement must include details of the total number of Shares purchased and the purchase price per Share or the highest and lowest prices paid for such Shares and any other information required under the Listing Rules, as applicable.

2.9.2 While the Listing Rules do not expressly prohibit any purchase of shares by a listed company of its own shares during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase of its issued shares, the Company will not undertake any purchase of Shares pursuant to the proposed Share Purchase Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of a decision until such price sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by SGX-ST, the Company will not purchase or acquire any shares pursuant to the proposed Share Purchase Mandate during the period commencing two (2) weeks immediately preceding the announcement of the Company’s financial statements for each of the first three quarters of its financial year and one (1) month immediately preceding the announcement of the Company’s financial statements of its full-year results and ending on the date of the announcement of the relevant results.

2.9.3 The Listing Rules also require a listed company to ensure that at least ten per cent. (10%) of its Shares is at all times held by the public. The “public”, as defined under the Listing Manual, are persons other than the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as associates of such persons.

As at the Latest Practicable Date, 438,821,349 Shares representing 22.6 per cent. (22.6%) of the issued share capital of the Company are held in the hands of the public by an aggregate of 7,616 Shareholders. In the event that the Company purchases the maximum of five per cent. (5%) of its issued ordinary share capital from such public Shareholders, the resultant percentage of the issued Shares held by the public

Shareholders would be reduced to approximately 18.50 per cent. (18.50%). Accordingly, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake purchases and acquisitions of the Shares up to the full five per cent. (5%) limit pursuant to the proposed Share Purchase Mandate without affecting adversely the listing status of the Shares on the SGX-ST.

The Directors will endeavour to ensure that any purchase of Shares pursuant to the Share Purchase Mandate will not:

(a) adversely affect the listing status of the Shares on the SGX-ST;

(b) cause market illiquidity; or

(c) adversely affect the orderly trading of the Shares on the SGX-ST.

2.10 **Details of Share Purchases during the last 12 months pursuant to the Share Purchase Mandate**

The Company did not purchase any of its own Shares during the last twelve (12) months immediately preceding and up to the Latest Practicable Date as its previous mandate would expire on the date of the forthcoming AGM of the Company to be held on 28 August 2019.

2.11 **Tax Implications**

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.12 **Take-Over Obligations**

An increase in a Shareholder's proportionate interest in the voting rights of the Company resulting from a Share purchase by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Under Rule 14 of the Take-over Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory takeover offer if, inter alia, he and persons acting in concert with him increase their voting rights in the Company to 30 per cent. (30%) or more or, if they, together hold between 30 per cent. (30%) but not more than 50 per cent. (50%) of the Company's voting rights, increase their voting rights in the Company by more than one per cent. (1%) in any period of six (6) months.

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control of that company. Unless the contrary is established, the following persons will, inter alia, be presumed to be acting in concert:

(a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies and any company whose associated companies include any of the above companies, any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;

(b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its clients in respect of the shareholdings of (i) the adviser and the persons controlling, controlled by or under the same control as the adviser; and (ii) all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent. (10%) or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

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

For this purpose, ownership or control of at least 20 per cent. (20%) but not more than 50 per cent. (50%) of the voting rights of a company will be regarded as the test for associated company status.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them will incur an obligation to make a takeover offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company as set out in Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 is that:

(a) unless exempted, directors of a company and persons acting in concert with them will incur an obligation to make a takeover offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such directors and their concert parties would increase to 30 per cent. (30%) or more, or if the voting rights of such directors and their concert parties fall between 30 per cent. (30%) and 50 per cent. (50%) of the Company's voting rights, the voting rights of such directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months; and

(b) a Shareholder who is not acting in concert with directors will not be required to make a takeover offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30 per cent. (30%) or more, or if the voting rights of such directors and their concert parties fall between 30 per cent. (30%) and 50 per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

2.13 Application of the Singapore Code on Takeovers and Mergers

2.13.1 Background

As at the Latest Practicable Date, the Controlling Shareholders of the Company are –

- NutriAsia Pacific Ltd
- NutriAsia Holdings Limited

- NutriAsia Inc
- Golden Chamber Investment Limited
- Well Grounded Limited
- Star Orchid Limited
- HSBC International Trustee Limited
- HSBC Holdings plc
- HSBC Trustee (Hong Kong) Limited
- HSBC International Trustee (Holdings) Pte Limited
- The Hongkong and Shanghai Banking Corporation Limited
- HSBC Asia Holdings Limited
- Mr Joselito D Campos, Jr

2.13.2 Application of the Take-over Code to the proposed Share Purchase Mandate

In the event that the Company undertakes Share purchases under the Share Purchase Mandate up to the maximum of five per cent. (5%) of the issued share capital of the Company as permitted, the shareholding and voting rights of the Controlling Shareholders will increase to 75.47 per cent. (75.47%). As the Controlling Shareholders, being presumed to be concert parties under the Take-over Code, in aggregate hold more than 50 per cent. (50%) of the issued share capital of the Company, any increase in their shareholding pursuant to Share Purchases undertaken by the Company would not result in them incurring a take-over obligation pursuant to Rule 14 of the Take-over Code.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of Directors and Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders respectively, were as follows:

	Number of Shares					
Directors	**Direct Interest**	**%(1)**	**Deemed Interest**	**%(1)**	**Total**	**%(1)**
Rolando C Gapud	2,651,203	0.13	–	–	2,651,203	0.13
Joselito D Campos, Jr	7,621,466	0.39	1,386,276,498(2)(3)	71.31	1,393,897,964	71.70
Edgardo M Cruz, Jr	2,984,632	0.15	–	–	2,984,632	0.15
Yvonne Goh	–	–	–	–	–	–
Dr Emil Q Javier	611,828	0.03	–	–	611,828	0.03
Benedict Kwek Gim Song	117,092	n.m.	–	–	117,092	n.m.
Godfrey E Scotchbrook	117,092	n.m.	–	–	117,092	n.m.

Substantial Shareholders	Number of Shares Direct Interest	%[1]	Deemed Interest	%[1]	Total	%[1]
Bluebell Group Holdings Limited	189,736,540[2]	9.76	–	–	189,736,540	9.76
Golden Sunflower International Limited	–	–	189,736,540[2]	9.76	189,736,540	9.76
Joselito D Campos, Jr	7,621,466	0.39	1,386,276,498[2][3]	71.31	1,393,897,964	71.70
NutriAsia Pacific Ltd.	1,196,539,958	61.55	–	–	1,196,539,958	61.55
NutriAsia Inc	–	–	1,196,539,958[4]	61.55	1,196,539,958	61.55
NutriAsia Holdings Limited	–	–	1,196,539,958[5]	61.55	1,196,539,958	61.55
Golden Chamber Investment Limited	–	–	1,196,539,958[5]	61.55	1,196,539,958	61.55
Star Orchid Limited	–	–	1,196,539,958[5]	61.55	1,196,539,958	61.55
Well Grounded Limited	–	–	1,196,539,958[5]	61.55	1,196,539,958	61.55
HSBC Trustee (Hong Kong) Limited	–	–	1,386,276,498[6]	71.31	1,386,276,498	71.31
HSBC International Trustee Limited	–	–	1,386,276,498[6]	71.31	1,386,276,498	71.31
HSBC International Trustee (Holdings) Pte Limited	–	–	1,386,276,498[6]	71.31	1,386,276,498	71.31
The Hongkong and Shanghai Banking Corporation Limited	–	–	1,386,276,498[6]	71.31	1,386,276,498	71.31
HSBC Asia Holdings Limited	–	–	1,386,276,498[6]	71.31	1,386,276,498	71.31
HSBC Holdings plc	–	–	1,386,276,498[6]	71.31	1,386,276,498	71.31
Lee Pineapple Company (Pte) Limited	100,422,000	5.16	6,432,000[9]	0.33	106,854,000	5.49
Lee Foundation	–	–	106,854,000[7][9]	5.49	106,854,000	5.49
Lee Foundation, States of Malaya	–	–	106,854,000[8][9]	5.49	106,854,000	5.49

Notes:

(1) The percentage of issued capital is calculated based on 1,943,960,024 Shares (being 1,944,935,826 Shares excluding 975,802 Treasury Shares) and there are no subsidiary holdings.

*(2) Bluebell Group Holdings Limited ("**BGHL**") is wholly owned by Golden Sunflower International Limited ("**GSIL**"). GSIL is therefore deemed interested in the Shares of the Company held by BGHL.*

*GSIL is wholly owned by the Twin Palms Pacific Trust ("**TPP Trust**"), of which HSBC Trustee (Hong Kong) Limited ("**HKL**") is the trustee. The beneficiaries of the TPP Trust are Mr Joselito D Campos, Jr ("**JDC**") and his children. JDC is therefore deemed interested in the Shares held by BGHL. The 189,736,540 Shares are held in nominee by HSBC (Singapore) Nominees Pte Ltd.*

*(3) NutriAsia Pacific Limited ("**NPL**") is a substantial and controlling shareholder of the Company, holding 1,196,539,958 Shares. JDC and his family have beneficial interests in NPL (through Golden Chamber Investment Limited ("**GCIL**") and Star Orchid Ltd ("**SOL**") which hold trusts in which they are beneficiaries). JDC is therefore deemed interested in the Shares held by NPL.*

*(4) NutriAsia Inc ("**NI**") owns 57.8% of NutriAsia Holdings Limited ("**NHL**"), which in turn owns 100% of NPL. NI is therefore deemed to be interested in the Shares held by NPL.*

(5) NPL is wholly owned by NHL. NHL is therefore deemed interested in the Shares held by NPL.

*NHL is in turn majority owned by NI (57.8%) and partly owned by Well Grounded Limited ("**WGL**") (42.2%). NI and WGL are therefore deemed interested in the Shares held by NPL.*

NI is in turn majority owned by GCIL (65.4%) and WGL is in turn wholly owned by SOL. GCIL and SOL are therefore deemed interested in the Shares held by NPL.

(6) GCIL and GSIL are owned by the TPP Trust and SOL is wholly owned by The Star Orchid Trust, for which HKL acts as trustee for both trusts. HKL is therefore deemed interested in the Shares held by NPL and BGHL. The beneficiaries of the Star Orchid Trust are beneficially owned by the Campos family.

HKL is wholly owned by HSBC International Trustee Limited. HSBC International Trustee Limited is therefore deemed interested in the Shares held by NPL and BGHL.

HSBC International Trustee Limited is wholly owned by HSBC International Trustee (Holdings) Pte Limited. HSBC International Trustee (Holdings) Pte Limited is therefore deemed interested in the Shares held by NPL and BGHL.

HSBC International Trustee (Holdings) Pte Limited is wholly owned by The Hongkong and Shanghai Banking Corporation Limited. The Hongkong and Shanghai Banking Corporation Limited is therefore deemed interested in the Shares held by NPL and BGHL.

The Hongkong and Shanghai Banking Corporation Limited is wholly owned by HSBC Asia Holdings Limited. HSBC Asia Holdings Limited is therefore deemed interested in the Shares held by NPL and BGHL.

HSBC Asia Holdings Limited is wholly owned by HSBC Holdings plc. HSBC Holdings plc is therefore deemed interested in the Shares held by NPL and BGHL.

(7) Lee Foundation, by virtue of its not less than 20% interest in Lee Pineapple Company (Pte) Limited, had a deemed interest in the Company's Shares in which Lee Pineapple Company (Pte) Limited had a direct or deemed interest.

(8) Lee Foundation, States of Malaya, by virtue of its not less than 20% interest in Lee Pineapple Company (Pte) Limited, had a deemed interest in the Company's Shares in which Lee Pineapple Company (Pte) Limited had a direct or deemed interest.

(9) Lee Pineapple Company (Pte) Limited is deemed interested in the 6,432,000 Shares held by its wholly-owned subsidiary, Pineapples of Malaya Private Limited.

4. PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

Based on the information provided, to the best knowledge of the Directors and Substantial Shareholders of the Company, approximately 22.6 per cent. (22.6%) of the Company's Shares are held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

5. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the renewal of the proposed Share Purchase Mandate is in the best interests of the Shareholders and the Company, and accordingly recommend Shareholders to vote in favour of the ordinary resolution relating thereto to be proposed at the AGM as set out in the Notice of AGM.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading, and where the Circular contains a profit forecast, the Directors are satisfied that the profit forecast has been stated after due and careful enquiry.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

7. ANNUAL GENERAL MEETING

The AGM, notice of which is set out on pages N1 to N7 of this Circular, will be held on Wednesday, 28 August 2019, at 10.00 a.m. at Banquet Suite, Level 10 of M Hotel, 81 Anson

Road, Singapore 079908, for the purpose of considering, and if thought fit, the ordinary resolutions as set out in the Notice of the AGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend and vote at the AGM on their behalf should complete, sign and return the proxy form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the offices of the Company's Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 or at the offices of the Company's Share Transfer Agent in the Philippines, as the case may be, not less than forty-eight (48) hours before the time fixed for the AGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the AGM if he wishes to do so.

A Depositor shall not be regarded as a Shareholder entitled to attend the AGM and to speak and vote thereat unless he is shown to have Shares entered against his or her name in the Depository Register, as certified by CDP or PDTC, as at forty-eight (48) hours before the AGM.

For Shareholders whose shares are lodged on the PSE, please refer to the Notes for Shareholders in the Philippines which can be found in the Notice of AGM.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Company Share Transfer Agent in Singapore and Manila during normal business hours from the date of this Circular up to and including the date of the AGM:

(a) the Memorandum and the Articles of the Company; and
(b) the Annual Report of the Company for FY2019.

Yours faithfully
For and on behalf of
the Board of Directors of Del Monte Pacific Limited

Rolando C Gapud
Executive Chairman

NOTICE OF ANNUAL GENERAL MEETING

DEL MONTE PACIFIC LIMITED
(Incorporated in the British Virgin Islands with limited liability on 27 May 1999)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Del Monte Pacific Limited (the "**Company**") will be held at the Banquet Suite, Level 10 of M Hotel, 81 Anson Road, Singapore 079908, on Wednesday, 28 August 2019 at 10.00 a.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company, together with the Auditors' Report thereon, for the financial year ended 30 April 2019.
[Resolution 1]

2. To re-appoint the following Directors retiring pursuant to Article 88 of the Company's Articles of Association and Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"):

(i)	Dr Emil Q Javier	(Retiring under Article 88 and Rule 720(5) of the Listing Manual of the SGX-ST)	**[Resolution 2]**
(ii)	Mrs Yvonne Goh	(Retiring under Article 88 and Rule 720(5) of the Listing Manual of the SGX-ST)	**[Resolution 3]**

Dr Emil Q Javier will, upon re-appointment as a Director of the Company, remain as a member of the Audit and Risk Committee, the Remuneration and Share Option Committee and the Nominating and Governance Committee, and will be considered independent.

Mrs Yvonne Goh will, upon re-appointment as a Director of the Company, remain as Chairperson of the Nominating and Governance Committee, and as a member of the Audit and Risk Committee and the Remuneration and Share Option Committee, and will be considered independent.
[See Explanatory Note (i)]

3. To transact any other ordinary business which may be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

4. To approve the payment of Directors' fees of up to US$496,800/- for the financial year ending 30 April 2020 ("**FY2020**") (FY2019: US$496,800/-), to be paid quarterly in arrears, computed based on the fee structure set out below:

   - Board Chairman: US$79,200 per annum
   - Directors: US$43,200 per annum
   - Audit and Risk Committee Chairman: US$19,800 per annum
   - Remuneration and Share Option Committee Chairman: US$9,900 per annum
   - Nominating and Governance Committee Chairman: US$9,900 per annum
   - Audit and Risk Committee Members: US$10,800 per annum
   - Remuneration and Share Option Committee Members: US$5,400 per annum
   - Nominating and Governance Committee Members: US$5,400 per annum

   [See Explanatory Note (ii)] **[Resolution 4]**

5. To authorise the Directors of the Company to fix, increase or vary the emoluments of Directors of up to US$100,000/- with respect to services to be rendered in any capacity to the Company.
[See Explanatory Note (iii)] **[Resolution 5]**

6. To re-appoint Ernst & Young LLP as the Auditors of the Group and to authorise the Directors of the Company to fix their remuneration.

[Resolution 6]

7. To re-appoint Sycip Gorres Velayo & Co. (Ernst & Young Philippines) as the Philippine Auditors of the Group and to authorise the Directors of the Company to fix their remuneration.

[Resolution 7]

8. **Authority to Issue Shares**

That pursuant to Article 15(2) of the Company's Articles of Association and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including, but not limited to, the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions, and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to Shareholders of the Company shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from the exercise of share options which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)] **[Resolution 8]**

9. **Authority to Allot and Issue Shares under the Del Monte Pacific Executive Share Option Plan 2016**

That approval be and is hereby granted to the Directors of the Company, acting through its Remuneration and Share Option Committee, to allot and issue from time to time such Shares as may be allotted and issued pursuant to the exercise of the Del Monte Pacific Executive Share Option Plan 2016 ("**ESOP**"), provided always that the aggregate number of Shares to be allotted and issued pursuant to the ESOP shall not exceed ten percent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (v)] **[Resolution 9]**

10. **Renewal of Shareholders' Mandate for Interested Person Transactions**

That for the purposes of Chapter 9 of the Listing Manual of the SGX-ST:

(a) approval be given for the renewal of the mandate for the Company, its subsidiaries and target associated companies or any of them to enter into any of the transactions falling within the types of Interested Person Transactions as set out on page 6 of the Company's information memorandum ("**Information Memorandum**") with any party who is of the class of Interested Persons described in the Information Memorandum, provided that such transactions are carried out in the normal course of business, at arm's length and on commercial terms, and in accordance with the guidelines of the Company for Interested Person Transactions, as set out in the Information Memorandum (the "**IPT Mandate**");

(b) the IPT Mandate shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM of the Company; and

(c) authority be given to the Directors to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the IPT Mandate as they may think fit.

[See Explanatory Note (vi)] **[Resolution 10]**

11. **The Proposed Renewal of the Share Purchase Mandate**

That:

(a) for the purposes of the Business Companies Act 2004 of the British Virgin Islands (the "**Act**") and otherwise in accordance with the rules and regulations of the SGX-ST, the exercise by the Board of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Board from time to time, up to the Maximum Purchase Price (as hereafter defined), whether by way of:

(i) on-market purchases (each a "**Market Purchase**"), transacted on the SGX-ST (or any other stock exchange on which the Shares may be listed or quoted), through one or more duly licensed stockbrokers/dealers appointed by the Company for the purpose; and/or

(ii) off-market purchases (each an "**Off-Market Purchase**") (if effected otherwise than on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed or quoted) in accordance with any equal access schemes as may be determined or formulated by the Board as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed or quoted, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Board pursuant to the Share Purchase Mandate, may be exercised by the Board at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:

(i) the date on which the next AGM of the Company is held;

(ii) the date by which the next AGM of the Company is required by law to be held; or

(iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

"**Prescribed Limit**" means that number of Shares representing 5 per cent. (5%) of the issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares and subsidiary holdings in each class);

"**Maximum Purchase Price**" in relation to a Share to be purchased, means the purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, 105 per cent. (105%) of the Average Closing Price (as defined hereafter); and

(ii) in the case of an Off-Market Purchase of a Share, 130 per cent. (130%) of the Average Closing Price (as defined hereafter).

where:

"**Average Closing Price**" is the average of the closing market prices of a Share over the last five (5) market days on which the Shares were transacted on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed or quoted, preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to an Off-Market Purchase, as deemed to be adjusted for any corporate action that occurs after the relevant five (5) market day period;

"**day of the making of the offer**" means the day on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

"**market day**" means a day on which the SGX-ST is open for securities trading; and

(d) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

[See Explanatory Note (vii)] **[Resolution 11]**

By Order of the Board

Antonio E S Ungson
Company Secretary
5 August 2019

Explanatory Notes to Resolutions to be passed –

(i) The bio-data of Directors seeking re-appointment are appended for Shareholders' information:

Dr Emil Q Javier, Independent Director, 78
(Appointed on 30 April 2007 and last re-appointed on 30 August 2016)
Dr Emil Q Javier, if re-appointed, will remain as a member of the Audit and Risk Committee, the Remuneration and Share Option Committee and the Nominating and Governance Committee. He is considered an Independent Non-Executive Director. In line with Guideline 4.7 of the Code of Corporate Governance: (a) there are no relationships including immediate family relationships between Dr Javier and the other Directors, the Company or its 10% shareholders; and (b) the list of all current directorship(s) held by Dr Javier in other listed companies, as well as the details of his other principal commitments can be found in the FY2019 Annual Report, under the "Board of Directors" section.

Additional information on Dr Javier as required to be furnished pursuant to Rule 720(6) of the Listing Manual of the SGX-ST is also found in the FY2019 Annual Report, under the "Board of Directors" section.

Dr Emil Q Javier is a Filipino agronomist with a broad understanding of developing country agriculture. 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), a global consortium led by the World Bank and the Food and Agriculture Organization of the United Nations (FAO). He was Director General of the Asian Vegetable Research and Development Center (AVRDC) based in Taiwan and has served as Chairman of the Board of International Rice Research Institute (IRRI), and as Chairman and Acting Director of the Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA). In the Philippines at various periods, he had been President of the University of the Philippines, Minister for Science and Technology and President of the National Academy of Science and Technology, Philippines (NAST PHL). In May 2019, he was elected by his peers in NAST as a National Scientist, the highest honour conferred by the President of the Philippines to a Filipino in the field of science and technology. Dr Javier is an Independent Director of Del Monte Foods, Inc, DMPL's US subsidiary, and of Del Monte Philippines, Inc, DMPL's Philippine subsidiary, and is an Independent Director of Philippine-listed Centro Escolar University. He holds doctorate and master's degrees in plant breeding and agronomy from Cornell University and University of Illinois at Urbana-Champaign, respectively. He completed his bachelor's degree in agriculture at the University of the Philippines Los Baños.

Mrs Yvonne Goh, Independent Director, 66
(Appointed on 4 September 2015 and last re-appointed on 30 August 2016)
Mrs Yvonne Goh, if re-appointed, will remain as a Chairperson of the Nominating and Governance Committee and a member of the Audit and Risk Committee and the Remuneration and Share Option Committee. She is considered an Independent Non-Executive Director. In line with Guideline 4.7 of the Code of Corporate Governance: (a) there are no relationships including immediate family relationships between Mrs Goh and the other Directors, the Company or its 10% shareholders; and (b) Mrs Goh does not hold directorships in other listed companies, and the details of her other principal commitments can be found in the FY2019 Annual Report, under the "Board of Directors" section.

Additional information on Mrs Goh as required to be furnished pursuant to Rule 720(6) of the Listing Manual of the SGX-ST is also found in the FY2019 Annual Report, under the "Board of Directors" section.

Mrs Yvonne 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 a 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 was previously Managing Director of the KCS Group in Singapore, a professional services organisation and Managing Director of Boardroom Limited, a company listed on the SGX. Mrs Goh had served on the Board of WWF Singapore Limited, a registered charity and an IPC, and the Singapore chapter of WWF International, a leading global NGO. She had served as a Council Member and Vice Chairman of the Singapore Institute of Directors as well as Chairman of its Professional Development Committee. Mrs Goh was also a Director of the Accounting and Corporate Regulatory Authority (ACRA) and a past Chairman of the Singapore Association of the Institute of Chartered Secretaries and Administrators. Mrs Goh is a Fellow of the Singapore Institute of Directors and a Fellow of the Institute of Chartered Secretaries and Administrators, UK.

(ii) The Ordinary Resolution 4 above is to approve the payment of Directors' fees for FY2020, to be paid quarterly in arrears in accordance with the proposed fee structure. The fee structure is based on guidelines recommended by the Singapore Institute of Directors and disclosed in the Corporate Governance Report in the Annual Report. The proposed Directors' fees for FY2020 are commensurate with the onerous responsibilities placed on the Directors and in particular, to better reflect the time and contribution of each Director towards the improved performance of the Company.

The Ordinary Resolution 4 if passed, will authorise the payment of Directors' fees for FY2020, in accordance with the fee structure, amounting up to US$496,800/- and there is no change from prior year on a per Director basis.

(iii) The Ordinary Resolution 5 proposed above, if passed, will also authorise the Directors of the Company to fix, increase or vary the emoluments of Directors of up to US$100,000/- with respect of services to be rendered in any capacity to the Company. This would provide flexibility for the Company to engage or procure the specialist services of Directors as appropriate and as may be required by the Company. In particular, this resolution is meant for the specialist services of Dr Emil Q Javier, for his services rendered to the Company at the plantation and for chairing the Group's Plantation Oversight Committee.

(iv) The Ordinary Resolution 8 proposed above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company, of which up to 15% may be issued other than on a pro rata basis to Shareholders. For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company at the time this Ordinary Resolution is passed, after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options which are outstanding or subsisting at the time when this Ordinary Resolution is passed, and any subsequent bonus issue, consolidation or subdivision of Shares.

(v) The Ordinary Resolution 9 proposed above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue from time to time such number of fully-paid Shares in the capital of the Company, as may be required to be issued pursuant to the exercise of options under the ESOP. The aggregate number of Shares which may be issued pursuant to the ESOP and any other share option plan(s)/ share plan(s) which the Company may have in place shall not exceed ten percent (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company from time to time.

(vi) The Ordinary Resolution 10 proposed above, if passed, will authorise the Interested Person Transactions, as described in the Information Memorandum accompanying the FY2019 Annual Report and recurring in the year; and will empower the Directors to do all acts necessary to give effect to the IPT Mandate. This authority will, unless previously revoked or varied by the Company at a general meeting, expire at the conclusion of the next AGM of the Company.

(vii) The Ordinary Resolution 11 proposed above, if passed, will empower the Board, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, or the date on which purchases and acquisitions of shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earlier, to repurchase Shares by way of market purchases or off-market purchases of up to 5% of the total number of issued shares (excluding treasury shares and subsidiary holdings in each class) in the capital of the Company at the Maximum Purchase Price. Information relating to this proposed Resolution is set out in the Circular attached.

(viii) **Dividend Policy for Ordinary Shares**

The Company's dividend payment policy is to distribute a minimum of 33% of full year profit but remains subject to review by the Board.

The dividend payout was 75% from 2006 to 2012 and 50% for 2013, 2016, 2017 and 2019.

A. Notes for Shareholders in Singapore:

1. A Shareholder entitled to attend and vote at the AGM is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. If a Depositor wishes to appoint a proxy/proxies to attend the AGM, then he/she must complete and deposit the Depositor proxy form at the office of the Share Transfer Agent in Singapore, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, at least forty-eight (48) hours before the time of the AGM.
3. If the Depositor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.

B. Notes for Shareholders in the Philippines:

1. Proceedings of the AGM in Singapore will be made available to Shareholders in the Philippines via a videoconference facility at the 1st Floor, JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City, Metro Manila Philippines.
2. While electronic poll voting is not available to Shareholders in the Philippines who are unable to attend the AGM in Singapore, they will still be able to vote by manual poll voting in Manila. However, Shareholders in the Philippines who wish to attend the AGM in Singapore will be able to participate in the electronic poll voting. To facilitate registration, please bring a valid government-issued ID.
3. Shareholders in the Philippines who wish to vote but cannot attend either the AGM in Singapore or the videoconference in the Philippines may still do so by appointing a proxy to attend the meeting in Singapore or in Manila. He/she must complete the enclosed proxy form and submit the same on or **before 26 August 2019 at 10.00 a.m.** to the Company's Philippine Stock Transfer Agent, BDO Unibank Inc — Trust and Investments Group, at its office address at the Securities Services and Corporate Agencies Department, 15th Floor South Tower, BDO Corporate Centre, 7899 Makati Avenue, Makati City, 0726 Philippines, for the attention of Ms Carla B Salonga.
4. Only Shareholders at record date at the close of business on 26 August 2019[2] are entitled to attend and vote at the AGM.
5. Shareholders in the Philippines may also be entitled to appoint not more than two (2) proxies to attend in his/her stead. A proxy need not be a Member or Shareholder of the Company.
6. Validation of proxies shall be held on **27 August 2019 at 12.00 p.m.** at the office of the Company's Philippine Stock Transfer Agent, BDO Unibank Inc — Trust and Investments Group.

Personal data privacy:
By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

[2] Since 26 August 2019 is a regular holiday in the Philippines, the cut-off date for Philippine Shareholders will be as of end of business of 23 August 2019.