Del Monte Pacific Limited

(incorporated in the British Virgin Islands with limited liability)

OFFER SUPPLEMENT

24 November 2017

Offer of 8,000,000 Series A-2 Preference Shares
with an Oversubscription Option of up to 8,000,000 Series A-2 Preference Shares

with Initial Dividend Rate of 6.5% *per annum*

at an Offer Price of U.S.$10.00 per Series A-2 Preference Share
to be listed and traded on the Main Board of The Philippine Stock Exchange, Inc.

SOLE ISSUE MANAGER AND SOLE BOOKRUNNER

BDO Capital & Investment Corporation

JOINT LEAD UNDERWRITERS

BDO Capital & Investment Corporation

Chinabank Capital
A subsidiary of Chinabank

SELLING AGENT

PNB Capital

PSE Eligible Brokers

THE SECURITIES AND EXCHANGE COMMISSION HAS NOT APPROVED THESE SECURITIES OR DETERMINED IF THE PROSPECTUS IS ACCURATE OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE AND SHOULD BE REPORTED IMMEDIATELY TO THE SECURITIES AND EXCHANGE COMMISSION.

The proceeds of the Offer will be primarily used for the payment of the outstanding bridge loan facility extended by BDO Unibank, Inc., the parent company of BDO Capital & Investment Corporation.

Del Monte Pacific Limited
Craigmuir Chambers
P.O. Box 71 Road Town, Tortola
British Virgin Islands
Telephone Number: +65 6311 3233
Corporate Website: http://www.delmontepacific.com/

Del Monte Pacific Limited (the "**Company**" or the "**Issuer**"), a corporation organized and existing under the laws of the British Virgin Islands, has prepared a Prospectus dated 20 March 2017 (the "**Prospectus**") relating to the shelf registration and continuous offer and sale to the public in the Philippines, by way of a primary offer, of up to 36,000,000 perpetual, cumulative, non-voting, non-participating, non-convertible and redeemable preference shares (such shares, the "**Series A Preference Shares**"), with a par value of U.S.$1.00 per preference share, to be listed and traded on the Main Board of The Philippine Stock Exchange, Inc. (the "**PSE**").

The Series A Preference Shares would be issued in tranches within a period of three (3) years from the effectivity of the registration statement, subject to applicable regulations (the "**Shelf Period**"), at an offer price of U.S.$10.00 per Series A Preference Share (the "**Offer Price**"). The specific terms of the Series A Preference Shares for each tranche will be determined by the Company considering the prevailing market conditions and provided in an Offer Supplement to be issued at the time of the relevant offering.

The initial subscribed offer size consisted of 20,000,000 Series A Preference Shares which were denominated as "Series A-1 Preference Shares" (the "**Initial Offer**"). The Initial Offer shares were issued and listed in April 2017.

This Offer Supplement dated 24 November 2017 ("this **Offer Supplement**" and, as the context may require, the term includes the Prospectus) relates to the second tranche of the public offer, sale and issuance of the Series A Preference Shares. This second tranche consists of 8,000,000 Series A Preference Shares to be offered to the public (the "**Firm Offer Shares**"), and in the event of an oversubscription, the Joint Lead Underwriters, with the consent of the Company, reserve the right to increase the size of the offer by up to 8,000,000 Series A Preference Shares (the "**Oversubscription Option**"), and the Series A Preference Shares pertaining to such option, (the "**Oversubscription Option Shares**"), for an aggregate issue size of up to 16,000,000 Series A Preference Shares (this offer, the "**Offer**" and the Firm Offer Shares and the Oversubscription Option Shares collectively, the "**Offer Shares**"). In case the Oversubscription Option is exercised in part only or not exercised at all during the Offer Period (as defined below), the Oversubscription Option Shares that will not be taken up or exercised during the Offer Period will remain under shelf registration and may be issued in tranches within the Shelf Period.

The Series A Preference Shares that will be issued pursuant to this Offer will be denominated as "**Series A-2 Preference Shares**".

This document constitutes the Offer Supplement relating to the Offer described herein. Unless defined in this Offer Supplement, terms used herein shall be deemed to be defined as set forth in the Prospectus. This Offer Supplement contains the final terms of this Offer and must be read in conjunction with the Prospectus. Full information on the Issuer and this Offer is only available on the basis of the combination of this Offer Supplement and the Prospectus. All information (including disclaimers) contained in the Prospectus are deemed incorporated by reference in this Offer Supplement.

As of the date of this Offer Supplement, the Company has an authorized capital stock of U.S.$630,000,000.00 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. In a unanimous written resolution of the Board of Directors of the Company approved on 19 November 2016 (the "**Enabling Resolutions**"), the Board of Directors resolved that the first series of the preference shares of the Company shall consist of 360,000,000 Preference Shares, and shall be designated Cumulative Redeemable Preference Shares, Series A. The Series A Preference Shares subject of the shelf-registration form part of such preference shares denominated under the Enabling Resolutions as Series A.

Out of the authorized capital stock, 1,943,960,024 Ordinary Shares and 20,000,000 Series A-1 Preference Shares are outstanding. The number of Ordinary Shares outstanding excludes 975,802 Ordinary Shares held by the Company as treasury shares. The total issued shares are 1,944,935,826 Ordinary Shares, including treasury shares. Following the Offer, the Company will have (i) 1,943,960,024 Ordinary Shares, (ii) 20,000,000 Series A-1 Preference Shares, and (iii) up to 16,000,000 Series A-2 Preference Shares outstanding assuming the Oversubscription Option is exercised.

Assuming full exercise of the Oversubscription Option, the Company expects to raise gross proceeds amounting up to U.S.$160,000,000.00 and the net proceeds are estimated to be at least U.S.$155,822,422.92 after deducting fees, commissions and expenses relating to the issuance of the Offer Shares. Assuming the Oversubscription Option is not exercised, the Company expects to raise gross proceeds amounting to up to U.S.$80,000,000 and the net proceeds are estimated to be at least U.S.$77,962,973.35 after deducting fees, commissions and expenses relating to the issuance of the Offer Shares. The net proceeds of the Offer shall be used primarily by the Company for the payment of the outstanding bridge loan facility extended by BDO Unibank, Inc. ("**BDO Unibank**"), the parent company of BDO Capital & Investment Corporation ("**BDO Capital**"). BDO Capital, the Sole Issue Manager, Sole Bookrunner and one of the Joint Lead Underwriters, is a wholly-owned subsidiary of BDO Unibank which will receive payment out of the proceeds of the Offer as the lender under the aforementioned bridge loan facility. For a more detailed discussion on the use of proceeds, see "*Use of Proceeds*" of this Offer Supplement.

The Company is organized under British Virgin Islands law. Subject to any limitations or provisions to the contrary in its Memorandum or Articles of Association, the Company may, by a resolution of directors, declare and pay dividends in money, shares or other property. Dividends shall only be declared and paid out of surplus. No dividends shall be declared and paid, unless the directors determine that immediately after the payment of the dividends: (a) the Company will be able to satisfy its liabilities as they become due in the ordinary course of its business; and (b) the realizable value of the assets of the Company will not be less than the sum of its total liabilities, other than its deferred taxes, as shown in its books of accounts, and its capital. For a more detailed discussion on this matter, see "*Dividends and Dividend Policy*" in the Prospectus and "*Conditions on Declaration and Payment of Dividends*" in this Offer Supplement.

The underwriting and selling fees to be paid by the Company in relation to this Offer shall be equivalent to 1.00% of the gross proceeds of the Offer. This shall be inclusive of fees to be paid to BDO Capital and China Bank Capital Corporation ("**CB Capital**") in their capacities as the Joint Lead Underwriters, and inclusive of commissions to be paid to PNB Capital and Investment Corporation ("**PNB Capital**") and the Trading Participants of the PSE that qualified as Eligible Brokers (*i.e.*, the Selling Agents). The commission payable to a Selling Agent shall be equivalent to 0.50% of the total proceeds of the sale of the Offer Shares by such Selling Agent. Please see "*Plan of Distribution*" of this Offer Supplement.

The Company filed an application with the Philippine Securities and Exchange Commission (the "**SEC**") to register the Series A Preference Shares under the provisions of the Securities Regulation Code of the Philippines (Republic Act No. 8799) ("**SRC**") and its implementing regulations (the "**SRC Rules**"). The SEC issued an order dated 21 March 2017 rendering effective the Registration Statement filed by the Company. A permit to offer securities for sale covering this Offer was obtained from the SEC prior to the commencement of the Offer Period.

An application was filed by the Company with the PSE for the listing of the Series A Preference Shares on the Main Board of the PSE under the PSE Rules on Dollar Denominated Securities (the "**PSE DDS Rules**"). The PSE approved the listing of the first tranche of the Series A Preference Shares on 17 March 2017. The PSE issued a subsequent approval for this Offer on 24 November 2017.

An approval for listing is permissive only and does not constitute a recommendation or endorsement by the PSE or the SEC of the Series A-2 Preference Shares. The PSE assumes no responsibility for the correctness of any of the statements made or opinions expressed in the Prospectus and this Offer Supplement. Furthermore, the PSE makes no representation as to the completeness and expressly disclaims any liability whatsoever for any loss arising from, or in reliance upon, the whole or any part of the contents of the Prospectus and this Offer Supplement.

Upon listing with the PSE, the Offer Shares will be traded under the symbol "**DMPA2**".

Presently, the Company does not have any plan of applying for the listing of the Offer Shares with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). It is possible that the Offer Shares may not be listed at all with the SGX-ST.

The Offer Shares are offered subject to the receipt and acceptance of any order by the Company, and subject to the Company's right to reject any order in whole or in part. It is expected that the Offer Shares will be delivered in book-entry form against payment thereof to the Philippine Depository and Trust Corporation ("**PDTC**").

The Company and the Underwriters have exercised due diligence required under the relevant regulations in ascertaining that all material representations contained in the Prospectus, this Offer Supplement, and their amendments and supplements are true and correct, and that no material information was omitted, which was necessary in order to make the statements contained in said documents not misleading.

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

[*This space has been intentionally left blank.*]

By:

(Original signed)
Joselito D. Campos, Jr.
Managing Director and Chief Executive Officer

(Original signed)
Parag Sachdeva
Chief Financial Officer

SUBSCRIBED AND SWORN to before me this 24 November 2017 in Makati City, affiants personally appeared and exhibited to me the following identification as competent evidence of identity.

Name	Identification	Date and Place of Issuance/Expiry
Joselito D. Campos, Jr.		
Parag Sachdeva		

Doc No.
Page No.
Book No.
Series of 2017.

Table of Contents

Terms of this Offer

The following discussion does not purport to be a complete listing of all the rights, obligations and privileges of the Series A-2 Preference Shares. Some rights, obligations or privileges may be further limited or restricted by other documents and subject to final documentation. Prospective shareholders are enjoined to perform their own independent investigation and analysis of the Issuer and the Series A-2 Preference Shares. Each prospective shareholder must rely on its own appraisal of the Issuer and the proposed equity raising and its own independent verification of the information contained herein and any other investigation it may deem appropriate for the purpose of determining whether to participate in the proposed equity raising and must not rely solely on any statement or the significance, adequacy or accuracy of any information contained herein. The information and data contained herein are not a substitute for the prospective shareholder's independent evaluation and analysis.

The following discussion should be read together with, and is qualified in its entirety by reference to, the additional information appearing elsewhere in the Prospectus, including, but not limited to, the discussion on the "Description of the Series A Preference Shares" and "Description of Securities", this Offer Supplement, the Application to Purchase, the applicable provisions of the Company's Memorandum and Articles of Association, as amended to date, the Enabling Resolutions and applicable laws and regulations. This discussion may not contain all of the information that prospective investors should consider before deciding to invest in the Series A-2 Preference Shares. Accordingly, any decision by a prospective investor to invest in the Series A-2 Preference Shares should be based on a consideration of the Prospectus, this Offer Supplement, the Application to Purchase, the applicable provisions of the Company's Memorandum and Articles of Association, as amended to date, the Enabling Resolutions and applicable laws and regulations as a whole. Should there be any inconsistency between the discussion below and the final documentation, the final documentation shall prevail.

The terms and conditions of this Offer are as follows:

1	**Issuer**	Del Monte Pacific Limited, a company incorporated in the British Virgin Islands with limited liability (the "**Company**" or the "**Issuer**")
2	**Sole Issue Manager**	BDO Capital & Investment Corporation ("**BDO Capital**")
3	**Joint Lead Underwriters and Bookrunners or Underwriters**	BDO Capital and CB Capital
4	**Offer Size**	The offer size consists of 8,000,000 Series A Preference Shares to be offered to the public (the "**Firm Offer Shares**"), and in the event of an oversubscription, the Joint Lead Underwriters, with the consent of the Company, reserve the right to increase the size of the offer by up to 8,000,000 Series A Preference Shares (the "**Oversubscription Option**", and the Series A Preference Shares pertaining to such option, the

		"**Oversubscription Option Shares**"), for an aggregate issue size of up to 16,000,000 Series A Preference Shares (this offer, the "**Offer**" and the Firm Offer Shares and the Oversubscription Option Shares collectively, the "**Offer Shares**"). In case the Oversubscription Option is exercised in part only or not exercised at all during the Offer Period (as defined below), the Oversubscription Option Shares that will not be taken up or exercised during the Offer Period will remain under shelf registration, which may be issued in tranches within the Shelf Period. The Series A Preference Shares that will be issued pursuant to this Offer will be denominated as "**Series A-2 Preference Shares**". Of the 8,000,000 Offer Shares to be offered, 80% or 6,400,000 Offer Shares are being offered through the Underwriters for subscription and sale to institutional buyers and the general public. The Company plans to make available 20% of the Offer Shares or 1,600,000 Offer Shares for distribution to the respective clients of the Philippine Stock Exchange Inc. (the "**PSE**") Trading Participants (the "**Trading Participants**") that are Eligible Brokers (as defined below) and PNB Capital acting as Selling Agents. The Company and the Underwriters will not allocate any Offer Shares for Local Small Investors. Any Offer Shares not taken up by the Eligible Brokers shall be distributed by the Underwriters directly to their respective clients and the general public. All Offer Shares (except the Oversubscription Option Shares) not taken up by the Eligible Brokers, general public and the Underwriters' clients shall be purchased by the Underwriters pursuant to the terms and conditions of the Underwriting Agreement dated 24 November 2017 by and among the Company and the Underwriters (the "**Underwriting Agreement**"). Subject to the fulfillment of the conditions provided in the Underwriting Agreement, the Underwriters have committed to underwrite the Firm Offer Shares on a firm basis.

5	**Purpose**	In case the Oversubscription Option is exercised in full, the Company intends to use the proceeds it will receive from this Offer to fully prepay the balance of the loan facility extended by BDO Unibank in the amount of U.S.$150,000,000.00 and to pay the fees and expenses for the Offer. In case the Oversubscription Option is exercised in part only or not exercised at all, the Company intends to use the proceeds it will receive from this Offer to partially prepay the outstanding amount under the above-mentioned loan facility extended by BDO Unibank and to pay the fees and expenses for the Offer.
6	**Par Value**	U.S.$1.00 per share
7	**Issue Price**	U.S.$10.00 per share
8	**Minimum Subscription to the Series A-2 Preference Shares**	Each application to subscribe to the Offer Shares shall be for a minimum of 100 Offer Shares, and thereafter, in multiples of 10 Offer Shares. No application for multiples of any other number of Offer Shares will be considered.
9	**Registration and Listing; Stock Symbol**	Registered with the Securities and Exchange Commission (the "**SEC**") and to be listed on the PSE. The Offer Shares are expected to be listed on the PSE Main Board under the symbol "**DMPA2**".
10	**Offer Period**	The Offer Period shall commence at 9:00 a.m. on 28 November 2017 end at 12:00 p.m. on 8 December 2017. The Issuer and Underwriters reserve the right to extend or terminate the Offer Period with the approval of the SEC and the PSE (as applicable).
11	**Issue Date**	15 December 2017 (the "**Issue Date**")
12	**Listing Date**	15 December 2017 (the "**Listing Date**")
13	**Dividend Payment Dates and Dividend Periods**	The Offer Shares shall, subject to the conditions for the declaration and payment of dividends set out below under **"***Conditions on Declaration and Payment of Dividends*", bear cumulative non-participating cash dividends based on the Issue Price, at the Dividend Rate (as such term is defined below) *per annum* from the Issue Date, payable on 07 April 2018

		as the first dividend payment date, and thereafter every October 7 and April 7 of each year (each, a "**Dividend Payment Date**"), being the last day of each 6-month period (each, a "**Dividend Period**") following the Issue Date. The dividends on the Offer Shares will be calculated on a 180/360-day basis for each Dividend Period, save for the dividend period immediately prior to the first dividend payment date which will be on a 113/360-day basis If the Dividend Payment Date is not a Business Day, dividends will be paid on the next succeeding Business Day, without adjustments as to the amount of dividends to be paid. A "**Business Day**" means a day other than a Saturday or Sunday on which banks in Metro Manila are generally open for normal banking business.
14	**Dividend Rate**	The term "**Dividend Rate**" means (a) from the Issue Date up to the Step Up Date, the Initial Dividend Rate, and (b) from the Step Up Date, the higher of the Initial Dividend Rate and the Step Up Rate. Please see below relevant definitions.
15	**Initial Dividend Rate**	The Dividend Rate applicable from the Issue Date up to the Step Up Date shall be at a fixed rate of 6.5% *per annum* (the "**Initial Dividend Rate**").
16	**Step Up Rate**	If the Offer Shares shall not have been redeemed by the Issuer on the fifth anniversary of the Issue Date (the "**Step Up Date**"), the Initial Dividend Rate shall be adjusted on the Step Up Date to the sum of the 10-year U.S. Treasury Bond rate (prevailing as of the Step Up Date) plus Initial Spread plus margin of 2.5% *per annum* (the "**Step Up Rate**"). The "**Initial Spread**" shall be 4.44 % *per annum*. However, if the Initial Dividend Rate is higher than the applicable Step Up Rate, there shall be no adjustment to the Dividend Rate, and the Initial Dividend Rate shall continue to be the Dividend Rate.

17	**Conditions on Declaration and Payment of Dividends**	The declaration and payment of dividends on each Dividend Payment Date will be subject to the discretion of the Board of Directors, to the covenants (financial or otherwise) in the agreements to which the Issuer is a party and the requirements under applicable laws and regulations. If the profits available to distribute as dividends are, in the opinion of the Board of Directors, not sufficient to enable the Issuer to pay in full on the same date both dividends on the Offer Shares and the dividends on other shares that have an equal right to dividends as the Offer Shares (the "**Comparable Shares**"), the Issuer may pay dividends on the Offer Shares and any Comparable Shares provided that such dividends are *pro rata* to the amount of the cash dividends scheduled to be paid to the Offer Shares and the Comparable Shares, respectively. The amount scheduled to be paid shall include all dividends due on such date, as well as all accumulated dividends due and payable or dividends in arrears in respect of prior Dividend Periods ("**Dividends in Arrears**"). Subject to the Enabling Resolutions, so long as any of the Series A Preference Shares are issued and outstanding, the Company shall not, without the prior approval of the holders of the outstanding Series A Preference Shares, issue any other class or series of shares which rank, or are expressed to rank, by their terms or by operation of law, *pari passu* with or senior to the Series A Preference Shares. For the avoidance of doubt, references to "Series A Preference Shares" in this paragraph shall include such preference shares as may be issued pursuant to the Enabling Resolutions, in addition to the Series A-1 Preference Shares, Series A-2 Preference Shares and the remaining Series A Preference Shares under shelf-registration. The profits available for distribution are, in general and with some adjustments pursuant to applicable laws and regulations, equal to the Issuer's accumulated, realized profits less accumulated, realized loss and reserves.
18	**Cumulative**	Cash dividends on the Offer Shares will be cumulative. If for any reason the Board of

		Directors of the Issuer does not declare cash dividends on the Offer Shares for a Dividend Period, the Issuer will not pay a dividend on the Dividend Payment Date for that Dividend Period. However, on any future Dividend Payment Date on which cash dividends are declared, holders of the Offer Shares shall receive the dividends due them on such Dividend Payment Date as well as all Dividends in Arrears. The Issuer covenants that, in the event (for any reason): (a) any dividends due with respect to any Offer Shares then outstanding for any period are not declared and paid in full when due; (b) where there remains Dividends in Arrears; or (c) any other amounts payable in respect of the Offer Shares are not paid in full when due, then the Issuer will not: (i) declare or pay any dividends or other distributions in respect of Comparable Shares and shares or securities ranking junior to the Offer Shares (unless such declaration or payment of dividends or distributions in respect of Comparable Shares shall be in accordance with "*Conditions on Declaration and Payment of Cash Dividends*"), or (ii) repurchase or redeem, Comparable Shares, or shares or securities junior to, the Offer Shares (or contribute any moneys to a sinking fund for the redemption of any Comparable Shares, or shares or securities junior to the Offer Shares), until any and all amounts described in (a), (b) and (c) have been paid to the holders of the Offer Shares.
19	**Optional Redemption and**	As and if declared by its Board of Directors

	Purchase	and subject to the requirements of applicable laws and regulations, the Issuer may redeem the Offer Shares in whole (not in part) without the consent of the holder(s) of such Offer Shares: (a) on the fifth anniversary from the Issue Date or on any Dividend Payment Date thereafter (each, an "**Optional Redemption Date**"), or (b) at any time prior to the first Optional Redemption Date, if an Accounting Event or a Tax Event (each as defined below) has occurred and is continuing (the "**Early Redemption Date**"). Any redemption of the Offer Shares (other than by reason of a CoC Event which shall be governed by the provisions set out below): (i) may only occur on one of the Optional Redemption Dates or on the Early Redemption Date (without prejudice to the Change of Control provisions below); (ii) may only occur if the Issuer has provided the holders of the Offer Shares with not less than 30 nor more than 60 Business Days written notice of the redemption, such notice to include an explanation of the authority under which the redemption is to be made; and (iii) shall be at the redemption price equal to the aggregate of (1) the Issue Price and (2) any accrued and unpaid dividends in respect of such Offer Share for the period commencing from (and including) the Issue Date and ending on (but excluding) the relevant redemption date (the "**Preference Redemption Price**"). For the avoidance of doubt, the Preference Redemption Price shall include all Dividends in Arrears. The Preference Redemption Price shall be paid within 10 Business Days of the Optional Redemption Date or Early Redemption Date (upon which the redemption occurs).

		An accounting event ("**Accounting Event**") shall occur if an opinion of a recognized person authorized to provide auditing services has stated that there is more than an insubstantial risk that the funds raised through the issuance of the Offer Shares may no longer be recorded as "equity" pursuant to the International Financial Reporting Standards issued by the International Accounting Standards Board ("**IFRS**"), or such other accounting standards, or such other accounting standards which succeed IFRS, applied by the Issuer for drawing up its consolidated financial statements for the relevant financial year. A tax event ("**Tax Event**") shall occur if any payment to be made by the Issuer to the holders of the Offer Shares becomes subject to any new tax, which makes such payment more burdensome to the Issuer, as a result of changes in any applicable law, rule or regulation, or in the interpretation thereof, and such tax cannot be avoided by use of reasonable measures available to the Issuer. Please see "*Description of the Series A Preference Shares – Optional Redemption and Purchase*" in the Prospectus for additional information.
20	**Change of Control**	In the event of the occurrence of a CoC Event (as defined below), the Dividend Rate will be increased by 400 basis points commencing and including the day falling 180 days after the day on which a CoC Event has occurred. If a CoC Event has occurred and as and if declared by its Board of Directors and subject to the requirements of applicable laws and regulations, the Company may at any time redeem the Offer Shares in whole (not in part) without the consent of the holders of such Offer Shares, at the redemption price equal to the aggregate of the (1) Issue Price, and (2) (i) any accrued and unpaid dividends computed at the applicable Dividend Rate in respect of such Series A-2 Preference Share for the period commencing from (and including) the Issue Date and ending on (but excluding) the redemption date, and (ii) in case the redemption is made on the 180th day after the

		day on which a CoC Event has occurred or at any time after the said 180th day, the additional 400 basis points commencing from (and including) the day falling 180 days after the day on which a CoC Event has occurred and ending on (but excluding) the redemption date (the "**CoC Preference Redemption Price**"). For the avoidance of doubt, the CoC Preference Redemption Price shall include all Dividends in Arrears. The CoC Preference Redemption Price shall be paid within 10 Business Days of the date upon which the redemption occurs. Any redemption by reason of a CoC Event may only occur if the Company has provided the holders of the Series A Preference Shares with not less than 30 nor more than 60 Business Days written notice of the redemption, such notice to include an explanation of the authority under which the redemption is to be made. Change of control (the "**CoC Event**") shall be deemed to have occurred if any person or persons acting in concert or any third person or persons acting on behalf of such person(s) at any time acquire(s) directly or indirectly a controlling participation in the Company. For purposes of this paragraph, the word "controlling participation" means ownership of at least 51% of the total issued and outstanding voting capital stock, or the right to elect at least 51% of the total number of the members of the Board of Directors of the Company. Please see "*Description of the Series A Preference Shares – Change of Control: Step Up and Optional Redemption and Purchase*" in the Prospectus for additional information.
21	**No Sinking Fund**	The Issuer is not legally required to establish, has not established, and currently has no plans to establish a sinking fund for the redemption of the Offer Shares.
22	**Purchases by the Issuer of Series A-2 Preference Shares**	After Listing Date, the Issuer may purchase the Offer Shares at any time in the open market or by public tender or by private contract at any

		price through the PSE. The Offer Shares so purchased may either be redeemed (pursuant to the terms and conditions of redemption as set out in the Prospectus) and cancelled or kept as treasury shares.
23	**Status; Issue of Additional Shares**	The Offer Shares will constitute the direct and unsecured subordinated obligations of the Issuer ranking at least *pari passu* in all respects and ratably without preference of priority among themselves. The Offer Shares shall rank as regards participation in the Issuer's profits that are legally available for distribution as dividends, if, as, and when declared by the Board of Directors, *pari passu* with all other shares in the capital of the Issuer to the extent that they are expressed to rank *pari passu* therewith and in priority to the Ordinary Shares. The Issuer may issue additional Series A Preference Shares which shall rank at least *pari passu* with the Offer Shares. However, subject the Enabling Resolutions, so long as any of the Series A Preference Shares are issued and outstanding, the Company shall not, without the prior approval of the holders of the outstanding Series A Preference Shares, issue any other class or series of shares which rank, or are expressed to rank, by their terms or by operation of law, *pari passu* with or senior to the Series A Preference Shares. For the avoidance of doubt, references to "Series A Preference Shares" in this paragraph shall include such preference shares as may be issued pursuant to the Enabling Resolutions, in addition to the Series A-1 Preference Shares, Series A-2 Preference Shares and the remaining Series A Preference Shares under shelf-registration.
24	**Voting Rights**	The holders of the Offer Shares, subject to the limitations and qualifications described in the Issuer's Memorandum and Articles of Association, shall have the right to receive notice of any meeting of the members of the

		Issuer and all reports and balance sheets of the Issuer that are available to the holders of the Ordinary Shares of the Issuer. Generally, the holders of the Offer shall not be entitled to (i) attend, speak or vote at any meeting of the members of the Company; or (ii) vote on any resolution of members. If a general meeting of the Issuer is convened for the purpose of: (a) reducing the Issuer's authorised or issued share capital; (b) winding up the Issuer; (c) sanctioning a sale of the whole or substantially the whole of the business or undertaking of the Issuer; or (d) where the proposal to be submitted to the general meeting directly affects their rights and privileges of holders of the Offer Shares, The holders of Offer Shares shall have the right to attend, speak and vote at such general meeting of the Issuer. Further, the holders of Offer Shares shall have the right to attend, speak and to vote at any general meeting of the Issuer convened when the dividend on the Offer Shares has been duly declared by the Board and has not been paid in full when due and remains unpaid for at least six months.
25	**Non-Participating**	Holders of the Offer Shares shall not be entitled to participate in any other or future dividends beyond the dividends specifically payable on the Offer Shares.
26	**Non-Convertible**	Holders of the Offer Shares shall have no right to convert the Offer Shares to any other preference shares or Ordinary Shares of the Issuer.
27	**No Pre-emptive Rights**	Holders of the Offer Shares shall have no pre-emptive right to subscribe to any shares

		(including, without limitation, treasury shares) that will be issued by the Issuer.
28	**Perpetual**	The Offer Shares are perpetual securities with no maturity date.
29	**Liquidation Rights**	In the event of any liquidation, dissolution or winding up (whether voluntarily or involuntarily), the holders of the Offer Shares at the time outstanding will be entitled to receive, in U.S. dollars out of the Issuer's assets available for distribution to shareholders, together with other holders of any of the Issuer's shares ranking, as regards repayment of capital in the aforesaid events, *pari passu* with the Offer Shares and before any distribution of assets is made to holders of any class of the Issuer's shares ranking after the Offer Shares as regards repayment of capital in the aforesaid events, an amount equal to the Issue Price plus an amount equal to any dividends declared but unpaid in respect of the previous Dividend Period to (including) the date of commencement of the Company's liquidation, dissolution or winding up ("**Liquidation Distribution**"). If, upon any return of capital in the Issuer's liquidation, dissolution or winding up, the amount payable with respect to the Offer Shares and any other of the Issuer's shares ranking as to any such distribution *pari passu* with the Offer Shares are not paid in full, the holders of the Offer Shares and of such other shares will share ratably in any such distribution of the Issuer's assets in proportion to the full respective preferential amounts to which they are entitled. After payment of the full amount of the Liquidation Distribution to which they are entitled, the holders of the Offer Shares will have no right or claim to any of the Issuer's remaining assets and will not be entitled to any further participation or return of capital in such liquidation, dissolution or winding up.
30	**Taxes**	Please see "*Philippine Taxation*" on page 280 of the Prospectus for the tax consequences of an investment in the Offer Shares.

		The holders of the Offer Shares shall be responsible for declaring the amount they received as dividend in their respective income tax returns and paying the applicable taxes, as applicable.
31	**Form, Title and Registration of the Offer Shares**	The Offer Shares will be lodged with the Philippine Depository & Trust Corporation ("**PDTC**") as Depository Agent at least two trading days prior to Listing Date through Eligible Brokers nominated by the applicants. Depository-related functions and activities, including the use of Name on Central Depository ("**NOCD**"), shall be governed by existing rules and regulations of PDTC. As discussed below under "*Appointment of an Eligible Broker"*, applicants shall indicate in the proper space provided for in the Application to Purchase to be issued and circulated in connection with the Offer (together with the required documents, the "**Application**") the name of the Eligible Broker under whose name their Offer Shares will be registered. After Listing Date, holders of the Offer Shares (the "**Shareholders**") may request to receive stock certificates evidencing their investment in the Offer Shares through their nominated Eligible Brokers. Any expense that will be incurred in relation to such issuance shall be for the account of the requesting Shareholder. Applicants will be required to give their consent to their nominated Eligible Broker for the collection, processing and sharing of their personal information with the PDTC, which the latter will use to set up the applicants' NOCD sub-accounts. Under the NOCD facility, the recording of the applicants' DDS holdings, such as the Offer Shares, will be at the beneficial owner level, under segregated sub-accounts in the applicants' names. See "*Philippine Stock Market – Amended Rule on Lodgment of Securities*" *and "- Issuance of Stock Certificates for Certificated Shares*" on page 209 of the Prospectus.
32	**Selling and Transfer Restrictions**	Initial placement of the Offer Shares and subsequent transfers of interests in the Offer

		Shares shall be subject to normal selling restrictions for listed securities as may prevail in the Philippines from time to time and the additional requirements under the PSE DDS Rules for the trading and settlement of the Offer Shares.
33	**Eligible Investors**	The Offer Shares may be owned or subscribed to by any person, partnership, association, corporation, trust account, fund or entity regardless of nationality. In addition, under certain circumstances, the Issuer may reject an application or reduce the number of Offer Shares applied for subscription or purchase. Law may restrict subscription to the Offer Shares in certain jurisdictions. Foreign investors interested in subscribing for or purchasing the Offer Shares should inform themselves of the applicable legal requirements under the laws and regulations of the countries of their nationality, residence or domicile, and as to any relevant tax or foreign exchange control laws and regulations affecting them personally. Foreign investors, both corporate and individual, shall warrant that their purchase of the Offer Shares will not violate the laws of their jurisdiction and that they are allowed to acquire, purchase and hold the Offer Shares. Investors are required to give their consent to the disclosure of their names to the SEC if said information is requested by the SEC in the course of a possible violation of the SRC, SRC Rules and other orders and issuances of the SEC, examination, official inquiry or as part of surveillance procedure, and/or in compliance with pertinent laws.
34	**Procedure for Application**	Applications to Purchase for the subscription of Offer Shares may be obtained from any of the Underwriters or Selling Agents. All Applications shall be evidenced by the Application to Purchase, duly executed in each case by an authorized signatory of the applicant and accompanied by two completed signature cards, the corresponding payment for the Offer Shares covered by the Application to Purchase and all other required documents. The duly executed Application to Purchase and required documents should be submitted to the Underwriters or

		Selling Agents on or prior to the set deadlines for submission of Applications to Underwriters and Selling Agents, respectively. If the applicant is a corporation, partnership or trust or institutional account, the Application must be accompanied by the following documents: (a) a certified true copy of the applicant's latest articles of incorporation and by-laws and other constitutive documents, each as amended to date, duly certified by the applicant's corporate secretary (or equivalent officer); (b) a certified true copy of the applicant's SEC certificate of registration, duly certified by the applicant's corporate secretary (or equivalent officer); (c) a duly executed and notarized corporate secretary's certificate setting forth the resolution of the applicant's board of directors or equivalent body authorizing (i) the purchase and subscription of the Offer Shares indicated in the Application and (ii) the designated signatories for the purpose, including their respective specimen signatures; (d) two (2) specimen signature cards fully completed and signed by the applicant's authorized signatory/ies, and certified by the applicant's corporate secretary (or equivalent officer); (e) copy of two (2) valid government-issued identification cards of the applicant's authorized signatory/ies (certified as a true copy by the Selling Agent or Underwriter that forwarded the Application). If the applicant is a natural person, the Application must be accompanied by the following documents: (a) two (2) duly accomplished signature cards containing the specimen signatures of the applicant, validated/signed by the Underwriters or the Selling Agent's

		authorized signatory/ies, whose authority/ies and specimen signatures have been submitted to BDO Unibank, Inc. – Trust and Investments Group ("**BDO Trust**") in its capacity as the Stock Transfer Agent; (b) copy of two (2) valid government-issued identification cards of the applicant, certified as a true copy by the Selling Agent or Underwriter that forwarded the Application; and (c) such other documents as may be reasonably required by the Selling Agent or Underwriter(s) in the implementation of its internal policies regarding "know your customer" and anti-money laundering. Foreign corporate and institutional applicants who qualify as eligible investors, in addition to the documents listed above as applicable, are required to submit in quadruplicate, a representation and warranty stating that their Application will not violate the laws of their jurisdictions of incorporation or organization, and that they are allowed to acquire, purchase and hold the Offer Shares. Proof of remittance or credit to the Receiving Agent's account or, as applicable, the relevant Underwriter's account of an amount equivalent to the full purchase price of the Offer Shares subscribed for shall be submitted together with the Application. Please also see above the discussion under "*Eligible Investors*" on the consent that must be given by an applicant to the disclosure of such applicant's names to the SEC, and under "*Form, Title and Registration of the Offer Shares*" to the collection, processing and sharing of his or her personal information with the PDTC for purposes of Name on Central Depository (NOCD).
35	**Appointment of an Eligible Broker**	Applicants shall indicate in the proper space provided for in the Application to Purchase to be issued and circulated in connection with the Offer the name of the Eligible Broker under whose name their Offer Shares will be

		registered. The PSE DDS Rules provide the following requirements for a Trading Participant to qualify as an Eligible Broker to engage in dollar denominated trades: (1) A Trading Participant must have attended a DDS training session or seminar conducted by the PSE and must be operationally ready to trade DDS, and shall issue a sworn certification to the PSE attesting to its operational readiness. Notwithstanding the said certification, the PSE has the option to assess the operational readiness of a Trading Participant. (2) A Trading Participant shall have a US dollar deposit account with any universal or commercial bank and a separate US dollar cash settlement account with the designated settlement bank. (3) A Trading Participant shall also open a separate cash collateral deposit account for dollar-denominated securities trading with the designated settlement bank for the required cash collateral in US dollars. (4) A Trading Participant shall also obtain the consent of its clients to the disclosure of their names to the SEC, if said information is requested by the SEC in the course of an investigation of a possible violation of the SRC and its implementing rules and regulations and other orders and issuances of the SEC, examination, official inquiry or as part of surveillance procedures, and/or in compliance with other pertinent laws. (5) A Trading Participant shall comply with any other requirements as may be imposed by other regulatory agencies such as, but not limited to, the BSP and SEC. Pursuant to the PSE DDS rules, the PSE shall restrict Trading Participants that fail to comply with such requirements from trading the DDS. In view of the foregoing, the Issuer has identified for purposes of this Offer and as of 20

		November 2017, the following Eligible Brokers, which are eligible to trade DDS, including the Series A-2 Preference Shares: (1) AP Securities Incorporated; (2) Armstrong Securities, Inc.; (3) Astra Securities Corporation; (4) BA Securities, Inc.; (5) BDO Securities Corporation; (6) BPI Securities Corporation; (7) First Metro Securities Brokerage Corporation; (8) IGC Securities, Inc. (9) Mandarin Securities Corporation; (10) Philippine Equity Partners, Inc.; (11) Sunsecurities, Inc.; (12) Venture Securities, Inc.; (13) The First Resources Management and Securities Corporation; and (14) Wealth Securities, Inc. An applicant shall appoint any of the above-named Eligible Brokers or any Trading Participant that becomes an Eligible Broker anytime before or within the Offer Period as may be announced by the PSE, as its broker for the trading of the Offer Shares. Please see additional discussion under "*Requirements for Trading Participants to be Eligible to Trade the Offer Shares; Nominating a Trading Participant which are Eligible Brokers*" set out on page 205 of the Prospectus, particularly on how a Trading Participant may qualify as an Eligible Broker on or after the date of this Offer Supplement.
36	**Payment for the Offer Shares**	The Offer Shares must be paid for in full in U.S. dollars (free and clear of and without any deduction for or on account of any bank charges or other costs and expenses) upon submission of the duly completed and signed Application to Purchase and signature cards together with the requisite attachments. Payment for the Offer Shares being subscribed for shall be either through (1) remittance through the Philippine Domestic Dollar Transfer System ("**PDDTS**"), or (2) same bank transfer, in same day U.S. Dollar funds, to the bank account of the Receiving Agent or the relevant

		Underwriter receiving the Application. The full purchase price for the Offer Shares subscribed for by an applicant should be remitted to the Receiving Agent's account or the relevant Underwriter's account in readily withdrawable funds no later than the applicable deadline. All bank charges (including, without limitation, the PDDTS-remittance related charges to be collected by the remitting bank, any intermediate bank and BDO Unibank as the receiving bank) shall be for the account of the applicant. For this purpose, the applicant shall ensure that the amount to be remitted to the Receiving Agent's or the relevant Underwriter's account shall be increased or grossed up for any bank charges as may be collected by the remitting bank, the receiving bank or any intermediate bank, as will result in the receipt by the Receiving Agent or the relevant Underwriter of the amount that is equivalent to the full purchase price of the Offer Shares subscribed for by such applicant. Receipt by the Receiving Agent or the relevant Underwriter of an amount less than the full purchase price of the Offer Shares subscribed for by an applicant (whether because the deduction was a result of bank charges collected or for any other reason), or receipt by the Receiving Agent or the relevant Underwriter of the purchase price beyond the cut-off time indicated above, may be a ground for rejection of the Application. Proof of remittance or credit to the Receiving Agent's account or, as applicable, the relevant Underwriter's account of an amount equivalent to the full purchase price of the Offer Shares subscribed for shall be submitted together with the Application.
37	**Acceptance/Rejection of Applications**	The actual number of Offer Shares that an applicant will be allowed to subscribe for is subject to the confirmation of the Underwriters. The Issuer reserves the right to accept or reject, in whole or in part, or to reduce any Application due to any grounds specified in the Underwriting Agreement. Applications which were unpaid or

		where payments were insufficient and those that do not comply with the terms of the Offer shall be rejected. Likewise, receipt by the Receiving Agent or an Underwriter of an amount less than the full purchase price of the Offer Shares subscribed for by an applicant (whether because the deduction was a result of bank charges collected or for any other reason), or receipt by the Receiving Agent or an Underwriter of the purchase price beyond the cut-off time indicated above, may be a ground for rejection of the Application. Moreover, any acceptance or receipt of payment pursuant to the Application does not constitute as approval or acceptance by the Issuer of the Application. An Application, when accepted, shall constitute an agreement between the applicant and the Issuer for the subscription to the Offer Shares at the time, in the manner and subject to terms and conditions set forth in the Application to Purchase and those described in the Prospectus and this Offer Supplement. Notwithstanding the acceptance of any Application by the Issuer, an Underwriter, a selling agent or the Receiving Agent, the actual subscription by the applicant for the Offer Shares will become effective only upon listing of the Offer Shares on the PSE and upon the obligations of the Underwriters under the Underwriting Agreement becoming unconditional and not being suspended, terminated or cancelled, on or before the Listing Date, in accordance with the provision of the said agreement. If such conditions have not been fulfilled on or before the periods provided above, all Application payments will be returned to the applicants without interest.
38	**Refunds for Rejected Applications**	In the event that the number of Offer Shares to be allotted to an applicant, as confirmed by an Underwriter, is less than the number covered by its Application, or if an Application is wholly or partially rejected by the Issuer, then the Company, through the Receiving Agent or the Underwriter through which the applicant filed the application, shall refund, without interest, within five (5) Business Days from the end of the Offer Period, all or the portion of the payment corresponding to the number of Offer

		Shares wholly or partially rejected. For purposes of refunds for rejection of Applications, an applicant shall indicate in the Application to Purchase the manner by which any refund shall be made by choosing any one of the following options: (1) refund by crediting the Foreign Currency Deposit Unit ("**FCDU**") Account in the name of the Selling Agent/Eligible Broker with whom the applicant has filed the Application, which FCDU account should be an account maintained with BDO Unibank or such other bank as may eventually be appointed as settlement bank; (2) refund by coursing through the Underwriter with whom the applicant has filed the Application; (3) refund by crediting the FCDU Account in the name of the applicant, whether such FCDU Account is maintained with BDO Unibank or another bank; or (4) refund by issuance of a dollar demand draft in the name of the applicant, which dollar demand draft shall be delivered to the Underwriter or Selling Agent through which the Application was filed. In choosing this mode, the applicant is deemed to acknowledge that it is aware that the bank draft shall be subject to the clearing period of its depository bank. All bank charges in relation to any of the modes of refund indicated above shall be for the account of the applicant, and for this purpose, the amount to be refunded may be reduced by the amount of such bank charges such that the amount that the applicant will eventually receive by way of refund will be less than the amount it remitted during the application process. However, if the reason for the rejection is due to over-subscription of the Offer, all bank charges in relation to any of the modes of refund indicated above shall be for the account of the Issuer.

		Refunds to be made through the Underwriters or the Selling Agent with whom the applicant has filed the Application, or through the issuance of a dollar demand draft, shall be at the applicant's risk. Rejected Applications to Purchase shall be made available for pick-up at the office of the Receiving Agent or the Underwriter to which an applicant has filed an Application.
39	**Trading and Settlement**	Trading and settlement of the Series A-2 Preference Shares shall be governed by the PSE DDS Rules which are to be read in conjunction with the SRC, existing BSP regulations, and other relevant laws, rules and regulations and to form part of all rules of the PSE. Moreover, pursuant to the DDS Rules, all rules of the PSE, Securities Clearing Corporation of the Philippines and Capital Markets Integrity Corporation not inconsistent with the PSE DDS Rules are to apply to the DDS. Please refer to Parts C and D of the PSE DDS Rules for the rules on the trading and settlement of DDS in general. Moreover, please see discussion under "*The Philippine Stock Market – Trading*", and "*The Philippine Stock Market – Settlement*", and under "*Listings, Registration, Dealings and Settlement*" in the Prospectus for additional information on trading and settlement. Investors intending to buy securities on or after Listing Date will have to appoint an Eligible Broker and comply with the applicable requirements of such Eligible Broker.
40	**Procedure for Payment of Cash Dividend Declarations**	As of the date of this Offer Supplement, the following shall be the procedure to be followed for payment of cash dividend declarations on the Offer Shares. The procedure as set out below may be revised or amended pursuant to the requirements of or agreement in writing between or among the Paying Agent, PDTC or the Eligible Brokers which are holding the Offer Shares on behalf of the investors: <u>Payment of Cash Dividends on Scripless Series A-2 Preference Shares</u>

		(a) *Company's Obligation* – On the designated payment date for the cash dividends declared, the Company shall issue an instruction for the transfer of an amount equivalent to the aggregate cash dividends due on all the scripless Series A-2 Preference Shares, in cleared funds, from its FCDU account maintained with BDO Unibank to the account of BDO Trust in its capacity as the Paying Agent. No tax shall be withheld by the Company from such dividend payments. (b) *Paying Agent's Obligation* – Immediately upon receipt of the cash dividends from the Company, the Paying Agent shall immediately cause the transfer of such cleared funds to the FCDU account of PDTC maintained with BDO Unibank. No tax shall be withheld by the Paying Agent from such dividend payments. For this purpose and before any such cash dividend payment, PDTC shall open an FCDU account with BDO Unibank where all cash dividend payments for the Series A-2 Preference Shares shall be credited. (c) *PDTC's Obligation* – Immediately upon receipt of the cash dividends from the Paying Agent, PDTC shall cause the transfer of cleared funds equivalent to the cash dividends due on the Series A-2 Preference Shares in each of the names of the Eligible Brokers appearing in PDTC's records as holders of Series A-2 Preference Shares, from PDTC's FCDU account to each of such Eligible Broker's FCDU Dividend Account (as defined below). (d) *Trading Participant's (Eligible Broker's) Obligations* – Upon Qualification as an Eligible Broker - An Eligible Broker shall open an FCDU account with BDO Unibank where all dividends due on the Series A-2 Preference Shares registered in the name of such Eligible Broker will be credited (the "**Eligible Broker's FCDU Dividend**

		Account"). For the avoidance of doubt, an FCDU account maintained with other banks (*i.e.*, other than BDO Unibank) are not eligible to be designated as a Eligible Broker's FCDU Dividend Account, unless such other banks are eventually appointed as one of the settlement banks for the Offer Shares. Moreover, subject to the applicable requirements as may be imposed by PDTC, such Eligible Broker shall open a dollar sub-account with PDTC and, during the opening process for the dollar sub-account, shall be required to indicate the Eligible Broker's FCDU Dividend Account in the dollar sub-account application form that may be obtained from PDTC. The Application to Purchase to be submitted during the Offer Period shall indicate the PDTC dollar sub-account number/code of the Eligible Broker nominated by an Applicant. <u>Upon Receipt of Cash Dividends</u> - Immediately upon receipt of the cash dividends from PDTC, each Eligible Broker nominated by a Shareholder as its broker for the Series A-2 Preference Shares shall ensure immediate remittance of the cash dividends to its relevant clients' FCDU accounts or immediate transfer or turnover of such dividends to its relevant clients depending on their arrangements with such Eligible Broker. All bank charges in relation to the remittance, transfer or turnover of the dividends to the investor shall be for the account of such investor. By way of illustration, if an investor's FCDU account is maintained with a bank other than BDO Unibank, then the bank charges that its nominated Eligible Broker will incur arising from the transfer of the dividends from the Eligible Broker's FCDU Dividend Account (maintained with BDO Unibank) to such investor's FCDU account maintained with another bank will

		be for the account of the investor, unless a different arrangement is agreed in writing between the investor and such Eligible Broker. By way of another illustration, if the investor does not maintain an FCDU account and the Eligible Broker is constrained to arrange for the issuance of a dollar demand draft in the name of the investor, all bank charges in relation to the issuance of such draft will be for the account of the investor, unless a different arrangement is agreed in writing between the investor and such Eligible Broker. <u>Payment of Cash Dividends on Certificated Preference Shares</u> (a) *Shareholder's Obligation* – The Shareholder, when it requests for the upliftment of the Series A-2 Preference Shares it owns, shall immediately notify in writing the Paying Agent, no later than the record date of the next Dividend Payment Date, of the details of the FCDU account in the name of such shareholder into which all dividends payable on such Series A-2 Preference Shares shall be credited or remitted (the "**Shareholder's Dividend Account**"). (b) *Company's Obligation* – On the designated payment date for the cash dividends declared, the Company shall issue instruction for the transfer of an amount equivalent to the aggregate cash dividends due on all certificated Series A-2 Preference Shares, in cleared funds, from its FCDU account maintained with BDO Unibank to the account of the Paying Agent. No tax shall be withheld by the Company from such dividend payments. (c) *Paying Agent's Obligation* – Immediately upon receipt of the cash dividends from the Company, the Paying Agent shall immediately cause the transfer (whether through PDDTS or other means) of an amount equivalent to the cash dividends due on such Series A-2 Preference Shares, in cleared funds, to the Shareholder's Dividend Account. No tax shall be

		withheld by the Paying Agent from such dividend payments. All bank charges arising from the remittance of the amount from the Paying Agent to the Shareholder's Dividend Account shall be for the account of the shareholder, and shall be deducted from the dividend payments to be remitted. In the event that a Shareholder holding certificated Series A-2 Preference Shares has not nominated a Shareholder's Dividend Account, or if the nominated Shareholder's Dividend Account is already closed, or if for any reason the amount sought to be transferred by the Paying Agent cannot be credited to the nominated Shareholder's Dividend Account, the Paying Agent shall cause the issuance of a U.S. dollar denominated bank draft in the name of such Shareholder for the amount of dividends payable to such Shareholder, less any bank charges in connection with the issuance of such bank draft. The bank draft shall be mailed to the last known mailing address of the shareholder, at the Shareholder's risk. The bank draft shall be subject to the clearing period of the Shareholder's depository bank. Neither the Company nor the Paying Agent shall be liable for any interest on the amount covered by the bank draft, nor shall any of them assume any liability for the risk of loss of the bank draft in the course of transit or delivery to the Shareholder.
41	**Governing Law**	The Offer Shares will be issued pursuant to the laws of the British Virgin Islands.
42	**Process Agent**	The resident agent of the Regional Operating Headquarters of the Issuer in the Philippines.
43	**Selling Agents**	PNB Capital and Trading Participants of the PSE that qualify as Eligible Brokers
44	**Share Registrars / Stock Transfer Agent**	**Philippine Branch Share Registrar / Stock Transfer** — BDO Unibank, Inc. – Trust and Investments Group 15th Floor BDO South Tower, BDO Corporate Center, 7899

<table>
<tr><td></td><td></td><td><table><tr><td>Agent</td><td>Makati Avenue, Makati City 0726 Philippines</td></tr><tr><td>BVI Share Registrar</td><td>Nerine Trust Company (BVI) Limited
Nerine Chambers, PO Box 905 Quastisky Building
Road Town Tortola VG 1110
British Virgin Islands</td></tr></table></td></tr>
<tr><td>45</td><td>(Dividend) Paying Agent</td><td>BDO Unibank, Inc. – Trust and Investments Group
15th Floor BDO South Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City 0726 Philippines</td></tr>
<tr><td>46</td><td>Receiving Agent</td><td>BDO Unibank, Inc. – Trust and Investments Group
15th Floor BDO South Tower, BDO Corporate Center, 7899 Makati Avenue, Makati City 0726 Philippines</td></tr>
<tr><td>47</td><td>Depository Agent</td><td>Philippine Depository & Trust Corp.</td></tr>
<tr><td>48</td><td>Counsel for the Underwriters</td><td>SyCip Salazar Hernandez & Gatmaitan</td></tr>
<tr><td>49</td><td>British Virgin Island Counsel for the Issuer</td><td>Conyers Dill & Pearman Pte. Ltd.</td></tr>
<tr><td>50</td><td>Expected Timetable</td><td>The timetable of the Offer is as follows:<table><tr><td>Dividend Rate Setting Date</td><td>24 November 2017</td></tr><tr><td>Notice of final Offer Price to the SEC and PSE</td><td>27 November 2017</td></tr><tr><td>Offer Period</td><td>28 November to 8 December 2017</td></tr><tr><td>Deadline for Eligible Brokers’ Firm Commitment</td><td>1 December 2017</td></tr><tr><td>PSE Eligible Brokers’ Allocation</td><td>4 December 2017</td></tr><tr><td>Deadline for General Public’s Submission of Application</td><td>12:00 P.M.,
8 December 2017</td></tr><tr><td>Issue Date, Listing Date and Commencement of Trading on the PSE</td><td>15 December 2017</td></tr></table></td></tr>
</table>

		Any change in the dates included above may be subject to approval of the SEC and the PSE and other conditions.
51	**Risk of Investing**	Before making an investment decision, prospective investors should carefully consider the risks associated with an investment in the Offer Shares. These risks are discussed in the section entitled "*Risk Factors*" and include: risks relating to our business, risks relating to our organization and structure, risks relating to the Philippines and risks relating to the Offer Shares, as set out in the Prospectus.

Summary Financial Information

The selected financial information set forth in the following tables has been derived from the Group's audited consolidated financial statements as of 30 April 2017, 2016, 2015, and for the years ended 30 April 2017, 2016, 2015; and unaudited financial statements as of 31 July 2017 and for the three months ended 31 July 2017 and 2016.

This should be read in conjunction with the audited consolidated financial statements and notes thereto annexed to this Offer Supplement, the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations", and other financial information included herein.

*The Group's consolidated financial statements as at and for the year ended 30 April 2017 and 2016 were prepared in accordance with the IFRS and were audited by SyCip, Gorres, Velayo & Co. ("**SGV & Co.**") in accordance with Philippine Standards on Auditing (PSA).*

The Group's consolidated financial statements as at 30 April 2015 and for the year ended 30 April 2015 were prepared in accordance with the IFRS and were audited by R.G. Manabat & Co. in accordance with PSA.

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In U.S.$'000)

	30 April 2017 (Audited)	30 April 2016 (Audited) (Restated)	30 April 2015 (Audited) (Restated)
ASSETS			
Noncurrent assets			
Property, plant and equipment - net	657,185	661,233	679,312
Investments in joint ventures	25,797	22,820	22,590
Intangible assets and goodwill	741,026	750,373	759,700
Deferred tax assets - net	92,786	99,284	85,491
Biological assets	1,420	1,448	1,446
Pension asset	5,517	–	–
Other noncurrent assets	27,112	25,941	28,985
	1,550,843	1,561,099	1,577,524

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (cont'd)
(In U.S.$'000)

	30 April 2017 (Audited)	30 April 2016 (Audited) (Restated)	30 April 2015 (Audited) (Restated)
Current assets			
Biological assets	44,347	39,775	33,374
Inventories	916,892	845,233	749,549
Trade and other receivables	164,447	175,532	184,402
Prepaid expenses and other current assets	43,046	35,598	39,870
Cash and cash equivalents	37,571	47,203	35,618
	1,206,303	1,143,341	1,042,813
Noncurrent assets held for sale	–	1,950	8,113
	1,206,303	1,145,291	1,050,926
Total assets	2,757,146	2,706,390	2,628,450
Equity			
Share capital	39,449	19,449	19,449
Retained earnings	159,169	160,631	103,653
Reserves	318,460	134,926	148,750
Equity attributable to owners of the Company	517,078	315,006	271,852
Non-controlling interests	61,477	61,971	58,644
Total equity	578,555	376,977	330,496
Noncurrent liabilities			
Loans and borrowings	1,264,268	1,116,422	1,272,945
Employee benefits	87,599	97,118	129,199
Environmental remediation liabilities	6,198	6,313	4,580
Deferred tax liabilities - net	3,913	1,092	1,092
Other noncurrent liabilities	44,018	62,586	61,163
	1,405,996	1,283,531	1,468,979
Current liabilities			
Loans and borrowings	449,698	727,360	445,542
Employee benefits	22,165	33,652	43,080
Trade and other payables	299,545	281,043	339,054
Current tax liabilities	1,187	3,827	1,299
	772,595	1,045,882	828,975
Total liabilities	2,178,591	2,329,413	2,297,954
Total equity and liabilities	2,757,146	2,706,390	2,628,450

CONSOLIDATED STATEMENTS OF INCOME
(In U.S.$'000, Except Per Share Data)

	Year ended 30 April 2017 (Audited)	Year ended 30 April 2016 (Audited) (Restated)	Year ended 30 April 2015 (Audited) (Restated)
Revenue	2,252,783	2,274,085	2,189,983
Cost of sales	(1,757,891)	(1,788,269)	(1,778,531)
Gross profit	494,892	485,816	411,452
Distribution and selling expenses	(203,168)	(201,031)	(199,160)
General and administrative expenses	(165,074)	(147,837)	(190,892)
Other income - net	960	31,038	16,896
Results from operating activities	127,610	167,986	38,296
Finance income	5,809	2,231	400
Finance expense	(111,068)	(99,581)	(99,861)
Net finance expense	(105,259)	(97,350)	(99,461)
Share in loss of joint ventures and subsidiaries, net of tax	(1,909)	(1,717)	(2,453)
Profit (loss) before taxation	20,442	68,919	(63,618)
Tax credit (expense) – net	(551)	(8,943)	17,528
Profit (loss) for the year	19,891	59,976	(46,090)
Profit (loss) attributable to:			
Owners of the Company	24,366	56,978	(40,278)
Non-controlling interests	(4,475)	2,998	(5,812)
	19,891	59,976	(46,090)
Earnings per share			
Basic (loss)/earnings per share (US cents)	1.21	2.93	(2.90)
Diluted (loss)/earnings per share (US cents)	1.21	2.93	(2.90)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In U.S.$'000)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S.$'000)

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

CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)
(In U.S.$'000)

	Note	Year ended 30 April 2017 (Audited)	Year ended 30 April 2016 (Audited) (Restated)	Year ended 30 April 2015 (Audited) (Restated)
Cash flows from investing activities				
Interest received		476	357	353
Proceeds from disposal of property, plant and equipment and noncurrent assets held for sale		2,191	3,775	353
Acquisitions of property, plant and equipment		(144,123)	(137,230)	(144,133)
Investments in joint ventures	8	(3,570)	(1,947)	(4,249)
Purchase of Sager Creek	5	–	–	(75,000)
Deconsolidation of a subsidiary		–	–	(1,258)
Net cash flows used in investing activities		(145,026)	(135,045)	(223,934)
Cash flows from financing activities				
Interest paid		(103,098)	(85,682)	(88,111)
Proceeds from borrowings	20	930,901	1,113,193	1,270,084
Repayment of borrowings	20	(1,056,280)	(986,800)	(1,411,388)
Proceeds from issuance of share capital	18	200,000	–	155,036
Payment of transaction costs related to issuance of share capital		(4,523)	–	(2,924)
Capital injection by non-controlling interests of subsidiaries		–	189	4
Acquisition of treasury shares		–	(173)	–
Dividends paid	19	(25,828)	–	–
Net cash flows provided by (used in) financing activities		(58,828)	40,727	(77,299)

CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)

(In U.S.$'000)

	Note	Year ended 30 April 2017 (Audited)	Year ended 30 April 2016 (Audited) (Restated)	Year ended 30 April 2015 (Audited) (Restated)
Net increase (decrease) in cash and cash equivalents		(16,785)	13,643	7,349
Effect of exchange rate changes on cash and cash equivalents held in foreign currency		7,153	(2,058)	(132)
Cash and cash equivalents at beginning of year		47,203	35,618	28,401
Cash and cash equivalents at end of year	16	37,571	47,203	35,618

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In U.S.$'000)

	As at 31 July 2017 (Unaudited)	As at 30 April 2017 (Audited)
Noncurrent assets		
Property, plant and equipment - net	644,857	657,185
Investments in joint ventures	25,278	25,797
Intangible assets and goodwill	738,689	741,026
Deferred tax assets - net	101,210	92,786
Biological assets	1,453	1,420
Employee benefits	5,356	5,517
Other noncurrent assets	28,933	27,112
	1,545,776	1,550,843
Current assets		
Biological assets	41,541	44,347
Inventories	1,024,623	916,892
Trade and other receivables	157,163	164,447
Prepaid expenses and other current assets	41,190	43,046
Cash and cash equivalents	19,486	37,571
	1,284,003	1,206,303
Total assets	2,829,779	2,757,146
Equity		
Share capital	39,449	39,449
Retained earnings	159,909	159,169
Reserves	315,450	318,460
Equity attributable to owners of the company	514,808	517,078
Non-controlling interests	59,866	61,477
Total equity	574,674	578,555
Noncurrent liabilities		
Loans and borrowings	1,266,309	1,264,268
Employee benefits	87,930	87,599
Environmental remediation liabilities	6,205	6,198
Deferred tax liabilities - net	2,558	3,913
Other noncurrent liabilities	42, 826	44,018
	1,405, 828	1,405,996
Current liabilities		
Loans and borrowings	501,556	449,698
Employee benefits	31,857	22,165
Trade and other payables	314,205	299,545
Current tax liabilities	1,659	1,187
	849,277	772,595
Total liabilities	2,255, 105	2,178,591
Total equity and liabilities	2,829,779	2,757,146

	Three months ended 31 July	
	2017 (Unaudited)	2016 (Unaudited) (Restated)
Revenue	473,844	467,374
Cost of sales	(375,960)	(371,939)
Gross profit	97,884	95,435
Distribution and selling expenses	(45,547)	(45,305)
General and administrative expenses	(39,048)	(41,762)
Other income (expenses) - net	1,555	238
Results from operating activities	14,844	8,606
Finance income	1,755	734
Finance expense	(26,128)	(27,363)
Net finance expense	(24,373)	(26,629)
Share in loss of joint ventures, net of tax	(519)	(359)
Profit (loss) before taxation	(10,048)	(18,382)
Tax expense - current	(2,304)	(1,768)
Tax benefit - deferred	11,176	11,006
	8,872	9,238
Loss for the period	(1,176)	(9,144)
Profit (loss) attributable to:		
Non-controlling interest	(1,916)	(2,101)
Owners of the Company	740	(7,043)
Loss per share		
Basic loss per share (US cents)	(0.13)	(0.36)
Diluted loss per share (US cents)	(0.13)	(0.36)

	Three months ended 31 July 2017 (Unaudited)	2016 (Unaudited) (Restated)
Loss for the period	(1,176)	(9,144)
Other comprehensive income (loss)		
Items that will not be classified to profit or loss		
Remeasurement of retirement plans	2,487	6,815
Income tax effect on remeasurement of retirement plans	(911)	(5,326)
	1,576	1,489
Items that will or may be reclassified subsequently to profit or loss		
Currency translation differences	(5,613)	(1,323)
Effective portion of changes in fair value of cash flow hedges	2,093	(1,645)
Income tax effect on cash flow hedges	(795)	625
	2,228	(2,343)
Other comprehensive loss for the period, net of tax	(4,315)	(854)
Total comprehensive loss for the period	(3,915)	(9,998)
Total comprehensive loss attributable to:		
Non-controlling interests	(1,620)	(2,055)
Owners of the Company	(2,295)	(7,943)
	(3,915)	(9,998)

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(In U.S.$'000)

	Three months ended 31 July	
	2017 (Unaudited)	2016 (Unaudited) (Restated)
Cash flows from operating activities		
Loss for the period	(1,176)	(9,144)
Adjustments for:		
Finance expense	26,128	27,363
Depreciation of property, plant and equipment	35,246	31,715
Amortization of intangible assets	2,337	1,764
Net loss on derivative settlement	1,105	2,342
Share in loss of joint ventures, net of tax	519	359
Equity-settled share-based payment transactions	104	314
Loss on disposal of property, plant and equipment	113	743
Finance income	(1,755)	(734)
Tax expense	(8,872)	(9,238)
	53,749	44
Changes in:		
Other noncurrent assets	(37,565)	10,737
Inventories	(91,022)	(165,540)
Biological assets	17,981	(2,319)
Trade and other receivables	4,597	16,240
Prepaid and other current assets	(874)	(2,046)
Trade and other payables	13,551	70,172
Employee benefits	4,013	3,793
Net cash flows used in operating activities	(35,570)	(23,479)
Cash flows from investing activities		
Purchase of property, plant and equipment	(22,502)	(36,149)
Additional investments in a joint venture	–	(1,359)
Proceeds from disposal of property, plant and equipment	40	56
Interest received	132	126
Net cash flows used in investing activities	(22,330)	(37,326)

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS (cont'd)
(In U.S.$'000)

	Note	Three months ended 31 July 2017 (Unaudited)	Three months ended 31 July 2016 (Unaudited) (Restated)
Cash flows from financing activities			
Proceeds from borrowings		373,414	85,989
Repayment of borrowings		(319,427)	(28,125)
Dividends paid			
Interest paid		(23,162)	(22,636)
Capital injection by non-controlling interests			
Transactions costs related to rights issue		(70)	–
Net cash flows provided by financing activities		30,755	35,228
Net decrease in cash and cash equivalents		(27,145)	(25,577)
Cash and cash equivalents at beginning of period		37,571	47,203
Effect of exchange rate changes on balances held in foreign currency		9,061	(1,132)
Cash and cash equivalents at end of period		19,486	20,494

Management's Discussion and Analysis of Financial Condition and Results of Operations

The discussion pertaining to the audited consolidated financial statements as of and for the years ended 30 April 2017 and 2016 and the unaudited consolidated financial statements as of 31 July 2017 and for the three months ended 31 July 2017 and 2016 should be read in conjunction with the section entitled "Selected Consolidated Financial Information".

This discussion contains forward-looking statements and reflects the current views of the Company with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors.

Capitalized terms used herein shall have the meanings ascribed to them in the Prospectus, unless otherwise defined in this Offer Supplement.

OVERVIEW

The Group

The Group is principally engaged in growing, processing, and selling canned and fresh pineapples, pineapple juice concentrate, tropical mixed fruit, tomato-based products, beverage products and certain other foods products mainly under the brand names of *Del Monte*, *S&W* and *Today's*.

Following the Acquisition, the Group gained access to the U.S. market. The Group can also build on the DMFI Consumer Food Business' core business and leading market shares in the U.S. across its canned fruit, vegetable, tomato and broth businesses as well as to expand the DMFI Consumer Food Business' current product offering to include beverage and culinary products. The DMFI Consumer Food Business' largely untapped South America business also has the potential to expand over time across new markets and product categories.

Geographical Segments

Americas

Reported under the Americas segment are sales and profit on sales in North and South America. The majority of such sales are made in the U.S. 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; *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 flavors 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.

Consumer Food Business

The DMFI Consumer Food Business sells products under the *Del Monte*, *Contadina*, *College Inn* and *S&W* brand names, as well as private label products to key customers. The DMFI Consumer Food Business is one of the largest marketers of processed fruit, vegetables and tomatoes in the U.S. with the leading market share for branded products in both packaged fruit and vegetable. The products of DMFI Consumer Food Business are sold in a number of channels which include retail markets, mass merchandisers, the U.S. Government, U.S. military, certain export markets, food service industry and foods processors. The DMFI Consumer Food Business' fruit, vegetable and tomato products are in mature categories, characterized by high household penetration.

The DMFI Consumer Food Business' packaged fruit, vegetable, tomato and broth products compete primarily on the basis of brand recognition, taste, variety, convenience and value. In fiscal 2017, the DMFI Consumer Food Business continued its new product innovations with the launch of *Del Monte* Fruit Refreshers, the first single serve Fruit Cup products in Center Store specifically design to meet unique needs of adult females and the snacking occasions unique to them. The DMFI Consumer Food Business' primary competitors include B&G Foods and Seneca Foods in processed vegetable; Dole, Seneca Foods and Pacific Coast Producers in fruit; Con Agra, Heinz and Unilever in tomato; and Campbell Soup and manufacturers of smaller regional brands in broth.

Customers

Most food retailers in the U.S. carry the DMFI Consumer Food Business' products, and it has developed strong relationships over the long term with the majority of significant participants in the retail grocery trade. Walmart, which includes Walmart's stores and supercentres along with Sam's Club, is the most significant customer of the DMFI Consumer Food Business.

The DMFI Consumer Food Business' sales teams work with its customers to promote the resale of its products in their stores. These efforts include working with customers in the areas of merchandising, product assortment and distribution and shelving. The customers of DMFI Consumer Food Business provide it with purchase orders as they desire product and it fills these orders based on generally standard terms of sale. Where the DMFI Consumer Food Business provides private label products for its customers, it typically supplies those customers on a purchase order basis as well. These purchase orders could be on a standalone basis, or issued under a master agreement that sets forth matters such as payment and delivery terms. The DMFI Consumer Food Business' arrangement with its largest customer, Walmart, operates in generally the same fashion as those with its other customers and on overall similar terms.

Supply

The DMFI Consumer Food Business manufactures its products from a wide variety of raw materials. Each year it buys over 1.2 million tons of fresh fruit, vegetables and tomatoes from individual growers, farmers and cooperatives located primarily in the U.S. The DMFI Consumer Food Business' fruit supply contracts generally range from one to twenty years. Fruit prices are generally negotiated with grower associations annually. The DMFI Consumer Food Business purchases raw products from over 500 fruit growers located in California, Oregon and Washington. Yellow cling peaches are contracted by the acre, while contracts for other fruits require delivery of specified quantities each year. The DMFI Consumer Food Business' vegetable supply contracts are for a one-year term and require delivery from contracted acreage with specified quality. Vegetable prices are negotiated annually. The DMFI Consumer Food Business purchases raw product from approximately 600 vegetable growers located primarily in Wisconsin, Illinois, Minnesota, Washington and Texas. Raw tomatoes are purchased from approximately 25 tomato growers located in California, where approximately 95% of domestic tomatoes for processing are grown. Tomato prices are generally negotiated with grower associations and are reset each year. The DMFI Consumer Food Business actively participates in agricultural management, agricultural practices, quality control and compliance with pesticide/herbicide regulations. Other ingredients, including sugar and sweeteners, spices, proteins, grains, flour, and certain other fruits and vegetables are generally purchased through annual supply agreements or in the open market.

The DMFI Consumer Food Business maintains long-term relationships with growers to help ensure a consistent supply of raw fruit, vegetables and tomatoes.

Production

The DMFI Consumer Food Business operates 13 production facilities in the U.S., Mexico and Venezuela. Fruit plants are located in California and Washington, most of its vegetable plants are located in the U.S. Midwest and its tomato plants are located in California. The DMFI Consumer Food Business has a seasonal production cycle that generally runs between the months of June and October. Most of its seasonal plants operate close to full capacity during the packing season. This seasonal production primarily relates to the majority of processed fruit, vegetable and tomato products, while some of its processed fruit and tomato products, its *College Inn* broth products and dry bean products are produced throughout the year. Additionally, the DMFI Consumer Food Business has contracts to co-pack certain processed fruit and vegetable products for other companies.

The DMFI Consumer Food Business uses 12 co-packers and 1 re-packer located in the U.S. and foreign locations, in addition to its own production facilities. Co-packers are used for broth, tropical fruit salad, mandarin oranges and certain other products. Co-packers are used periodically to supplement supplies of certain processed fruit, vegetable and tomato products.

Distribution

Customers of DMFI can order products to be delivered via third-party trucking, on a customer pickup basis or by rail. Distribution centers provide casing, labeling and special packaging and other services.

Research and Development

The DMFI Consumer Food Business' research and development organization provides product, packaging and process development. The research and development facility in Walnut Creek, California develops new products and product line extensions and conducts research in a number of areas related to its processed fruit, vegetable, tomato and broth products, including packaging, pest management, food science, environmental and engineering. This facility employs scientists, engineers and researchers and is equipped with pilot shops and test kitchens.

Seasonality

Historical net sales for the DMFI Consumer Food Business have generally exhibited seasonality, with the first fiscal quarter typically having the lowest net sales. Lower levels of promotional activity, the availability of fresh produce, the timing of price increases and other factors have historically affected net sales in the first quarter.

The DMFI Consumer Food Business has experienced increased sales of its processed fruit, vegetable, tomato and broth products during the back-to-school and holiday periods in the U.S., extending from September through December, as well as during periods associated with the Easter holiday. The DMFI Consumer Food Business typically schedules promotional events to coincide with these periods of increased product consumption.

REVIEW OF THE GROUP FOR THE YEARS ENDED 30 APRIL 2017 AND 30 APRIL 2016

in U.S.$'000 unless otherwise stated	**For the full year ended 30 April**		
	2017	**2016**	**% Change**
	(Audited)	**(Audited) (Restated)**	
Revenue	2,252,783	2,274,085	(0.9)
Gross profit	494,892	485,816	1.9
Gross margin (%)	*21.97%*	*21.36%*	*0.6 ppts*
Distribution and selling expenses	-203,168	-201,031	1.1
General and administrative expenses	-165,074	-147,837	11.7
Other operating income	960	31,036	(96.9)
Results from operating activities	127,610	167,986	(24.0)
Operating margin (%)	*5.66%*	*7.39%*	*(1.7) ppts*
Net finance expense	-105,259	-97,350	8.1
Share of loss in joint venture, net of non-controlling interest	-1,909	-1,717	11.2
Taxation	-551	-8,943	(93.8)
Net Profit Margin attributable to owners of the Company	24,366	56,978	(57.2)
Net Margin (%)	*1.08%*	*2.51%*	*(1.4) ppts*
Depreciation	138,995	139,991	(0.7)

Revenue

For the fiscal year 2017, the Company generated sales of U.S.$2.3 billion in FY2017, slightly lower by 0.9% versus the prior year as higher sales from the Philippines and S&W in Asia and the Middle East were offset by lower sales in the United States.

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

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

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

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

Revenue for fiscal year ended 30 April 2017 is net of discounts of U.S.$86.0 million, returns of U.S.$20.1 million and direct promotions of U.S.$491.2 million. Revenue for fiscal year ended 30 April 2016 is net of discounts of U.S.$85.2 million, returns of U.S.$19.0 million and direct promotions of U.S.$485.2 million.

Gross Profit

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

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

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

Distribution and Selling Expenses

Distribution and selling expenses slightly increased by 1.1% for the twelve months ended 30 April 2017 due to higher merchandising costs.

General and Administrative Expenses

General and administrative expenses increased by 11.7% from U.S.$147.8 million to U.S.$165.1 million mainly due to last year's DMFI's favorable adjustment from retirement plan amendment worth U.S.$39.4 million.

Other Operating Income

Other operating income for the twelve months ended 30 April 2017 amounted to U.S.$1.0 million, lower than the previous year's U.S.$31.0 million primarily due to last year's DMFI working capital favorable adjustment.

Operating Profit

Operating profit for the period covered in 2017 was U.S.$127.6 million, lower versus last year's operating profit of U.S.$168.0 million mainly due to one-off gain last year.

Finance Income/Expenses

For the twelve months ended 30 April 2017, net finance expense for the Company was 8.1% higher in 2017 compared to prior year due to conversion of floating to fixed rate and higher borrowing to fund higher working capital.

Depreciation Expense

Depreciation expense for the Company slightly decreased by 0.7% from U.S.$140.0 million in the twelve months ended 30 April 2016 to U.S.$139.0 million for the same period in 2017.

Share of Profit of Associates, net of non-controlling interest

The Company recognized a share of loss of U.S.$1.9 million on 30 April 2017 mainly for its 47.5% stake in the Indian FieldFresh joint venture. This is flat than prior year of U.S.$1.7 million as a result of higher revenue, offset by higher cost in 30 April 2016.

Tax

Tax expense decreased from U.S.$8.9 million in 30 April 2016 to U.S.$0.6 million expense in 30 April 2017 mainly on higher loss at DMFI partly offset by the write-off of Deferred Tax Asset worth U.S.$11.5 million.

Profit for the Period

The Company generated a net profit of U.S.$24.4 million for FY2017, lower than prior year period's net profit of U.S.$57.0 million which included a one-time net gain of U.S.$31.7 million mainly from retirement plan amendment and working capital adjustment. Meanwhile, FY2017 results included the U.S.$21.1 million of one-off expenses plus the write-off of deferred tax assets.

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

The Company's net profit without DMFI was U.S.$58.9 million, significantly up versus prior period's U.S.$31.8 million mainly from improvement in gross margin as outlined above. However, DMFI experienced a higher recurring net loss (before the Company's non-controlling interest) of U.S.$21.4 million from U.S.$6.1 million. Lower sales in the non-retail channels were partially offset by cost savings initiatives. The cost savings initiatives are a key pillar of DMFI's growth strategy that will result in high quality and cost competitive products. The initiatives are on-track and delivered U.S.$20.0 million of cost savings in FY2017.

Financial Performance by Operating Segment

AMERICAS

For the full year ended 30 April

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

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

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

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

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

ASIA PACIFIC

For the full year ended 30 April

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

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

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

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

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

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

EUROPE

For the full year ended 30 April

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2017	**FY2016 (Restated)**	**% Chg**	**FY2017**	**FY2016 (Restated)**	**% Chg**	**FY2017**	**FY2016 (Restated)**	**% Chg**
Packaged fruit	**28,2544**	19,039	48.4	**11,706**	5,510	112.5	**8,319**	3,152	163.9
Beverage	**14,7455**	14,755	(0.1)	**6,403**	6,022	6.3	**4,810**	4,450	8.1
Total	**42,9999**	33,794	27.2	**18,109**	11,532	57.0	**13,129**	7,602	72.7

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

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

Operating income for the year increased to U.S.$13.1 million reflecting gross margin improvement mainly from higher pricing in line with prevailing market conditions.

Key Performance Indicators

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

A. Current and Quick Ratio

	30-Apr-17	**30-Apr-16**	**30-Apr-15**	**Benchmark**
Current Ratio	1.6	1.1	1.3	Minimum of 1.2
Quick Ratio	0.3	0.2	0.3	Minimum of 0.5

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

Quick ratio improved versus 2016 due to partial payment of bridge loans. This is still below the minimum standard due to higher borrowings.

B. Debt to Equity

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

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

The current ratio is above the maximum standard due to bridging loans obtained by the Company to finance the DMFI Consumer Food Business acquisition.

C. Net Profit Margin

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

Net profit margin is lower versus last year due to the one-time net gain of U.S.$31.7 million, mainly from DMFI's retirement plan amendment and working capital adjustment last year. Moreover, it is lower versus the benchmark as full year FY2017 results included the U.S.$21.1 million of one-off expenses which were primarily severance, closure of North Carolina plant, and write-off of deferred tax assets.

D. Return on Asset

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

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

E. Return on Equity

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

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

F. Interest Coverage

	30-Apr-17	30-Apr-16	30-Apr-15	Benchmark
Interest Coverage	1.2	1.7	0.3	Minimum of 1.2

Interest cover decreased versus 2016 due to lower income but still within the benchmark.

Material Changes in Accounts

A. Cash and cash equivalent

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

B. Inventories

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

C. Property, Plant and Equipment

Decrease in property and equipment is mainly attributed to the additional depreciation recorded during the year.

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.

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

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

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

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

D. Intangible assets

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

F. Deferred tax assets

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

G. Trade & Other Payables

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

H. Loans and Borrowings

Lower than last year due to repayment of borrowings.

Liquidity and Covenant Compliance

Certain unsecured bank loan agreements contain various 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.[1]

For the U.S.$154.0 million loan, the debt shall not exceed 8 times the equity; the interest cover shall not be lower than 1.5 (EBIT over interest); and the capital expenditures shall not exceed U.S.$40.0 million.

For the U.S.$130 million loan, the debt shall not exceed 6.7 times the equity by end of FY 2017 and 3.0 times from FY 2018 to FY 2020; and the interest cover shall not be lower than 1.5 (EBIT over interest) in FY 2016 and 2.0 from FY2017 to FY2020.

The foregoing financial covenants apply to the Company and its subsidiaries, as Borrower, excluding Del Monte Foods Holding Limited (DMFHL) and its subsidiaries, including, but not limited to, DMFI.

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

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

[1] Note 20 of the Company's consolidated audited financial statements for the year ended 30 April 2017.

Financial Ratios
Supplementary Schedule of Financial Soundness Indicator

Ratio	Formula	30 April 2017	30 April 2016	30 April 2015
(i) Liquidity Analysis Ratios:				
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.6	1.1	1.3
Quick Ratio	(Current Assets - Inventories - Prepaid expenses and other current assets - Biological Assets – Noncurrent assets held for sale) / Current Liabilities	0.3	0.2	0.3
(ii) Solvency Ratio	Total Assets / Total Liabilities	1.3	1.2	1.1
Financial Leverage Ratios:				
Debt Ratio	*Total Debt/Total Assets			
Debt-to-Equity Ratio	*Total Debt/Total Stockholders' Equity	0.8	0.9	0.9
		3.8	6.2	7.0
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity			
		4.8	7.2	8.0
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT) [2] / Finance expenses excluding foreign exchange gain/loss			
		1.2	1.7	0.3
(v) Debt/EBITDA Ratios	*Total Debt/ **Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)			
(vi) Profitability Ratios				
Gross Profit Margin	Revenue - Cost of Sales / Revenue	21.97%	21.36%	18.79%
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Revenue			
Net Profit Margin	Net Profit / Revenue	1.08%	2.51%	-1.84%
Return on Assets	Net Profit / Total Assets			
Return on Equity	Net Profit / Total Stockholders' Equity	0.88%	2.64%	-2.10%

Notes:
* *Total Debt refers to total liabilities which composed of financial liabilities, trade payables, accrued expenses, and other liabilities.*
** *Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) is one measure of a company's operating efficiency which represents the profit before tax, finance expenses excluding foreign exchange gain/loss, and depreciation and amortization.*

[2] EBIT =Profit before tax + Finance expenses excluding foreign exchange gain/loss

REVIEW OF THE GROUP FOR THE SIX MONTHS ENDED 31 JULY 2017 AND 31 JULY 2016

in U.S.$'000 unless otherwise stated	**For the three months ended 31July**		
	FY 2017	**FY 2016**	**%**
Revenue	473,844	467,374	1.4
Gross profit	97,884	95,435	2.6
Gross margin (%)	*20.66%*	*20.42%*	*0.2 ppts*
Distribution and selling expenses	-45,547	-45,305	0.5
General and administrative expenses	-39,048	-41,762	(6.5)
Other operating income	1,555	238	553.4
Results from operating activities	14,844	8,606	72.5
Operating margin (%)	*3.13%*	*1.84%*	*1.3 ppts*
Net finance expense	-24,373	-26,629	(8.5)
Share of loss in joint venture, net of non-controlling interest	-519	-359	44.6
Taxation	8,872	9,238	(4.0)
Net Profit Margin attributable to owners of the Company	740	-7,043	(110.5)
Net Margin (%)	*0.16%*	*-1.51%*	*1.7 ppts*
Depreciation	35,246	31,715	11.1

Revenue

The Group achieved sales of U.S.$473.8 million for the first quarter of FY2018, up 1.4% versus the prior year period due to the strong performance of the S&W business in Asia, partially offset by lower sales in the USA.

The Group's U.S. subsidiary, DMFI, contributed U.S.$336.5 million or 71.0% of Group sales. DMFI's sales declined by 4.1% mainly due to reduced sales in private label and regional brands in foodservice as a result of competitive pricing. Sales of USDA fruit and pineapple concentrate were also impacted by lower pricing. The key retail segments of canned vegetable, canned fruit, and plastic fruit cup all grew sales in the quarter and despite some category declines, DMFI increased its market share during the quarter in a number of key categories in retail, i.e., canned vegetable, canned fruit, fruit in cups and broth.

The Philippine market sales were up 5.1% in peso terms but down 1.5% in U.S. dollar terms due to peso depreciation. Sales growth was driven by expanded penetration and increased consumption of packaged pineapple fruit following improvement in supply, coupled with higher sales of culinary products. The Group continued to invest in driving inclusion of *Del Monte* products in consumers' weekly menu behind 360-degree campaigns across brands. Foodservice sales in the Philippines also continued to expand, riding on the rapid expansion of quick service restaurants and convenience stores with partnerships and menu creation with major accounts.

Sales of the *S&W* branded business in Asia and the Middle East continued its strong performance, with sales up 71% in the first quarter mainly due to strong sales of fresh pineapple on the back of improved supply and expansion into Turkey, a new market for packaged products.

Revenue for three months ended 31 July 2017 is net of discounts and returns of U.S.$22.0 million and direct promotions of U.S.$85.1 million. Revenue for three months ended 31 July 2016 is net of discounts and returns of U.S.$20.7 million and direct promotions of U.S.$67.9 million.

Gross Profit

Gross profit is above last year from U.S.$95.4 million to U.S.$97.9 million and gross margin increased by 0.2 percentage points, from 20.4% in 2016 to 20.7% in 2017 mainly driven by higher sales.

Distribution and Selling Expenses

Distribution and selling expenses was 9.6% of revenue for the three months ended 31 July 2017, slightly lower versus 9.7% for the same period last year mainly due to timing of spending.

General and Administrative Expenses

General and administrative expenses decreased by 6.5% from U.S.$41.8 million to U.S.$39.0 million as last year included U.S.$4.9 million of plant closure and severance one-off expenses; this quarter only had U.S.$0.9 million.

Other Operating Income

Other operating income for the three months ended 31 July 2017 amounted to U.S.$1.6 million, favorable than the previous year's operating income of U.S.$0.2 million primarily due to higher miscellaneous income.

Operating Profit

Operating profit for 2017 was U.S.$14.8 million, higher versus last year's operating profit of U.S.$8.6 million mainly due to higher sales driven by the *S&W* business.

Finance Income/Expenses

For the three months ended 31 July 2017, net finance expense for the Company was 8.5% lower in 2017 compared to prior year due to lower level of borrowings.

Depreciation Expense

Depreciation expense for the Company increased by 11.1% from U.S.$31.7 million in the three months ended 31 July 2016 to U.S.$35.2 million for the same period in 2017 mainly due to higher asset base.

Share of Profit of Associates, net of non-controlling interest

The Company recognized a share of loss of U.S.$0.5 million on 31 July 2017 mainly for its 47.5% stake in the Indian FieldFresh joint venture. This is unfavorable than prior year of U.S.$0.3 million due to lower sales for packaged food impacted by changes in tax brought about by the introduction of GST from the beginning of July.

Tax

Tax benefit of U.S.$8.9 million in 31 July 2017 versus tax expenses of U.S.$9.2 million in 31 October 2016 mainly due to higher tax benefit at DMFI offset by higher tax expense in the Company ex-DMFI.

Profit for the Period

The Group generated a net income of U.S.$0.7 million for the first quarter FY2018, a complete turnaround than prior year period's net loss of U.S.$7.0 million driven by the strong performance of the Company ex-DMFI.

Financial Performance by Operating Segment

AMERICAS

For the half year ended 31 July

In US$'000	**Turnover**			**Gross Profit**			**Operating Income/(Loss)**		
	FY2018	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**
Packaged vegetable	**148,837**	155,181	(4.1)	**23,001**	24,916	(7.7)	**(3,074)**	(3,560)	13.
Packaged fruit	**130,195**	129,016	0.9	**23,853**	21,242	12.3	**(380)**	(2,563)	85.
Beverage	**6,193**	9,915	(37.5)	**1,066**	2,686	(60.3)	**(476)**	699	(168.1
Culinary	**50,184**	55,953	(10.3)	**5,127**	7,511	(31.7)	**(3,411)**	(4,287)	20.
Others	**336**	97	246.4	**72**	(79)	191.1	**652**	393	65.
Total	**335,745**	350,162	(4.1)	**53,119**	56,276	(5.6)	**(6,689)**	(9,318)	28.

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

Sales in the Americas declined by 4.1% to U.S.$335.7 million due to reduced sales in private label and regional brands in foodservice as a result of competitive pricing. Sales of USDA fruit and pineapple concentrate were also impacted by lower pricing. The key retail segments of canned vegetable, canned fruit, and plastic fruit cup all grew sales in the quarter and despite some category declines, DMFI increased its market share during the quarter in a number of key categories in retail, i.e., canned vegetable, canned fruit, fruit in cups and broth.

DMFI expanded the adult fruit cup snacking segment with the launch of *Del Monte Fruit & Chia*, a category first, combining luscious chunks of fruit with wholesome chia. DMFI also launched the *College Inn Organic Chicken and Beef Broth*, as well as the *College Inn Broth Concentrate*, in a more convenient packaging format.

DMFI generated lower gross profit by 5.6% to U.S.$53.1 million due to lower USDA and pineapple juice concentrate pricing, unfavorable sales mix partly offset by lower costs.

Operating loss for the quarter was lower at U.S.$6.7 million from a loss of U.S.$9.3 million in the prior year quarter mainly due to lower administrative expenses from restoration savings and severance costs.

DMFI's first quarter is seasonally its weakest quarter accounting for only 19-21% of full year sales. As such, the first quarter is generally the least profitable quarter for DMFI.

ASIA PACIFIC

For the half year ended 31 July

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2018	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**
Packaged vegetable	**324**	509	(36.3)	**104**	148	(29.7)	**75**	101	(25.7)
Packaged fruit	**29,064**	26,591	9.3	**8,344**	7,523	10.9	**4,121**	3,262	26.3
Beverage	**32,181**	34,524	(6.8)	**10,510**	12,238	(14.1)	**3,771**	5,143	(26.7)
Culinary	**25,926**	26,281	(1.4)	**10,548**	10,745	(1.8)	**5,634**	5,534	1.8
Fresh fruit and others	**42,796**	24,869	72.1	**12,647**	6,928	82.5	**6,363**	2,889	120.2
Total	**130,291**	112,774	15.5	**42,153**	37,582	12.2	**19,964**	16,929	17.9

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

Asia Pacific's sales in the first quarter improved by 15.5% to U.S.$130.3 million from U.S.$112.8 million on higher packaged fruit sales in the Philippines and improved *S&W* sales in North Asia and Middle East.

The Philippine market sales were up 5.1% in peso terms but 1.5% down in U.S. dollar terms due to peso depreciation. Sales growth was driven by expanded penetration and increased consumption of its packaged pineapple fruit following improvement in supply, coupled with higher sales of culinary products. The Group continued to invest in driving inclusion of *Del Monte* products in consumers' weekly menu behind 360-degree campaigns across brands. Foodservice sales in the Philippines also continued to expand, riding on the rapid expansion of quick service restaurants and convenience stores with partnerships and menu creation with major accounts.Operating profit in the first quarter rose 17.9% to U.S.$20.0 million reflecting gross margin improvement resulting from higher *S&W* sales and lower marketing costs.

EUROPE

For the half year ended 31 July

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2018	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**	**FY2018**	**FY2017**	**% Chg**
Packaged fruit	**6,273**	3,510	78.7	**2,725**	1,204	126.3	**1,923**	721	166.7
Total	**7,808**	4,438	75.9	**2,612**	1,577	65.6	**1,569**	995	57.7

Beverage	**1,535**	928	65.4	**(113)**	373	(130.3)	**(354)**	274	(229.2)

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

For the first quarter, Europe's sales improved by 75.9% to U.S.$7.8 million from U.S.$4.4 million on higher packaged pineapple and beverage sales. Gross profit and operating profit increased by 65.6% and 57.7%, driven by higher sales and lower pineapple costs, which offset the increase in tinplate costs.

Key Performance Indicators

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

A. Current and Quick Ratio

	31-Jul-17	31-Jul-16	30-Apr-17	Benchmark
Current Ratio	1.5	1.1	1.6	Minimum of 1.2
Quick Ratio	0.2	0.1	0.3	Minimum of 0.5

Current ratio increased due to higher inventory.
Quick ratio improved versus 2016 but is still below the minimum standard of 0.5 due to higher borrowings.

B. Debt to Equity

	31-Jul-17	31-Jul-16	30-Apr-17	Benchmark
Debt to Equity	3.9	6.7	3.8	Maximum of 2.5

The decrease in the debt to equity is due to loan payment and higher equity from the first tranche of preference share offering in April 2017.

The debt to equity ratio is above the maximum standard due to bridging loans obtained by the Group to finance the DMFI Consumer Food Business acquisition. The Company aims to improve this gradually and the proposed issuance of its second tranche of preferred shares is a step in that direction. Additionally, the Company is also progressing with its plans to improve the operating performance across the Group that will lead to improvements in the Debt to Equity ratio..

C. Net Profit Margin

	31-Jul-17	31-Jul-16	30-Apr-17	Benchmark
Net Profit Margin attributable to owners of the company	0.16%	-1.51%	1.08%	Minimum of 3%

Higher net profit than last year due to higher sales driven by the *S&W* business. It is lower versus the benchmark as seasonally first quarter is the weakest quarter for the Group.

D. Return on Asset

	31-Jul-17	31-Jul-16	30-Apr-17	Benchmark
Return on Asset	-0.04%	-0.33%	0.72%	Minimum of 1.21

Favorable than last year due to higher net profit from higher sales.

E. Return on Equity

	31-Jul-17	31-Jul-16	30-Apr-17	Benchmark
Return on Equity	-0.20%	-2.49%	3.44%	Minimum of 8%

Favorable than last year due to higher net profit from higher sales, although it still falls below the benchmark due to lower income for the quarter.

F. Interest Coverage

	31-Jul-17	31-Jul-16	30-Apr-17	Benchmark
Interest Coverage	**0.6**	**0.3**	**1.2**	**Minimum of 1.2**

Interest cover improved versus 2016 due to better income but the ratio falls below the benchmark due to seasonality.

Material Changes in Accounts

A. Cash and cash equivalent

Lower cash mainly on repayment of borrowings.

B. Inventories

Increase in inventory is due to inventory build-up to support the increased demand in the second quarter of the fiscal year and due to DMFI's seasonal production.

C. Trade and other receivables

The increase in trade and other receivables is mainly on the timing of collection.

E. Intangible assets

Decrease in intangibles is mainly attributed to the amortization for the year.

F. Trade & other payables

Decrease in trade and other payables are mainly due to timing of payment.

H. Financial liabilities

Decrease in financial liabilities is due to partial payment of bridge loans.

Liquidity and Covenant Compliance

Certain unsecured bank loan agreements contain various 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.[3]

For the U.S.$154.0 million loan, the debt shall not exceed 8 times the equity; the interest cover shall not be lower than 1.5 (EBIT over interest); and the capital expenditures shall not exceed U.S.$40.0 million.

For the U.S.$130 million loan, the debt shall not exceed 6.7 times the equity by end of FY 2017 and 3.0 times from FY 2018 to FY 2020; and the interest cover shall not be lower than 1.5 (EBIT over interest) in FY 2016 and 2.0 from FY 2017 to FY2 020.

The foregoing financial covenants apply to the Company and its subsidiaries, as Borrower, excluding DMFHL and its subsidiaries, including, but not limited to, DMFI.

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

As at 31 July 2017 and 30 April 2017, the Company is in compliance with the covenants stipulated in its loan agreements.

[3] Note 20 of the consolidated audited financial statements of the Company for the year ended 30 April 2017.

SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Ratio	Formula	For the three months ended	
		31 July 2017	**31 July 2016**
(i) Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.5	1.1
Quick Ratio	(Current Assets - Inventory - Prepaid expense - Biological - Assets held for sale) / Current Liabilities	0.2	0.1
(ii) Solvency Ratio	Total Assets / Total Debt*	1.3	1.1
Financial Leverage Ratios:			
Debt Ratio	Total Debt*/Total Assets	0.8	0.9
Debt-to-Equity Ratio	Total Debt*/Total Stockholders' Equity	3.9	6.7
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	4.9	7.7
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT)** / Interest Charges	0.6	0.3
(v) Profitability Ratios			
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	20.66%	20.42%
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Sales	0.16%	-1.51%
Net Profit Margin	Net Profit / Sales	-0.25%	-1.96%
Return on Assets	Net Income / Total Assets	-0.04%	-0.33%
Return on Equity	Net Income / Total Stockholders' Equity	-0.20%	-2.49%

* *Total Debt refers to total liabilities which composed of financial liabilities, trade payables, accrued expenses, and other liabilities.*
*** EBIT =Profit before tax plus finance expenses excluding foreign exchange gain/loss*

Use of Proceeds

In case the Oversubscription Option is exercised in full, the Company intends to use the proceeds it will receive from this Offer to fully prepay the bridge loan facility extended by BDO Unibank to the Company, in the amount of U.S.$154.0 million, which partially financed the acquisition of the DMFI Consumer Food Business, and Offer-related costs. In case the Oversubscription Option is exercised in part only or not exercised at all, the Company intends to use the proceeds it will receive from this Offer to partially prepay the outstanding amount under the above-mentioned loan facility extended by BDO Unibank and Offer-related costs.

The original amount of the bridge loan facility was U.S.$350.0 million but the Company prepaid U.S.$200.0 million out of the proceeds of the Initial Offer last April 2017 This bridge loan facility was extended to up to February 2019 but the Company intends to fully prepay the loan through the offering of the Series A Preference Shares including this Offer. Part of the proceeds will also be used to cover the expenses for the Offer. This prepayment of the BDO Unibank bridge loan will allow the Company to deleverage and strengthen its balance sheet. Such prepayment is allowed under the BDO Unibank bridge loan facility agreement without any fee or penalty. See "*Material Agreements relating to the Acquisition"* on page 155 of the Prospectus.

Assuming full exercise of the Oversubscription Option, the proposed use of proceeds is set forth below:

Use of Proceeds	Estimated Amounts (in U.S.$)	Percentage	Estimated Timing
Repayment of BDO Unibank Bridge Loan Facility	154,000,000.00	96%	December 2017 to January 2018
Offer-related costs	6,000,000.00	4%	December 2017 to January 2018
Estimated Total Proceeds	**160,000,000.00**	**100.0%**	

Assuming the Oversubscription Option is not exercised, the proposed use of proceeds is set forth below:

Use of Proceeds	Estimated Amounts (in U.S.$)	Percentage	Estimated Timing
Repayment of BDO Unibank Bridge Loan Facility	77,962,973.35	97%	December 2017 to January 2018
Offer-related costs	2,037,026.65	3%	December 2017 to January 2018
Estimated Total Proceeds	**80,000,000.00**	**100.0%**	

As mentioned above, the BDO Unibank bridge loan facility to be paid using the proceeds of this Offer was obtained to partially finance the acquisition of the DMFI Consumer Food Business. On 12 February 2014, the Company obtained a loan from BDO Unibank amounting to U.S.$350.0 million for the purpose of partially financing the acquisition of the DMFI Consumer Food Business. The loan bears interest at the rate of LIBOR plus 3.50% per annum, payable every three months with a final repayment date on 10 February 2019. BDO Unibank is the parent company of BDO Capital, one of the Joint Lead Underwriters.

Out of this Offer-related costs, the Company has already paid the amount of ₱4,846,697.10 as SEC filing fees. The proposed use of proceeds described above represents a best estimate of the use of the net proceeds of this Offer based on the Company's current plans and expenditures. The actual amount and timing of disbursement of the net proceeds from this Offer for the uses stated above will depend on various factors which include, among other factors, changing market conditions or new information regarding the cost or feasibility of the Company's expansion plans. The Company's cost estimates may change as it develops its plans, and actual costs may be different from its budgeted costs. To the extent that the net proceeds from this Offer are not immediately applied to the above purposes, the Company will invest the net proceeds in interest-bearing short-term demand deposits and/or money market instruments. Aside from underwriting and selling fees, the Underwriters will not receive any of the net proceeds from this Offer.

Based on the Offer Price of U.S.$10.00 per Offer Share and assuming the Oversubscription Option is exercised in full, the total proceeds, the estimated total expenses and the estimated net proceeds from this Offer will be:

	Estimated Amounts	
	(PHP)	**(USD)**
Total proceeds from this Offer	₱8,240,000,000.00	$160,000,000.00
Expenses:		
Underwriting and selling fees for the Offer Shares (including fees to be paid to the Underwriter)	₱86,736,842.00	$1,684,211.00
SEC registration, filing and research fees	₱2,525.00	$49.00
PSE Registration and Listing Fees	₱9,340,800.00	$181,375.00
Estimated professional fees (including legal, accounting, and financial advisory fees)	₱114,350,053.00	$2,220,389.00
Others[(1)]	₱4,715,000.00	$91,553.00
Total estimated expenses	**₱**215,145,220.00	**$**4,177,577.08
Estimated net proceeds from this Offer	**₱**8,024,854,780.00	**$**155,822,422.92

Note:
(1) At U.S.$1 = ₱51.50

Assuming the Oversubscription Option is not exercised at all, the estimated total expenses and the estimated net proceeds from this Offer will be:

	Estimated Amounts	
	(PHP)	**(USD)**
Total proceeds from this Offer	₱4,120,000,000.00	$80,000,000.00
Expenses:		
Underwriting and selling fees for the Offer Shares (including fees to be paid to the Underwriter)	₱43,368,421.05	$842,105.26
SEC registration, filing and research fees	₱2,525.00	$49.03
PSE Registration and Listing Fees	₱4,670,400.00	$90,687.38
Estimated professional fees (including legal, accounting, and financial advisory fees)	₱54,210,526.32	$1,052,631.58

Others(1)	₱2,655,000.00	$51,553.40
Total estimated expenses	**₱**104,906,872.37	**$**2,037,026.65
Estimated net proceeds from this Offer	**₱**4,015,093,128.00	**$**77,962,973.35

In the event of any material deviation or adjustment in the planned use of proceeds, the Company shall inform its shareholders, the SEC and the PSE in writing at least 30 days before such deviation or adjustment is implemented. Any material or substantial adjustments to the use of proceeds, as indicated above, will be approved by the Company's Board of Directors and disclosed to the SEC and the PSE. In addition, the Company shall submit via the PSE EDGE the following disclosures to ensure transparency in the use of proceeds:

(i) any disbursements made in connection with the planned use of proceeds from this Offer;

(ii) Quarterly Progress Report on the application of the proceeds from this Offer on or before the first 15 days of the following quarter; the Quarterly Progress Report should be certified by the Company's Chief Financial Officer or Treasurer and external auditor;

(iii) annual summary of the application of the proceeds on or before January 31 of the following year; the annual summary report should be certified by the Company's Chief Financial Officer or Treasurer and external auditor;

(iv) approval by the Company's Board of Directors of any reallocation on the planned use of proceeds, or of any change in the work program; the disbursement or implementation of such reallocation must be disclosed by the Company at least 30 days prior to the actual disbursement or implementation; and

(v) a comprehensive report on the progress of its business plans on or before the first 15 days of the following quarter.

The quarterly and annual reports required in items (ii) and (iii) above must include a detailed explanation of any material variances between the actual disbursements and the planned use of proceeds in the work program or the Prospectus or this Offer Supplement, if any. The detailed explanation must also state that the Company's Board of Directors has given its approval as required in item (iv) above.

The Company shall submit an external auditor's certification on the accuracy of the information reported by the Company to the PSE in the Company's quarterly and annual reports as required in items (ii) and (iii) above.

Capitalization and Indebtedness

The following table sets out the Group's debt, shareholders' equity and capitalization as at 31 July 2017, and as adjusted to reflect: (i) any material changes to the Company's capitalization since end of the reported period; and (ii) the sale of up to 16,000,000 Series A-2 Preference Shares, assuming full exercise of the Oversubscription Option[4], at the Offer Price of U.S.$10.00 per Series A Preference Share.

	Three months ended 31 July 2017 Actual/Pre-Offer)	**Preference Share Offering Adjustments**	**Post-Offer and Various Debt and Equity Transactions Subsequent(2)**
	(U.S.$ in millions)	**(U.S.$ in millions)**	**(U.S.$ in millions)** (Unaudited)
Total debt(1)	1,767.9	(156.5)	**1,611.4**
Equity:			
Ordinary Shares………	19.4	–	19.4
Series A Preference Shares………	20.0	16.0	36.0
Share Premium…………	390.3	140.5	530.8
Reserve for own shares...	(0.8)	–	(0.8)
Revaluation reserves and others…………………..	(14.1)	–	(14.1)
Retained earnings attributable to the owners of the Company...............	159.9	–	159.9
Total equity…………	**574.7**	156.5	**731.2**
Total capitalization…	**2,342.6**	–	**2,342.6**

Net Debt to Equity Ratio:

	Six months ended 31 July 2017 (Actual/Pre-Offer)	**Post-Offer**
Total Debt(1)	1,767.9	1,611.4
Cash	19.5	19.5
Net Debt(3)	1,748.4	1,591.9
Total Equity	574.7	731.2
Net Debt to Equity Ratio	**3.0**	**2.2**

Notes:

(1) "Total Debt" for the purpose of this section refers to loans and borrowings undertaken by the Group.
On 12 February 2014, the Company utilized the following bridge facilities for the acquisition of DMFI Consumer Food Business:
a) U.S.$350.0 million BDO Unibank;
b) U.S.$165.0 million Bank of the Philippine Islands; and
c) U.S.$15.6 million Metropolitan Bank and Trust Company.
This Offer will fully or partially (depending on whether the Oversubscription Option is fully exercised) refinance BDO Unibank's bridge facility balance of U.S.$154.0 million and will also form part of the Company's equity upon settlement. This will allow the Company to deleverage and strengthen its balance sheet.

[4] The figures in the table are subject to change should the Oversubscription Option be partially or not exercised at all.

(2) Total debt before the offer comprises of U.S.$501.6 million short term and U.S.$1,266.3 million long term loans and borrowings. After the Offer, total short term loans and borrowings will go down to U.S. $1,611.4 million, assuming Oversubscription Option is fully exercised.

(3) Net Debt refers to loans and borrowings undertaken by the Group after deducting cash.

Plan of Distribution

The Company plans to issue the Offer Shares to institutional and retail investors through a public offering to be conducted through the Underwriters.

THE UNDERWRITERS

BDO Capital and CB Capital have agreed to distribute and sell the Offer Shares at the Offer Price, pursuant to an Underwriting Agreement dated 24 November 2017 by and among the Company and the Underwriters (the "**Underwriting Agreement**"). Subject to the fulfillment of the conditions provided in the Underwriting Agreement, the Underwriters have committed to underwrite the following amounts on a firm basis:

Underwriters	Underwriting Commitment
BDO Capital	U.S.$ 60,000,000.00
CB Capital	U.S.$ 20,000,000.00
Total	**U.S.$** 80,000,000.00

The Underwriting Agreement may be terminated in certain circumstances prior to payment being made to the Company of the net proceeds of the Offer Shares.

The underwriting and selling fees to be paid by the Company in relation to this Offer shall be equivalent to 1.00% of the gross proceeds of this Offer. This shall be inclusive of fees to be paid to the Underwriters and inclusive of commissions to be paid to PNB Capital and the Eligible Brokers (i.e., the Selling Agents). The commission payable to a Selling Agent shall be equivalent to 0.50% of the total proceeds of the sale of Offer Shares by such Selling Agent.

The Underwriters are duly licensed by the SEC to engage in the underwriting or distribution of the Offer Shares. The Underwriters may, from time to time, engage in transactions with and perform services in the ordinary course of their respective business for the Company or any of the Company's subsidiaries.

The Underwriters have no direct relations with the Company in terms of ownership by either of their respective major stockholder/s, and have no right to designate or nominate any member of the Board of Directors of the Company.

The Underwriters have no contract or other arrangement with the Company by which they may return to the Issuer any unsold Offer Shares.

BDO Capital, the Sole Issue Manager. Sole Bookrunner and one of the Joint Lead Underwriters , is the wholly owned investment banking subsidiary of BDO Unibank. It obtained its license from the SEC to operate as an investment house in 1998 and is licensed by the SEC to engage in the underwriting and distribution of securities to the public. BDO Capital is primarily involved in equity management, underwriting and placement, debt management, underwriting and syndication, financial advisory services, project finance and securities trading. Its senior executives have extensive experience in the capital markets and performed lead roles in a substantial number of major equity and debt issues, both locally and internationally. Since 1998, BDO Capital has underwritten several public and private offerings of equity and debt in the

Philippines. As of the date of the Prospectus, BDO Capital has an authorized capital stock of ₱1,000,000,000.00 and paid up capital stock of ₱1,000,039,900.00. In its 18 years of existence, BDO Capital has undertaken capital markets transactions for both the Government and the private sector.

BDO Unibank, the creditor of the Company to whom most of the proceeds for this Offer will be paid (please see section on "*Use of Proceeds*" on page 67 of this Offer Supplement), did not interfere with the exercise by BDO Capital of the due diligence required under applicable regulations.

CB Capital, a subsidiary of China Bank, provides a wide range of investment banking services to clients across different sectors and industries. Its primary business is to help enterprises raise capital by arranging or underwriting debt and equity transactions, such as project financing, loan syndications, bonds and notes issuances, securitizations, initial and follow-on public offerings, and private equity placements. CB Capital also advises clients on structuring, valuation, and execution of corporate transactions, including mergers, acquisitions, divestitures, and joint ventures. It was established and licensed as an investment house in 2015 as the spin-off of China Bank's investment banking group, which was organized in 2012.

SALE AND DISTRIBUTION

The distribution and sale of the Offer Shares shall be undertaken by the Underwriters who shall sell and distribute the Offer Shares to third party buyers/investors. The Underwriters are authorized to organize a syndicate of sub-underwriters, soliciting dealers and/or selling agents for the purpose of this Offer.

Of the 8,000,000 Offer Shares to be offered, 80% or 6,400,000 Offer Shares are being offered through the Underwriters for subscription and sale to institutional buyers and the general public. The Company plans to make available the remaining 20% or 1,600,000 Offer Shares for distribution to the respective clients of the Eligible Brokers, acting as Selling Agents, subject to reallocation as may be determined by the Underwriters. The Company has identified for purposes of this Offer and as of 20 November 2017, the following Trading Participants as the Eligible Brokers:

(1) AP Securities Incorporated;
(2) Armstrong Securities, Inc.;
(3) Astra Securities Corporation;
(4) BA Securities, Inc.;
(5) BDO Securities Corporation;
(6) BPI Securities Corporation
(7) First Metro Securities Brokerage Corporation;
(8) IGC Securities, Inc.;
(9) Mandarin Securities Corporation;
(10) Philippine Equity Partners, Inc.;
(11) Sunsecurities, Inc.;
(12) Venture Securities, Inc.;
(13) The First Resources Management and Securities Corporation; and
(14) Wealth Securities, Inc.

However, any Trading Participant that becomes an Eligible Broker anytime before or within the Offer Period as may be announced by the PSE shall be entitled to an allocation of the Offer Shares.

Eligible Brokers may undertake to purchase more than their allocation. Any requests for shares in excess of their allocation may be satisfied via the reallocation of any Offer Shares not taken up by other Eligible Brokers. The "*Implementing Guidelines for the Reservation and Allocation of Del Monte Pacific Limited's U.S. Dollar-Denominated Series A-2 Preference Shares through the Joint Lead Underwriters*" will be circulated among the Trading Participants, and Trading Participants are enjoined to carefully consider and review the procedure set out in such guidelines.

The Company and the Underwriters will not allocate any Offer Shares for Local Small Investors as such is only applicable to initial public offerings.

Any Offer Shares (excluding the Oversubscription Option Shares) not taken up by the Eligible Brokers shall be distributed by the Underwriters directly to their respective clients and the general public. All Offer Shares (excluding the Oversubscription Option Shares) not taken up by the Eligible Brokers, general public and the Underwriters' clients shall be purchased by the Underwriters pursuant to the terms and conditions of the Underwriting Agreement.

TERM OF APPOINTMENT

The engagement of the Underwriters shall subsist so long as the SEC Permit to Sell remains valid, unless otherwise terminated pursuant to the Underwriting Agreement.

MANNER OF DISTRIBUTION

The Underwriters shall, at their discretion, determine the manner by which proposals for subscriptions to, and issuances of, the Offer Shares shall be solicited, with the primary sale of the Offer Shares to be effected only through the Underwriters. The Underwriters may appoint other entities, including other underwriters or Eligible Brokers, to sell on their behalf.

No shares are designated to be sold to specific persons.

EXPENSES

All out-of-pocket expenses, including, but not limited to, registration with the SEC, printing, publication, communication and signing expenses incurred by the Sole Issue Manager and Sole Bookrunner in the negotiation, and execution of the transaction will be for the Company's account, irrespective of whether this Offer is completed. Such expenses are to be reimbursed upon presentation of a composite statement of account. See "*Use of Proceeds*" on page 67 of this Offer Supplement for details of expenses.

Recent Developments and Updates

Listing of Dollar-Denominated Shares

As disclosed to the PSE and the SGX-ST, the Company completed in March 2017 the offering of its Series A-1 Preference Shares, the first dollar-denominated securities to be listed in the Philippines. The said offering was oversubscribed by 33.33%, with a total volume of 20,000,000 Series A-1 Preference Shares that were sold at the offer price of U.S.$10.00 per share. The offering generated approximately U.S.$200.0 million proceeds which were primarily used to partially refinance the bridge loan from BDO Unibank. The coupon rate of the Series A-1 Preference Shares is 6.625%, payable semi-annually.

The Series A-1 Preference Shares were the first dollar-denominated securities listed on the Main Board of the PSE on 7 April 2017, under the trading symbol "DMPA1".

New Joint Ventures

On 28 June 2017, the Company announced a series of new joint ventures with Fresh Del Monte Produce Inc. ("**FDM**") that will result in expanded refrigerated offerings sold across all distribution and sale channels, and a new retail food and beverage concept modelled after FDM's business. The joint ventures will initially focus on the US market with the potential for expansion into other territories where the companies' businesses complement each other.

The joint ventures are also facilitated by the full and final settlement of all active litigation between the Company and its U.S. subsidiary, DMFI, on the one hand, and FDM on the other hand, effective immediately. Such long-standing litigation had centered on licensing rights and product distribution in various territories around the world.

In addition to retail and new product ventures, the Company and FDM also agreed to a long-term mutual supply agreement that would expand *Del Monte* product sales in various markets around the world.

Cash Dividend Declaration

On 29 June 2017, the Company's Board of Directors approved the declaration of cash dividends on its Ordinary Shares in the amount of U.S.$0.0061 per Ordinary Share. The dividends were paid on 8 September 2017.

On 19 September 2017, the Company also declared cash dividends on its Series A-1 Preference Shares in the amount of U.S.$0.33125 per Series A-1 Preference Share, for the six-month period from 7 April 2017 to 7 October 2017. The dividends were paid on 9 October 2017.

Change in Treasury Shares

On 20 September 2017, the Company reported the change in the number of its outstanding Ordinary Shares from 1,943,214,106 to 1,943,960,024. The change was pursuant to a decrease in the treasury shares (i.e., from 1,721,720 to 975,802) which the Company utilized for the vesting of share awards to the following directors of the Company:

Name of Director	No. of Shares Held (Before)	Share Awards Released on 19 September 2017	No. of Shares Held (After)
Rolando C. Gapud	2,063,140	228,763	2,291,903
Edgardo M. Cruz, Jr.	2,881,635	102,997	2,984,632
Emil Q. Javier	534,851	76,977	611,828
Benedict Kwek Gim Song	0	117,092	117,092
Godfrey E. Scotchbrook	0	117,092	117,092

Updates on DMFI

Sale of Sager Creek Business

On 21 September 2017, the Company disclosed that DMFI entered into an agreement to sell its Sager Creek business to McCall Farms, Inc., with a total consideration of U.S.$55.0 million. As a result of this sale, one (1) production facility in Siloam Springs, Arkansas, had ceased operations.

Closure of a Production Facility

DMFI will close its production facility in Plymouth, Indiana on 1 February 2018. This transition will enable the Group to align its operational capacity with current consumer demand for tomato products. As a result of the closure and cessation of production in the plant, approximately 107 full time employees will be impacted. Warehousing and distribution activities are expected to continue until the closure of the facility. DMFI will transition the affected tomato processing activities to its Hanford California facility.

Update on Indebtedness

As of 30 July 2017, DMFI had total debt, outstanding of approximately U.S.$1.14 billion, including U.S.$194.0 million of a U.S.$442.55 million line of credit (the "**ABL Facility**") and approximately U.S.$947.0 million of the Term Loans. Availability to borrow under the ABL Facility is the DMFI's primary source of liquidity for funding daily operations and working capital during its peak operating season in the months of July through October. As of 30 July 2017, availability under the ABL Facility was approximately U.S.$233.0 million.

The ABL Facility requires DMFI to meet a financial target if availability is less than U.S.$44.25 million. Failure to meet the financial target allows the lenders under the ABL Facility to cease lending unless a waiver is obtained or the parent company of DMFI provides funds to allow DMFI to meet the financial target. DMFI's inability to meet the financial target or its inability to obtain funding from the parent company or a waiver would impair the ability to fund daily operations. This would also allow holders of the Term Loans to demand immediate repayment of those loans. As of 30 July 2017, DMFI would have been able to meet the financial target.

The ABL Facility and the Term Loans contain various affirmative and negative covenants that are typical of these types of facilities. These include limitations on additional indebtedness, additional liens, asset sales and dispositions, and dividends. Such limitations may be released when certain Debt:EBITDA levels are reached. DMFI is not likely to reach those Debt: EBITDA levels prior to maturity of the ABL Facility or the Term Loans, and DMFI will be restricted from engaging in potentially beneficial transactions until those levels are reached or unless DMFI obtains a waiver from Lenders.

The current ABL Facility expires in February 2019. DMFI plans to seek an extension of the maturity of the ABL Facility in the third quarter of the current fiscal year (FY2018). At this time there is no assurance that such extension will be obtained during such period or that the ABL Facility will be refinanced on reasonable terms. Failure to refinance the ABL Facility prior to February 2019 would impair DMFI's ability to fund daily operations.

DMFI's debt could have other important consequences as it could:

- increase its vulnerability to adverse economic or industry conditions; or
- place DMFI at a competitive disadvantage compared to businesses in its industry that have less debt.

The Group expects to meet its financial obligations by generating more cash flows through the following:

- Improved cash flows in the US, which accounts for approximately 75% of Group sales;
- Expected cost savings from selling, general and administrative expense reduction initiatives, managing working capital, production levels, productivity enhancements and operational efficiencies; and
- Expected sales and profit growth in the Asian business with the continuous expansion of the *S&W* brand in Asia and the Middle East both in packaged and fresh products, and growth of the Philippine business through its market leadership position.

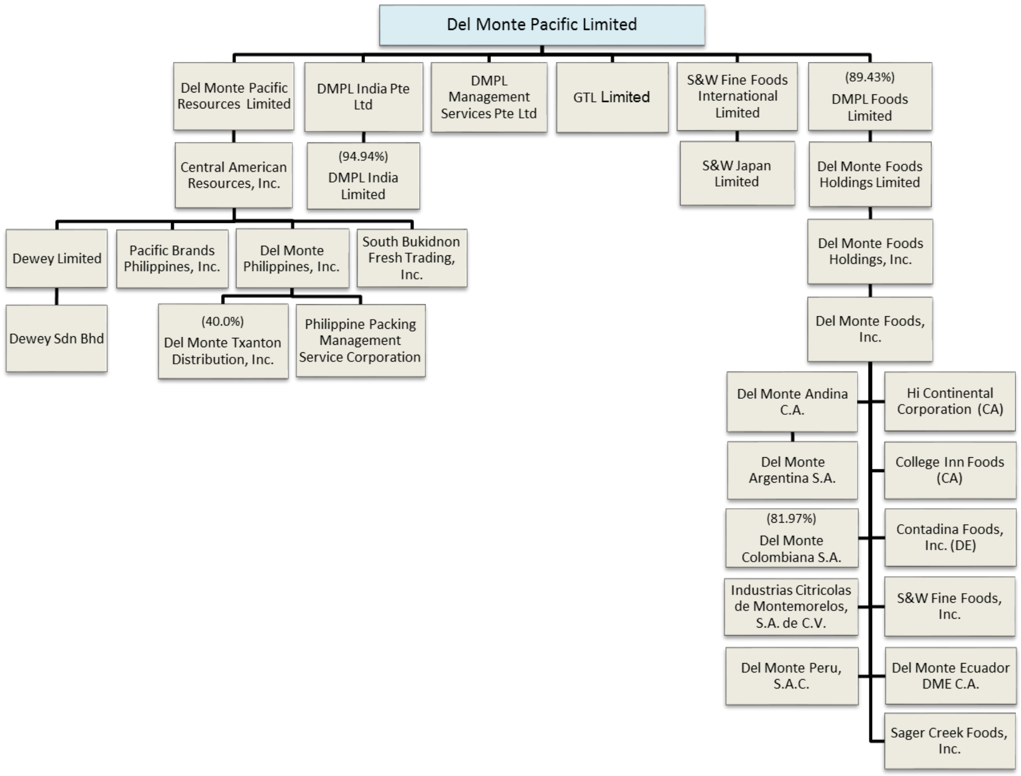
Strategic Plan

In order to address negative category trends and competition, DMFI has developed a Strategic Plan focused on product innovation, targeting marketing efforts and new distribution. The Strategic Plan also is also focused on optimization of DMFI's network of production and distribution facilities in order to reduce fixed costs. Execution of the Strategic Plan will require significant investments, which will reduce DMFI's earnings. DMFI may not be able to implement this Strategic Plan successfully, and its sales and results of operations will be negatively affected if DMFI fails to implement its strategy or if it invests its resources in a strategy that ultimately proves unsuccessful.

A key element of the Strategic Plan is to introduce new and appealing products and to successfully innovate on existing products. Success in product development is affected by DMFI's ability to anticipate consumer preferences, leverage its R&D technical capabilities, and utilize management's ability to launch new or improved products successfully and on a cost-effective basis. Furthermore, the development and introduction of new products requires substantial R&D and marketing expenditures, which DMFI may not be able to finance or which it may not recover if the new products do not achieve commercial success and gain widespread market acceptance. If DMFI is unsuccessful in its product innovation efforts and demand for its existing products declines, DMFI's business could be negatively affected.

Group Chart

The chart below sets out the Group's corporate structure as of the date of this Offer Supplement. Unless otherwise indicated, each subsidiary in the structure is wholly-owned by its parent.


Del Monte Pacific Limited
Del Monte Pacific Resources Limited
DMPL India Pte Ltd
DMPL Management Services Pte Ltd
GTL Limited
S&W Fine Foods International Limited
(89.43%) DMPL Foods Limited
Central American Resources, Inc.
(94.94%) DMPL India Limited
S&W Japan Limited
Del Monte Foods Holdings Limited
Dewey Limited
Pacific Brands Philippines, Inc.
Del Monte Philippines, Inc.
South Bukidnon Fresh Trading, Inc.
Del Monte Foods Holdings, Inc.
Dewey Sdn Bhd
(40.0%) Del Monte Txanton Distribution, Inc.
Philippine Packing Management Service Corporation
Del Monte Foods, Inc.
Del Monte Andina C.A.
Hi Continental Corporation (CA)
Del Monte Argentina S.A.
College Inn Foods (CA)
(81.97%) Del Monte Colombiana S.A.
Contadina Foods, Inc. (DE)
Industrias Citricolas de Montemorelos, S.A. de C.V.
S&W Fine Foods, Inc.
Del Monte Peru, S.A.C.
Del Monte Ecuador DME C.A.
Sager Creek Foods, Inc.

DEL MONTE PACIFIC LIMITED
Craigmuir Chambers
PO Box 71 Road Town, Tortola
British Virgin Islands

SOLE ISSUE MANAGER AND SOLE BOOKRUNNER

BDO Capital & Investment Corporation
20/F South Tower,
BDO Corporate Center
7899 Makati Avenue
Makati City 0726, Philippines

JOINT LEAD UNDERWRITERS

BDO Capital & Investment Corporation
20/F South Tower,
BDO Corporate Center
7899 Makati Avenue, Makati City,
Philippines

China Bank Capital Corporation
9th Floor China Bank Building
8745 Paseo de Roxas corner Villar
Street, Makati City
Philippines

COUNSEL TO THE ISSUER

Picazo Buyco Tan Fider and Santos
Penthouse, Liberty Center
104 H.V. Dela Costa Street
Salcedo Village, Makati City 1227
Philippines

COUNSEL TO THE UNDERWRITERS

SyCip Salazar Hernandez & Gatmaitan
SyCipLaw Center
105 Paseo de Roxas, Makati City 1226
Philippines

INDEPENDENT AUDITORS

R.G. Manabat & Co.
Certified Public Accountants
The KPMG Center
6787 Ayala Avenue, Makati City 1226
Philippines

KPMG LLP
Certified Public Accountants
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581**SGV & Co.**
Certified Public Accountants
6760 Ayala Avenue, Makati City 1226
Philippines

ERNST & YOUNG LLP
Certified Public Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583

Del Monte Pacific Limited and its Subsidiaries

Financial Statements
30 April 2017 and 2016

and

Independent Auditor's Report

Building a better working world

SGV
Building a better working world

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

Basis for Opinion

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

Key Audit Matters

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

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

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

Biological assets

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

SGV
Building a better working world

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

SGV
Building a better working world

Recoverability of goodwill and indefinite life trademarks

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

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

Recoverability of deferred tax assets

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

Valuation of defined benefit liability

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

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

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

Other Matter

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

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

SYCIP GORRES VELAYO & CO.

Catherine E. Lopez

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

July 13, 2017

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

Signature____________________________________
Rolando C. Gapud, Executive Chairman

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

Signature____________________________________
Parag Sachdeva, Chief Financial Officer

Signed on the 13th day of July 2017.

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

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

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

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

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

JUANITO H. VINCULADO
NOTARY PUBLIC
UNTIL DEC. 31, 2017
PTR 11208636J LAS PINAS 1/6/17
IBP 1058402 / 1/6/2017 PPLM
ROLL NO. 41692 / MCLE V-0021209
NOT APPT NO. M-194 3/2/16 MAKATI

Doc. No. 181;
Page No. 78;
Book No. 31;
Series of 2017.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

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

Signature____
Rolando C. Gapud, Executive Chairman

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

Signature____
Parag Sachdeva, Chief Financial Officer

Signed on the 28th day of July 2017.

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

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

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

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

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

ATTY. VIRGILIO R. BATALLA
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. M-88
UNTIL DEC. 31, 2018
ROLL OF ATTY. NO. 48348
MCLE COMPLIANCE NO. IV-0016333-4/10/13
I.B.P O.R No. 786762, LIFETIME MEMBER JAN. 29,2007
PTR No. 590-90-82 JAN.3, 2017
EXECUTIVE BLDG. CENTER
MAKATI AVE. COR., JUPITER ST. MAKATI CITY

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

Del Monte Pacific Limited and its Subsidiaries

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

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

** see Note 3.6*

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

Del Monte Pacific Limited and its Subsidiaries

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

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

** see Note 3.6*

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

Del Monte Pacific Limited and its Subsidiaries

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

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

** see Note 3.6*

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

Del Monte Pacific Limited and its Subsidiaries

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

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

** see Note 3.6*

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

Del Monte Pacific Limited and its Subsidiaries

Statements of changes in equity
Years ended 30 April 2017, 2016 and 2015
(In US$'000)

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

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

(In US$'000)

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

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

(In US$'000)

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

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

(In US$'000)

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

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

(In US$'000)

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

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

(In US$'000)

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

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

Del Monte Pacific Limited and its Subsidiaries

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

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

** see Note 3.6*

Del Monte Pacific Limited and its Subsidiaries

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

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

** see Note 3.6*

Del Monte Pacific Limited and its Subsidiaries

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

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

** see Note 3.6*

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

These notes form an integral part of the financial statements.

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

1. Domicile and activities

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

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

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

The immediate holding company is NutriAsia Pacific Limited (“NAPL”) whose ultimate shareholders are NutriAsia Inc (“NAI”) and Well Grounded Limited (“WGL”), which at 30 April 2017, 2016 and 2015, held 57.8% and 42.2% interests in NAPL, respectively, through their intermediary company, NutriAsia Holdings Limited. NAPL, NAI and WGL were incorporated in the British Virgin Islands.

On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The Ordinary Shares of the Company were also listed on the Philippine Stock Exchange Inc. (“PSE”) on 10 June 2013 and its Preference Shares on 7 April 2017.

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

The financial statements of the Group as at and for the year ended 30 April 2017 comprise the Company and its subsidiaries (together referred to as the “Group”, and individually as ”Group entities”), and the Group’s interests in joint ventures.

2. Going concern – The Company

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

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

- the Group's net current assets position of US$433.7 million as at 30 April 2017 and the Company expects dividend payment from its subsidiaries;

- the option of the Company, subject to counterparty's approval, to extend the maturity dates of certain of its financing facilities to more than twelve months after the reporting date.

3. Basis of preparation

3.1 Statement of compliance

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

3.2 Basis of measurement

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

3.3 Functional and presentation currency

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

3.4 Use of estimates and judgements

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

Judgements

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

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

Estimates and underlying assumptions

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

3. Basis of preparation (cont'd)

3.4 Use of estimates and judgements (cont'd)

Estimates and underlying assumptions (cont'd)

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

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

3.5 Measurement of fair value

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

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

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

3. Basis of preparation (cont'd)

3.5 Measurement of fair value (cont'd)

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

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

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

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

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

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

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

Statements of financial position

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

3. Basis of preparation (cont'd)

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

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

Income statements

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

3. Basis of preparation (cont'd)

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

Earnings per share

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

Statements of Cash Flows

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

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

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

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

3. Basis of preparation (cont'd)

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

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

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

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

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

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

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

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

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

Annual Improvements to IFRSs 2012 - 2014 Cycle

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

3. Basis of preparation (cont'd)

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

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

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

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

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

4. Significant accounting policies

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

4.1 Basis of consolidation

(i) Business combination

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

4. Significant accounting policies (cont'd)

4.1 Basis of consolidation (cont'd)

(i) Business combination (cont'd)

The Group measures goodwill at the acquisition date as:

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

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

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

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

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

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

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

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

4. Significant accounting policies (cont'd)

4.1 Basis of consolidation (cont'd)

(i) Business combination (cont'd)

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

(ii) Investments in subsidiaries

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

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

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

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

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

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

4. Significant accounting policies (cont'd)

4.1 Basis of consolidation (cont'd)

(iii) Acquisition under common control

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

(iv) Loss of control

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

(v) Goodwill

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

Subsequent measurement

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

Impairment of goodwill is discussed in Note 4.10.

(vi) Investments in joint ventures

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

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

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

4. Significant accounting policies (cont'd)

4.1 Basis of consolidation (cont'd)

(vii) Transactions eliminated on consolidation

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

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

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

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

4.2 Foreign currency

(i) Foreign currency transactions

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

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

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

4. Significant accounting policies (cont'd)

4.2 Foreign currency (cont'd)

(ii) Foreign operations

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

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

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

4.3 Current versus Noncurrent Classification

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

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

All other assets are classified as noncurrent.

A liability is current when:

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

The Group classifies all other liabilities as noncurrent.

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

4. Significant accounting policies (cont'd)

4.4 Intangible assets

(i) Indefinite intangible assets

Intangible assets are measured at cost less accumulated impairment losses.

(ii) Research and development

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

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

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

(iii) Other intangible assets

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

(iv) Subsequent expenditure

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

(v) Amortisation

Amortisation is calculated based on the cost of the asset.

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

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

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

4. Significant accounting policies (cont'd)

4.5 Financial instruments

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

(i) Non-derivative financial assets

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

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

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

Non-derivative financial assets comprise of loans and receivables.

Loans and receivables

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

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

(ii) Non-derivative financial liabilities

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

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

4. Significant accounting policies (cont'd)

4.5 Financial instruments (cont'd)

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

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

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

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

(iii) Derivative financial instruments, including hedge accounting

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

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

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

Cash flow hedges

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

4. Significant accounting policies (cont'd)

4.5 Financial instruments (cont'd)

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

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

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

4.6 Property, plant and equipment

(i) Recognition and measurement

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

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

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

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

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

4. Significant accounting policies (cont'd)

4.6 Property, plant and equipment (cont'd)

(i) Recognition and measurement (cont'd)

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

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

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

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

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

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

4. Significant accounting policies (cont'd)

4.6 Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

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

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

4.7 Biological assets

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

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

Dairy and Breeding Herd

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

Growing Herd

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

Cattle for Slaughter

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

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

Agricultural Produce

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

4. Significant accounting policies (cont'd)

4.7 Biological assets (cont'd)

Cut Meat

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

4.8 Leases

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

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

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

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

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

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

Group as Lessee

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

4.9 Inventories

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

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

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

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

4. Significant accounting policies (cont'd)

4.9 Inventories (cont'd)

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

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

4.10 Cash Equivalents

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

4.11 Impairment

(i) Non-derivative financial assets

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

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

Loans and receivables

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

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

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

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

4. Significant accounting policies (cont'd)

4.11 Impairment (cont'd)

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

Loans and receivables (cont'd)

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

(ii) Non-financial assets

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

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

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

Joint ventures

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

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

4. Significant accounting policies (cont'd)

4.11 Impairment (cont'd)

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

Goodwill

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

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

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

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

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

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

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

4. Significant accounting policies (cont'd)

4.12 Noncurrent assets held for sale

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

4.13 Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit pension plan

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

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

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

4. Significant accounting policies (cont'd)

4.13 Employee benefits (cont'd)

(ii) Defined benefit pension plan

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

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

Multi-employer plans

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

(iii) Other plans

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

(iv) Other long-term employee benefits

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

(v) Termination benefits

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

4. Significant accounting policies (cont'd)

4.13 Employee benefits (cont'd)

(vi) Short-term employee benefits

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

(vii) Share-based payment transactions

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

Share awards

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

Share options

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

4.14 Share Capital and Retained earnings

(i) Share capital

Ordinary shares

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

Preferred shares

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

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

4. Significant accounting policies (cont'd)

4.14 Share Capital and Retained earnings (cont'd)

(i) Share capital (cont')

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

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

Share premium

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

(ii) Retained Earnings

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

(iii) Dividends

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

4.15 Provisions

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

(i) Environment remediation liabilities

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

4. Significant accounting policies (cont'd)

4.15 Provisions (cont')

(ii) Retained insurance liabilities

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

4.16 Revenue recognition

(i) Sale of goods

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

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

(ii) Dividend income

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

4.17 Lease payments

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

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

4.18 Finance income and finance costs

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

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

4. Significant accounting policies (cont'd)

4.19 Tax

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

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

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

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

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

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

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

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

4.20 Earnings per share

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

4. Significant accounting policies (cont'd)

4.21 Segment reporting

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

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

4.22 Contingencies

A contingent liability is:

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

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

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

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

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

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

4.23 New standards and interpretations issued but not yet adopted

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

<u>Effective 1 May 2017</u>

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

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

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

4. Significant accounting policies (cont'd)

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

Effective 1 May 2017 (cont'd)

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

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

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

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

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

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

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

Effective 1 May 2018

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

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

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

4. Significant accounting policies (cont'd)

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

Effective 1 May 2018 (cont'd)

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

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

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

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

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

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

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

4. Significant accounting policies (cont'd)

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

Effective 1 May 2018 (cont'd)

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

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

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

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

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

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

Effective 1 May 2019

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

4. Significant accounting policies (cont'd)

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

Effective 1 May 2019 (cont'd)

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

5. Acquisition of business

Acquisition of Sager Creek

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

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

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

(a) Consideration transferred

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

(b) Acquisition-related costs

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

5. Acquisition of business (cont'd)

Acquisition of Sager Creek (cont'd)

(c) Identifiable assets acquired and liabilities assumed

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

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

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

Measurement of fair values

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

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

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

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

5. Acquisition of business (cont'd)

Acquisition of Sager Creek (cont'd)

(d) Bargain purchase

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

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

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

6. Property, plant and equipment - net

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

*see Note 3.6

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

	<-----At cost			----->	At appraised value	
	Buildings, land improvements and leasehold improvements US$'000	**Machineries and equipment US$'000**	**Construction -in-progress US$'000**	**Bearer Plants US$'000**	**Freehold land US$'000**	**Total US$'000**
Group						
Cost/Valuation						
At 1 May 2014 (As restated*)	181,123	369,478	33,100	128,614	57,608	769,923
Additions through business combinations	14,603	10,462	–	–	14,446	39,511
Additions	3,998	14,367	77,075	68,954	9	164,403
Disposals	(140)	(5,615)	–	–	–	(5,755)
Write off – closed fields	–	–	–	(43,532)	–	(43,532)
Reclassifications	3,481	76,921	(80,402)	–	–	–
Currency realignment	3	44	8	194	5	254
At 30 April 2015	203,068	465,657	29,781	154,230	72,068	924,804
Accumulated depreciation and impairment losses						
At 1 May 2016 (As restated*)	38,638	212,935	–	95,795	390	347,758
Charge for the year	9,630	51,809	–	77,556	–	138,995
Reversal of impairment loss	(178)	(152)	–	–	–	(330)
Write off – closed fields	–	–	–	(32,402)	–	(32,402)
Disposals	(49)	(1,918)	–	–	–	(1,967)
Reclassification	(2,210)	(3,735)	–	–	(390)	(6,335)
Currency realignment	746	(8,397)	–	(6,957)	–	(14,608)
At 30 April 2017	46,577	250,542	–	133,992	–	431,111

*see Note 3.6

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

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

*see Note 3.6

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

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

Bearer Plants

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

*see Note 3.6

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

Leasehold Improvements

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

Freehold Land

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

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

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

Freehold Land (cont'd)

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

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

Construction-in-Progress

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

Plant closure

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

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

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

Source of estimation uncertainty

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

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

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

Source of estimation uncertainty (cont'd)

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

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

7. Investments in subsidiaries

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

**see Note 3.6*

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

7. Investments in subsidiaries (cont'd)

Details of the Company's subsidiaries are as follows:

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

7. Investments in subsidiaries (cont'd)

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

7. Investments in subsidiaries (cont'd)

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

7. Investments in subsidiaries (cont'd)

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

(a) 0.1% held by DMPRL

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

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

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

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

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

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

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

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

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

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

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

7. Investments in subsidiaries (cont'd)

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

Source of estimation uncertainty

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

8. Investments in joint ventures

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

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

8. Investments in joint ventures (cont'd)

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

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

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

8. Investments in joint ventures (cont'd)

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

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

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

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

Determination of joint control and the type of joint arrangement

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

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

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

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

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

8. Investments in joint ventures (cont'd)

Source of estimation uncertainty

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

Since its acquisition, the Indian sub-continent trademark (see Note 9) and the investment in FFPL were allocated to the Indian sub-continent cash-generating unit ("Indian sub-continent CGU"). The recoverable amount of Indian sub-continent CGU was estimated using the discounted cash flows based on five-year cash flow projections.

Key assumptions used in discounted cash flow projection calculations

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

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

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

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

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

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

Sensitivity to changes in assumptions

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

8. Investments in joint ventures (cont'd)

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

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

9. Intangible assets and goodwill

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

9. Intangible assets and goodwill (cont'd)

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

Goodwill

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

Indefinite life trademarks

Management has assessed the following trademarks as having indefinite useful lives as the Group has exclusive access to the use of these trademarks on a royalty free basis.

America trademarks

The indefinite life trademarks arising from the acquisition of Consumer Food Business (see Note 5) relate to those of DMFI for the use of the "Del Monte" trademark in the United States and South America market, and the "College Inn" trademark in the United States, Australia, Canada and Mexico.

The Philippines trademarks

A subsidiary, Dewey, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines ("The Philippines trademarks").

Indian sub-continent trademark

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

Asia S&W trademark

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

Impairment Test

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

9. Intangible assets and goodwill (cont'd)

America Trademarks and Philippines Trademarks

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

	2017	**2016**
	%	**%**
Royalty rate	3.5 - 6.5	3.5 - 6.5
Discount rate	9.0 - 9.3	9.3
Terminal value growth rate	2.5	2.0
Revenue growth rate (five years average)	3.1 - 20.0	1.8 - 9.3

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital.

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter.

Revenue growth was projected taking into account the average growth levels experienced over the past five years and estimated sales volume and price growth for the next five years. It was assumed that sales price would increase in line with forecast inflation over the next five years.

Asia S&W trademark

In 2017 and 2016, the recoverable amounts of Asia S&W trademark was based on based VIU. The key assumptions used in the estimation of the fair value less cost of disposal are set out below.

	2017	**2016**
	%	**%**
Revenue growth rate (five years average)	23.0	26.0
Gross margin	33.0 – 40.0	35.0
EBITDA margin	15.0 - 20.0	15.0
Discount rate	9.0	9.0

The cash flow projections included specific estimates for five years.

Revenue growth was projected taking into account the average growth levels experienced over the past five years and estimated sales volume and price growth for the next five years.

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital.

Indian sub-continent trademark

The Indian sub-continent trademark and the investment in FFPL were allocated to Indian sub-continent CGU (Note 8).

9. Intangible assets and goodwill (cont'd)

Goodwill

In 2017 and 2016, the recoverable amount of the CGU was based on fair value less costs of disposal, being greater than the VIU:

	30 April 2017 US$'000	30 April 2016 US$'000
Value-in-use	1,870,000	1,950,000
Fair value less costs of disposal	1,990,000	2,110,000
Recoverable amount	1,990,000	2,110,000

As of valuation date in January 2017 and 2016, the estimated recoverable amount of the CGU exceeded its carrying amount by approximately US$177.7 million and US$275.8 million, respectively.

Value-in-use

The VIU is the present value of expected cash flows, discounted at a risk-adjusted weighted average cost of capital.

The key assumptions used in the estimation of the recoverable amount using the VIU approach are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and were based on historical data from both external and internal sources.

	2017 %	2016 %
Pre-tax discount rate	11.1	11.5
Terminal value growth rate	2.0	2.0
Budgeted EBITDA growth rate (average of next five years)	21.9	7.9
Long-term margin	13.3	11.4

The discount rate was a pre-tax measure estimated based on the historical industry average weighted-average cost of capital, with a possible range of debt leveraging of 35% (30 April 2016: 35%) at a risk free interest rate of 3.5% (30 April 2016: 4%).

The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate consistent with the assumption that a market participant would make.

Budgeted EBITDA was estimated taking into account past experience adjusted as follows:

- Revenue growth was projected taking into account the average growth levels experienced over the past five years and estimated sales volume and price growth for the next five years. It was assumed that sales price would increase in line with forecast inflation over the next five years.
- The amounts are probability-weighted.

9. Intangible assets and goodwill (cont'd)

Fair value less costs of disposal

Fair value less costs of disposal is determined using the market approach, which makes use of prices and other relevant information generated by market transactions involving similar companies.

The Market Comparable Method was used in applying the Market Approach, making use of market price data of companies engaged in the same or similar line of business as that of DMFI and its subsidiaries. Stocks of these companies are traded in a free and open market or in private transactions. The process involves the identification of comparable companies, calculation and application of market multiples representing ratios of invested capital or equity to financial measures of DMFI and its subsidiaries, application of an appropriate control premium to the companies being compared, and adjustment for any non-operating assets or liabilities or working capital excess/deficit to arrive at an indication of Business Enterprise Value.

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

Comparable companies were selected from comprehensive lists and directories of public companies in the packaged foods industry. Potential comparable companies were analysed based on various factors, including, but not limited to, industry similarity, financial risk, company size, geographic diversification, profitability, growth characteristics, financial data availability, and active trading volume. The following comparable companies were selected:

- B&G Foods Inc.
- Campbell Soup Company
- ConAgra Foods, Inc.
- General Mills, Inc.
- Hormel Foods Corporation
- Seneca Foods Corp.
- Treehouse Foods, Inc.

Calculation of the market multiples considered Market Value of Invested Capital (MVIC), the sum of the market values of a comparable company's common stock, interest-bearing debt and preferred stock, assuming that the book value of the comparable companies' debt approximated the market value of the debt. Adjustments to the market multiples were made to reflect the difference between the estimated size of DMFI and its subsidiaries and each comparable company, improving comparability based on relative size difference prospects. Relative size adjustment factors were calculated based on a regression of a Price / Earnings ratio using size as an independent variable. The market multiples selected and applied to the DMFI and its subsidiaries' financial results in the analysis were as follows:

	2017		**2016**	
	Selected multiple	**Assigned weight**	**Selected multiple**	**Assigned weight**
MVIC/Revenue – Last twelve months	1.0x	50%	1.1x	25%
MVIC/Revenue – Projected	1.1x	0%	0.9x	25%
MVIC/EBITDA – Last twelve months	13.6x	50%	15.7x	25%
MVIC/EBITDA – Projected	11.9x	0%	11.9x	25%

9. Intangible assets and goodwill (cont'd)

Sensitivity analysis

Management has identified that a reasonably possible change in the market multiples could cause the carrying amount to exceed the recoverable amount. The following table shows the amount to which the market multiples would need to change independently for the estimated recoverable amount of the DMFI CGU to be equal to its carrying amount.

	Breakeven Multiple	
	2017	2016
MVIC/Revenue – Last twelve months	**0.9x**	0.9x
MVIC/Revenue – Projected	**–**	0.8x
MVIC/EBITDA – Last twelve months	**12.1x**	15.7x
MVIC/EBITDA – Projected	**–**	8.5x

Source of estimation uncertainty

Goodwill and the indefinite life trademarks are assessed for impairment annually. The impairment assessment requires an estimation of the VIU and fair value less costs of disposal of the CGU to which the goodwill and indefinite life trademarks are allocated.

Estimating the VIU requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and apply an appropriate discount rate in order to calculate the present value of those cash flows. Actual cash flows will differ from these estimates as a result of differences between assumptions used and actual operations.

Amortisable trademarks and customer relationships

	Net carrying amount			Remaining amortisation period (years)		
	30 April 2017	**30 April 2016**	**1 May 2015**	**2017**	**2016**	**2015**
	US$'000	**US$'000**	**US$'000**			
Indian sub-continent trademark	–	–	4,111	–	–	21.7
The Philippines trademarks	–	–	1,773	–	–	15.7
Asia S&W trademark	22	39	8,216	1.2	2.2	32.7
America S&W trademark	1,363	1,563	1,763	6.8	7.8	8.8
America Contadina trademark	18,497	19,598	20,697	16.8	17.8	18.8
Sager Creek trademarks	9,793	10,784	11,743	9.9	10.9	11.9
	29,675	31,984	48,303			

In 2016, "Del Monte" trademark in the Philippines and India, and the "S&W" trademark in Asia excluding label development were reclassified to indefinite life trademarks. This change in estimated useful life resulted in a decrease in amortisation expense by US$0.6 million in 2016.

9. Intangible assets and goodwill (cont'd)

Amortisable trademarks and customer relationships (cont'd)

Asia S&W trademark

The amortisable trademark pertains to "Label Development" trademark.

America trademarks

The amortisable trademarks relate to the exclusive right to use of the "S&W" trademark in the United States, Canada, Mexico and certain countries in Central and South America and "Contadina" trademark in the United States, Canada, Mexico South Africa and certain countries in Asia Pacific, Central America, Europe, Middle East and South America market.

Sager Creek trademarks

The trademarks were acquired when the Group acquired the Sager Creek business in March 2015. Sager Creek's well-known brands include Veg-All, Freshlike, Popeye, Princella and Allens', among others. Management has included these trademarks in the CGU impairment assessment. The Group did not recognise any impairment for these trademarks as of 30 April 2017 and 2016 respectively.

Customer relationships

Customer relationships relate to the network of customers where DMFI and Sager Creek has established relationships with the customers, particularly in the United States market through contracts.

	Net carrying amount			Remaining amortisation period (years)		
	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000	2017	2016	2015
DMFI customer relationships	89,962	95,313	100,663	16.8	17.8	18.8
Sager Creek customer relationships	9,914	11,601	13,302	5.9	6.9	7.9
	99,876	106,914	113,965			

Management has included the DMFI trademarks and customer relationships in the DMFI CGU impairment assessment and concluded that no impairment exists at the reporting date. On the other hand, no impairment loss was recognised on Sager Creek trademark and customer relationships.

Source of estimation uncertainty

The Group estimates the useful lives of its amortisable trademarks and customer relationships based on the period over which the assets are expected to be available for use. The estimated useful lives of the trademarks and customer relationships are reviewed periodically and are updated if expectations differ from previous estimates due to legal or other limits on the use of the assets. A reduction in the estimated useful lives of amortisable trademarks and customer relationships would increase recorded amortisation expense and decrease non-current assets.

10. Deferred tax

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.

Deferred tax assets and liabilities of the Group are attributable to the following:

	Assets			Liabilities		
	30 April 2017 US$'000	30 April 2016 US$'000 (As restated*)	1 May 2015 US$'000 (As restated*)	30 April 2017 US$'000	30 April 2016 US$'000 (As restated*)	1 May 2015 US$'000 (As restated*)
Group						
Provisions	5,437	6,675	4,162	–	–	–
Employee benefits	36,554	43,485	32,013	–	–	–
Property, plant and equipment – net	–	–	–	(40,216)	(34,667)	(29,025)
Intangible assets and goodwill	–	–	–	(64,890)	(44,794)	(20,394)
Effective portion of changes in fair value of cash flow hedges	5,809	13,403	7,324	–	–	–
Tax loss carry-forwards	138,299	103,643	78,618	–	–	–
Inventories	1,518	3,256	5,170	–	–	–
Biological assets	–	–	–	(2,436)	(1,616)	(1,125)
Others	8,798	8,807	7,656	–	–	–
Deferred tax assets/(liabilities)	196,415	179,269	134,943	(107,542)	(81,077)	(50,544)
Set off of tax	(103,629)	(79,985)	(49,452)	103,629	79,985	49,452
Deferred Taxes	92,786	99,284	85,491	(3,913)	(1,092)	(1,092)

**see Note 3.6*

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

	At 1 May 2016 US$'000 (As restated*)	Recognised in profit or loss US$'000	Recognised in other comprehensive income US$'000	Currency realignment US$'000	At 30 April 2017 US$'000
30 April 2017					
Provisions	6,675	(203)	–	(1,035)	5,437
Employee benefits	43,485	(416)	(6,360)	(155)	36,554
Property, plant and equipment - net	(34,667)	(4,445)	(1,236)	132	(40,216)
Intangible assets and goodwill	(44,794)	(20,096)	–	–	(64,890)
Effective portion of changes in fair value of cash flow hedges	13,403	(701)	(6,893)	–	5,809
Tax loss carry-forwards	103,643	34,670	–	(14)	138,299
Inventories	3,256	(1,738)	–	–	1,518
Biological assets	(1,616)	(831)	–	11	(2,436)
Others	8,807	(61)	–	52	8,798
	98,192	6,179	(14,489)	(1,009)	88,873

**see Note 3.6*

10. Deferred tax (cont'd)

	At 1 May 2015 US$'000 (As restated*)	Recognised in profit or loss US$'000 (Note 28) (As restated*)	Recognised in other comprehensive income US$'000	Currency realignment US$'000	At 30 April 2016 US$'000 (As restated*)
30 April 2016					
Provisions	4,162	2,681	–	(168)	6,675
Employee benefits	32,013	4,061	7,647	(236)	43,485
Property, plant and equipment - net	(29,025)	(4,256)	(1,504)	118	(34,667)
Intangible assets and goodwill	(20,394)	(24,400)	–	–	(44,794)
Effective portion of changes in fair value of cash flow hedges	7,324	1,989	4,090	–	13,403
Tax loss carry-forwards	78,618	25,030	–	(5)	103,643
Inventories	5,170	(1,914)	–	–	3,256
Biological assets	(1,125)	(574)	–	83	(1,616)
Others	7,656	1,169	–	(18)	8,807
	84,399	3,786	10,233	(226)	98,192

**see Note 3.6*

	At 1 May 2014 US$'000 (As restated*)	Recognised in profit or loss US$'000 (Note 28) (As restated*)	Recognised in other comprehensive income US$'000	Deconsolidation of a subsidiary US$'000	Currency realignment US$'000	At 30 April 2015 US$'000 (As restated*)
30 April 2015						
Provisions	3,784	310	–	–	68	4,162
Employee benefits	9,086	14,118	8,806	–	3	32,013
Property, plant and equipment - net	(5,596)	(22,578)	–	(830)	(21)	(29,025)
Intangible assets and goodwill	(4,393)	(16,001)	–	–	–	(20,394)
Effective portion of changes in fair value of cash flow hedges	1,660	(580)	6,244	–	–	7,324
Tax loss carry-forwards	39,641	38,977	–	–	–	78,618
Inventories	(1,634)	6,800	–	–	4	5,170
Biological assets	(1,171)	42	–	–	4	(1,125)
Others	4,266	3,629	–	(194)	(45)	7,656
	45,643	24,717	15,050	(1,024)	13	84,399

**see Note 3.6*

10. Deferred tax (cont'd)

The total amount of potential income tax consequences that would arise from the payment of dividends by a subsidiary to the Company, on the total retained earnings as at 30 April 2017, is approximately US$8.5 million (30 April 2016: US$6.8 million, 30 April 2015: US$8.9 million).

No provision has been made in respect of this potential income tax as it is the Company's intention to reinvest these reserves and not to distribute them as dividends.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised with respect to the following items.

	30 April 2017 US$'000
Deductible temporary differences:	
Allowance for inventory obsolescence	8,371
Worker's compensation	5,000
Accrued vacation leave	9,297
Others	6,190
Tax losses and tax credits	5,745
	34,603

The tax losses will expire in 2019 and 2020. The tax credits will expire between 2024 and 2027. Deferred tax assets have not been recognised with respect to these items because it is not probable that future taxable profits will be available to utilize the benefits.

Sources of estimation uncertainty

As at 30 April 2017, deferred tax assets amounting to US$138.4 million (30 April 2016: US$103.7 million, 1 May 2015: US$78.6 million) of DMFI have been recognised in respect of the tax loss carry-forwards because management assessed that it is probable that future taxable profit, will be available against which DMFI can utilise these benefits. Net defined asset related to DMFI amounted to US$91.1 million as at 30 April 2017. DMFI incurred operating loss in current and prior years. Management expects profitable growth coming from revenue strategies and cost efficiencies in the future. To the extent that profitable growth does not materialise in the future periods, deferred tax assets of US$191.5 million may not be realised. The net operating loss carry forward maybe realised up to a 20-year period from the year the loss was incurred.

11. Other noncurrent assets

		Group	
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Advances to growers	11,867	10,342	9,333
Advance rentals and deposits	6,289	6,628	7,424
Excess insurance	4,279	4,500	7,083
Land expansion (development costs of acquired leased areas)	3,295	2,378	2,708
Prepayments	508	1,273	2,423
Others	874	820	14
	27,112	25,941	28,985

11. Other noncurrent assets (cont'd)

Excess insurance relate mainly to reimbursements from insurers to cover certain workers' compensation claims liabilities (see Note 21).

Land expansion comprises development costs of newly acquired leased areas including costs such as creation of access roads, construction of bridges and clearing costs. These costs are amortised on a straight-line basis over the lease periods of 10 years or lease term, whichever is shorter.

12. Biological assets

		Group	
	30 April 2017 US$'000	**30 April 2016 US$'000 (As restated*)**	**1 May 2015 US$'000 (As restated*)**
Livestock (at cost)			
At beginning of the year	1,448	1,446	1,613
Purchases of livestock	776	525	568
Sales of livestock	(717)	(451)	(736)
Currency realignment	(87)	(72)	1
At end of the year	1,420	1,448	1,446
Agricultural produce			
At beginning of the year (at cost)	26,395	26,243	5,575
Additions	13,547	9,406	21,938
Harvested	(15,079)	(7,924)	(1,384)
Currency realignment	(1,556)	(1,330)	114
At end of the year	23,307	26,395	26,243
Fair value gain on produce prior to harvest	21,040	13,380	7,131
At end of the year	44,347	39,775	33,374

		Group	
	30 April 2017 US$'000	**30 April 2016 US$'000 (As restated*)**	**1 May 2015 US$'000 (As restated*)**
Current	44,347	39,775	33,374
Noncurrent	1,420	1,448	1,446
Totals	45,767	41,223	34,820

12. Biological assets (cont'd)

	Note	Group 30 April 2017 US$'000	30 April 2016 US$'000 (As restated*)	1 May 2015 US$'000 (As restated*)
Fair value gain recognised under:				
Inventories		4,535	1,557	1,155
Cost of sales	26	33,501	22,060	15,456
Growing crops		7,610	6,249	3,294
Fair value gain recognised under revenues		45,646	29,866	19,905

Livestock

Livestock comprises growing herd and cattle for slaughter and is stated at cost. The fair value is determined based on the actual selling prices approximating those at year end less estimated point-of-sale costs.

Risk Management strategy related to agricultural activities

(i) *Regulatory and environmental risks*

The Group is subject to laws and regulations in the Philippines in which it operates its agricultural activities. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

(ii) *Supply and demand risks*

The Group is exposed to risks arising from fluctuations in the price and sales volume of pineapples and papayas. When possible, the Group manages this risk by aligning its harvest volume to market supply and demand. Management performs regular industry trend analyses for projected harvest volumes and pricing.

(iii) *Climate and other risks*

The Group's pineapple plantations are exposed to the risk of damage from climate changes, diseases, forest fires, flood, and other natural forces. To manage these risks, the Group develops and executes a long-term strategic plan and annual operating plan, supported by a contingency plan and risk management measures ensuring business continuity should there be a natural catastrophes. The Group is also insured against natural disasters such as floods and earthquakes.

Source of estimation uncertainty

The fair values of pineapple fruits are based on the most reliable estimate of market prices, in both local and international markets, as determined by the Group. The market price is derived from average sales price of the processed product adjusted for margin and associated costs related to production. The estimated margin and associated costs of production are affected by inflation, foreign exchange rates, commodities prices and available supply. Changes in these factors will affect the estimates in the determination of fair values of agricultural produce. The Group reviews and monitors these estimates regularly.

12. Biological assets (cont'd)

Source of estimation uncertainty (cont'd)

The valuation techniques and significant unobservable inputs used in determining the fair value of these biological assets are discussed in Note 35.

13. Inventories

	Group		
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Finished goods			
- at cost	708,637	644,667	534,709
- at net realisable value	30,902	12,843	10,372
Semi-finished goods			
- at cost	299	327	759
- at net realisable value	7,235	11,292	10,682
Raw materials and packaging supplies			
- at net realisable value	169,819	176,104	193,027
	916,892	845,233	749,549

Inventories recognised as an expense in cost of sales amounted to US$1,288.0 million for the year ended 30 April 2017 (30 April 2016: US$1,316.5 million, 30 April 2015: US$1,267.9 million) (see Note 26).

Inventories are stated after allowance for inventory obsolescence. Movements in the allowance for inventory obsolescence during the year are as follows:

		Group		
	Note	**30 April 2017 US$'000**	**30 April 2016 US$'000**	**1 May 2015 US$'000**
At beginning of the year		12,715	11,701	7,982
Allowance for the year	26	7,415	2,926	5,992
Write-off against allowance		(4,350)	(1,508)	(2,279)
Currency realignment		(694)	(404)	6
At end of the year		15,086	12,715	11,701

The allowance for inventory obsolescence recognised during the period is included in "Cost of sales".

13. Inventories (cont'd)

Source of estimation uncertainty

The Group recognises allowance on inventory obsolescence when inventory items are identified as obsolete. Obsolescence is based on the physical and internal condition of inventory items. Obsolescence is also established when inventory items are no longer marketable. Obsolete goods when identified are charged to income statement and are written off. In addition to an allowance for specifically identified obsolete inventory, estimation is made on a group basis based on the age of the inventory items. The Group believes such estimates represent a fair charge of the level of inventory obsolescence in a given year. The Group reviews on a monthly basis the condition of its inventory. The assessment of the condition of the inventory either increases or decreases the expenses or total inventory.

Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made of the amount the inventories expected to be realised. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after reporting date to the extent that such events confirm conditions existing at the reporting date.

The Group reviews on a continuous basis the product movement, changes in customer demands and introductions of new products to identify inventories which are to be written down to the net realisable values. The write-down of inventories is reviewed periodically to reflect the accurate valuation in the financial records. An increase in write-down of inventories would increase the recorded cost of sales and operating expenses and decrease current assets.

In 2017, DMFI revised its estimate of inventory obsolescence and accordingly recognised additional provision amounting to US$2.3 million.

14. Trade and other receivables

	Group			Company		
	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Trade receivables	147,167	152,936	177,677	–	–	–
Non trade receivables	23,812	22,677	9,495	6,020	2	–
Amounts due from joint venture (non-trade)	–	6,013	6,013	–	6,013	6,013
Amounts due from subsidiaries (non-trade)	–	–	–	113,683	139,225	99,710
Allowance for doubtful accounts – trade	(2,022)	(1,640)	(2,643)	–	–	–
Allowance for doubtful accounts - nontrade	(4,510)	(4,454)	(6,140)	–	–	–
Trade and other receivables	164,447	175,532	184,402	119,703	145,240	105,723

The amounts due from subsidiaries and joint venture are unsecured, interest-free and repayable on demand. There is no allowance for doubtful debts arising from these outstanding balances.

14. Trade and other receivables (cont'd)

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

	Group			
	Gross		Impairment losses	
	Trade	Non trade	Trade	Non trade
At 30 April 2017	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Not past due	114,730	14,767	–	–
Past due 0 - 60 days	22,997	871	–	–
Past due 61 - 90 days	1,758	245	–	–
Past due 91 - 120 days	1,286	112	–	–
More than 120 days	6,396	7,817	(2,022)	(4,510)
	147,167	23,812	(2,022)	(4,510)

	Group			
	Gross		Impairment losses	
	Trade	Non trade	Trade	Non trade
At 30 April 2016	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Not past due	97,404	13,967	–	–
Past due 0 - 60 days	35,835	846	–	–
Past due 61 - 90 days	3,825	799	–	–
Past due 91 - 120 days	3,688	122	–	–
More than 120 days	12,184	6,943	(1,640)	(4,454)
	152,936	22,677	(1,640)	(4,454)

	Group			
	Gross		Impairment losses	
	Trade	Non trade	Trade	Non trade
At 1 May 2015	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Not past due	123,528	2,523	–	–
Past due 0 - 60 days	31,685	169	–	–
Past due 61 - 90 days	4,166	57	(26)	–
Past due 91 - 120 days	7,310	32	–	–
More than 120 days	10,988	6,714	(2,617)	(6,140)
	177,677	9,495	(2,643)	(6,140)

The recorded impairment loss falls within the Group's historical experience in the collection of accounts receivables. Therefore, management believes that there is no significant additional credit risk beyond what has been recorded.

14. Trade and other receivables (cont'd)

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

	Note	**Trade US$'000**	**Group Nontrade US$'000**	**Total US$'000**
At 1 May 2016		1,640	4,454	6,094
Provision for the year	26	679	112	791
Write-off against allowance		(386)	(43)	(429)
Currency realignment		89	(13)	76
At 30 April 2017		2,022	4,510	6,532

	Note	**Trade US$'000**	**Group Nontrade US$'000**	**Total US$'000**
At 1 May 2015		2,643	6,140	8,783
Allowance reversed	26	(707)	(648)	(1,355)
Write-off against allowance		(263)	(938)	(1,201)
Currency realignment		(33)	(100)	(133)
At 30 April 2016		1,640	4,454	6,094

	Note	**Trade US$'000**	**Group Nontrade US$'000**	**Total US$'000**
At 1 May 2014		7,428	6,224	13,652
Allowance reversed	26	(4,652)	(81)	(4,733)
Write-off against allowance		(144)	(4)	(148)
Currency realignment		11	1	12
At 30 April 2015		2,643	6,140	8,783

Allowance for doubtful accounts are based on specific and collective impairment assessment by the Group.

Source of estimation uncertainty

The Group maintains allowance for impairment of accounts receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behaviour and known market factors. The Group reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Group made different judgement or utilised different estimates. An increase in the Group's allowance for impairment would increase the Group's recorded operating expenses and decrease current assets.

15. Prepaid expense and other current assets

	Note	<------------- Group --------->			<----------- Company ------->		
		30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Prepaid expenses		29,698	24,397	23,375	328	257	137
Downpayment to contractors and suppliers		9,933	9,025	15,677	–	–	–
Derivative asset	34	2,685	1,473	818	–	–	–
Others		730	703	–	–	–	–
		43,046	35,598	39,870	328	257	137

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

16. Cash and cash equivalents

	<------------- Group --------->			<----------- Company ------->		
	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Cash on hand	48	50	47	–	–	–
Cash in banks	33,141	47,153	34,223	6,767	361	6,126
Cash equivalents	4,382	–	1,348	–	–	–
Cash and cash equivalents	37,571	47,203	35,618	6,767	361	6,126

Certain of the cash in bank balances earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 1.74% per annum. Cash equivalents are short-term placements which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest rate of 0.375% per annum.

17. Noncurrent assets held for sale

In March 2015, management committed to a plan to sell part of the property, plant and equipment of Sager Creek. Accordingly, these assets are presented as noncurrent assets held for sale. Efforts to sell the assets have started and a sale is expected within twelve months.

In 2016, the Group recognised impairment loss on assets held for sale amounting to US$1.7 million (see Note 26). There is no cumulative income or expense included in other comprehensive income relating to the assets held for sale as of 30 April 2016.

In 2017, several of the assets were sold resulting in a gain of US$0.3 million recognised in "Other income (expenses) – net" in the consolidated income statement. The remaining unsold assets amounting to US$0.7 million have been reclassified out of assets held for sale and back to property, plant and equipment.

18. Share capital

	Company					
	30 April 2017		30 April 2016		1 May 2015	
	No. of shares ('000)	US$'000	No. of shares ('000)	US$'000	No. of shares ('000)	US$'000
Authorised:						
Ordinary shares of US$0.01 each	3,000,000	30,000	3,000,000	30,000	3,000,000	30,000
Preference shares of US$1.00 each	600,000	600,000	600,000	600,000	600,000	600,000
	3,600,000	630,000	3,600,000	630,000	3,600,000	630,000
Issued and fully paid:						
Ordinary shares of US$0.01 each	1,944,936	19,449	1,944,936	19,449	1,944,936	19,449
Preference shares of US$1.00 each	20,000	20,000	–	–	–	–
	1,964,936	39,449	1,944,936	19,449	1,944,936	19,449

Reconciliation of number of outstanding ordinary shares in issue:

	Company		
	Year ended 30 April 2017 (US$'000)	Year ended 30 April 2016 (US$'000)	Year ended 1 May 2015 (US$'000)
At beginning of the year	1,943,214	1,944,035	1,296,600
Acquisition of own shares	–	(821)	–
Issued for cash	–	–	647,435
At end of the year	1,943,214	1,943,214	1,944,035

The holders of ordinary shares are entitled to receive dividends after dividend of preference shares are paid, as declared from time to time, and are entitled to one vote per share at meetings of the Company. The preference shares are cumulative, non-voting, redeemable at the option of the issuer, non-participating and non-convertible. The preference share has a par value of US$1.0 per share and were issued at US$10.0 per share. Ordinary shares rank equally with regard to the Company's residual assets after preference shares are paid.

In April 2014, the Company increased its authorised share capital from US$20.0 million, divided into 2,000,000,000 ordinary shares at US$0.01 per share, to US$630.0 million, divided into 3,000,000,000 ordinary shares at US$0.01 per share and 600,000,000 preference shares at US$1.00 per share. The preference shares may be issued in one or more series, each such class of shares will have rights and restrictions as the Board may designate. The terms and conditions of the authorised preference share are finalised upon each issuance.

On 30 October 2014, the Company had additional ordinary shares listed and traded on the SGX-ST and the PSE pursuant to a public offering conducted in the Philippines. The Company offered and sold by way of primary offer 5,500,000 ordinary shares at an offer price of 17.00 Philippine pesos (Php) per share.

In March 2015, additional 641,935,335 ordinary shares were listed on the SGX-ST and the PSE, which were offered and sold to eligible shareholders by way of a stock rights offering at an exercise price of S$0.325 or Php10.60 for each share in Singapore and the Philippines, respectively.

18. Share capital (cont'd)

In April 2017, the Company completed the offering and listing of 20,000,000 Series A-1 Preference Shares which were sold at an offer price of US$10.0 per share (US$1.0 par value per share) in the Philippines, generating US$200 million in proceeds. The said shares were listed on the PSE.

Capital management

The Board's policy is to maintain a sound capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Group's capital comprises its share capital, retained earnings and total reserves as presented in the statements of financial position. The Board of Directors monitors the return on capital, which the Group defines as profit or loss for the year divided by total shareholders' equity. The Board also monitors the level of dividends paid to ordinary shareholders.

The bank loans of the Group contain various capital covenants with respect to capital maintenance and ability to incur additional indebtedness. The Board ensures that loan covenants are considered as part of its capital management through constant monitoring of covenant results through interim and full year results.

There were no changes in the Group's approach to capital management during the year.

19. Retained Earnings and Reserves

Retained earnings

Dividends

Ordinary shares

On 29 June 2016, the Company declared a dividend of 1.33 US cents (US$0.0133) per share to stockholders on record as at 26 August 2016. The final dividend was paid on 8 September 2016. No dividends were declared in 2015.

Preference shares

The cumulative dividend on the preference shares amounted to US$0.8 million as of 30 April 2017.

The retained earnings is restricted for the payment of dividends to the extent representing the accumulated equity in net earnings of the subsidiaries. The accumulated equity in net earnings of the subsidiaries and joint ventures is not available for dividend distribution until such time that the Company receives the dividends from the subsidiaries.

19. Retained Earnings and Reserves (cont'd)

Reserves

	<----------- Group ---------->			<--------- Company --------->		
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**	**30 April 2017 US$'000**	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Share premium	390,320	214,843	214,843	390,459	214,982	214,982
Translation reserve	(78,087)	(59,813)	(46,335)	(78,087)	(59,813)	(46,335)
Revaluation reserve	10,885	8,002	9,506	10,885	8,002	9,506
Remeasurement of retirement plan	1,808	(10,833)	(17,231)	1,808	(10,833)	(17,231)
Hedging reserve	(7,443)	(17,502)	(11,722)	(7,443)	(17,502)	(11,722)
Share option reserve	1,779	1,031	318	1,779	1,031	318
Reserve for own shares	(802)	(802)	(629)	(802)	(802)	(629)
	318,460	134,926	148,750	318,599	135,065	148,889

Under the British Virgin Islands law in whose jurisdiction the Company operates, the Company's share premium and retained earnings form part of the Company's surplus account that may be available for dividend distribution. The Group's share premium is shown net of a merger deficit of US$0.14 million, which arose from the acquisition of a subsidiary, DMPRL, under common control in 1999.

The share premium account includes any premium received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account, net of any related income tax effects.

The translation reserve comprises foreign exchange differences arising from the translation of the financial statements of foreign operations.

The revaluation reserve relates to surplus on the revaluation of freehold land of the Group.

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss as the hedged cash flows affect the consolidated income statement (see Note 21).

The share option reserve comprises the cumulative value of employee services received for the issue of share options.

The reserve for the Company's own shares comprises the cost of the Company's shares held by the Group. At 30 April 2017, the Group held 1,721,000 (30 April 2016: 1,721,000, 30 April 2015: 900,000) of the Company's shares.

20. Loans and borrowings

	Group			Company		
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**	**30 April 2017 US$'000**	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Current liabilities						
Unsecured bank loans	280,584	501,481	347,180	43,070	348,630	102,630
Secured bank loans	169,114	225,879	98,362	–	–	–
	449,698	727,360	445,542	43,070	348,630	102,630
Non-current liabilities						
Unsecured bank loans	341,974	193,224	348,250	281,854	129,234	348,250
Secured bank loans	922,294	923,198	924,695	–	–	–
	1,264,268	1,116,422	1,272,945	281,854	129,234	348,250
	1,713,966	1,843,782	1,718,487	324,924	477,864	450,880

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

				30 April 2017		30 April 2016		1 May 2015	
	Currency	**Nominal interest rate** % p. a.	**Year of maturity**	**Face value US$'000**	**Carrying amount US$'000**	**Face value US$'000**	**Carrying amount US$'000**	**Face value US$'000**	**Carrying amount US$'000**
Group									
Unsecured bank loans	PHP	2.00-4.50	2017-2020	117,835	117,835	97,697	97,697	110,984	110,984
Unsecured bank loans	USD	1.15-2.50	2017	222,869	222,869	119,145	119,145	133,566	133,566
Unsecured bridging loan	USD	1.50-4.53	2020	130,000	129,414	130,000	129,234	104,000	102,630
Unsecured bridging loan	USD	90 days Libor + 3.25%	2019	154,000	152,440	350,000	348,630	350,000	348,249
Secured bank loan under ABL Credit Agreement	USD	Libor rate + 2% to 4.25%	2017	168,000	166,730	225,442	221,971	99,000	94,488
Secured First lien term loan	USD	Higher of Libor +3.25% or 4.25%	2017-2021	686,925	668,109	694,025	677,220	701,125	680,588
Secured Second lien term Loan	USD	Higher of Libor + 7.25% or 8.25%	2021	260,000	256,569	260,000	249,885	260,000	247,982
				1,739,629	1,713,966	1,876,309	1,843,782	1,758,675	1,718,487

				30 April 2017		30 April 2016		1 May 2015	
	Currency	**Nominal interest rate** % p.a.	**Year of maturity**	**Face value US$'000**	**Carrying amount US$'000**	**Face value US$'000**	**Carrying amount US$'000**	**Face value US$'000**	**Carrying amount US$'000**
Company									
Unsecured bank loans	USD	1.60	2017	43,070	43,070	–	–	–	–
Unsecured bridging loans	USD	1.50-4.53	2019 to 2020	284,000	281,854	480,000	477,864	454,000	450,880
				327,070	324,924	480,000	477,864	454,000	450,880

PDSTF – Philippine Dealing System Treasury Fixing Rate
GRT – Gross Receipt Tax

20. Loans and borrowings (cont'd)

Terms and debt repayment schedule (cont'd)

The unsecured bridging loans of US$154 million as at 30 April 2017 is the remaining balance for the bridging loan that were obtained by the Company to finance the Acquisition (see Note 5) and its related costs.

Long Term Borrowings

Long Term Borrowings	Principal Amount (In '000)	Interest Rate % p.a.	Year of Maturity	Payment Terms (e.g. annually, quarterly, etc.)	Interest already paid 1 May 2015 to 30 April 2017 (In '000)
Senior secured variable rate first lien term loan	USD 710,000	Higher of Libor +3.25% or 4.25%	2021	0.25% quarterly principal payments from April 30, 2014 to January 31, 2021; Balance due in full at its maturity, February 18, 2021.	$30,198
Senior secured second lien variable rate term loan	USD 260,000	Higher of Libor + 7.25% or 8.25%	2021	Due in full at its maturity, August 18, 2021.	$22,256
BDO bridging facility	USD 350,000	90day Libor + 3.5% margin	2019	Quarterly interest payment and principal on maturity date.	$17,502
BDO Long-Term Loan	USD 30,000	4.50%	2020	Quarterly interest payment and principal on maturity date.	$1,035
BDO Long-Term Loan	USD 100,000	4.50%	2020	Quarterly interest payment and principal on maturity date.	$3,450
BDO Long-Term Loan	PHP 3,000,000	3.5% for the first 60 days; 4.5% for the remaining term + 5% GRT	2020	Quarterly interest payment and principal on maturity date.	PHP 143,325

In 2017, the Company signed a two-year extension of the US$350.0 million BDO loans from 10 February 2017 to 2019 on the same terms and conditions. In April 2017, DMPL settled US$196.0 million of the US$350.0 million BDO loan using the proceeds from the issuance of preference share.

Loans and borrowings are stated net of unamortised debt issuance cost. The balance of unamortised debt issuance cost follows:

		<------------- Group ------------->			<----------- Company ----------->		
	Note	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 1 May 2015 US$'000	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 1 May 2015 US$'000
Beginning of year		32,527	40,188	45,731	2,136	3,120	2,509
Additions		1,749	1,114	4,767	1,750	900	4,387
Amortisation	27	(8,613)	(8,775)	(10,310)	(1,740)	(1,884)	(3,776)
End of year		25,663	32,527	40,188	2,146	2,136	3,120

20. Loans and borrowings (cont'd)

Secured Term Loan Credit Agreements

DMFI is a party to a First Lien term loan credit agreement and a Second Lien term loan credit agreement (the "Term Loan Credit Agreements") with the lenders party thereto, Citibank, N.A., as administrative agent and collateral agent, and the other agents named therein, that provided for a US$710.0 million First Lien Term Loan and a US$260.0 million Second Lien Term Loan with terms of seven years and seven years plus six months, respectively.

Interest Rates. Loans under the First and Second Lien Term Loans bear interest at a rate equal to an applicable margin, plus a LIBOR rate (with a floor of 1.00%). As of 30 April 2017, the interest rate for First Lien Term Loans is 4.31% (30 April 2016: 4.25%) and the interest rate for Second Lien Term Loans is 8.31% (30 April 2016: 8.25%).

Principal Payments. The First Lien Term Loan generally requires quarterly scheduled principal payments of 0.25% of the outstanding principal per quarter from 30 April 2014 to 31 January 2021. The balance is due in full on the maturity date of 18 February 2021. Scheduled principal payments with respect to the First Lien Term Loan are subject to reduction following any mandatory or voluntary prepayments on terms and conditions set forth in the First Lien Term Loan Credit Agreement.

The Second Lien Term Loan is due in full at its maturity date of 18 August 2021.

The Term Loan Credit Agreements also require DMFI to prepay outstanding loans under the First Lien Term Loan and the Second Lien Term Loan, subject to certain exceptions, with, among other things:

- 50% (which percentage will be reduced to 25% if the leverage ratio is 4.0x or less and to 0% if the leverage ratio is 3.0x or less) of the annual excess cash flow, as defined in the First Lien Term Loan Credit Agreement;
- 100% of the net cash proceeds of certain casualty events and non-ordinary course asset sales or other dispositions of property for a purchase price above US$2.0 million, in each case, subject to DMFI's right to reinvest the proceeds; and
- 100% of the net cash proceeds of any incurrence of debt, other than proceeds from debt permitted under the First Lien Term Loan Credit Agreement.

Ability to Incur Additional Indebtedness. DMFI has the right to request an additional US$100 million plus an additional amount of secured indebtedness under the First Lien Term Loan and the Second Lien Term Loan. Lenders under this facility are under no obligation to provide any such additional loans, and any such borrowings will be subject to customary conditions precedent, including satisfaction of a prescribed leverage ratio, subject to the identification of willing lenders and other customary conditions precedent.

ABL Credit Agreement

DMFI is a party to a credit agreement (the "ABL Credit Agreement") with Citibank, N.A., as administrative agent, and the other lenders and agents parties thereto, as amended, that provides for senior secured financing of up to US$442 million (with all related loan documents, and as amended from time to time, the ABL Facility) with a term of five years.

Interest Rates. Borrowings under the ABL Credit Agreement bear interest at an initial interest rate equal to an applicable margin, plus LIBOR rate. The applicable margin with respect to LIBOR borrowings is currently 2.25% (and may decrease to 1.75% depending on average excess availability) (1 May 2016: 2.0%).

20. Loans and borrowings (cont'd)

ABL Credit Agreement (cont'd)

Commitment Fees. In addition to paying interest on outstanding principal under the ABL Credit Agreement, DMFI is required to pay a commitment fee that was initially 0.375% per annum in respect of the unutilised commitments thereunder. The commitment fee rate from time to time is 0.375% or 0.25% depending on the amount of unused commitments under the ABL Credit Agreement for the prior fiscal quarter. DMFI must also pay customary letter of credit fees between 1.75% to 2.25% based on average excess availability, and fronting fees equal to 0.125% of the face amount for each letter of credit issued.

Availability under the ABL Credit Agreement. Availability under the ABL Credit Agreement is subject to a borrowing base. The borrowing base, determined at the time of calculation, is an amount equal to: (a) 85% of eligible accounts receivable and (b) the lesser of (1) 75% of the net book value of eligible inventory and (2) 85% of the net orderly liquidation value of eligible inventory, of DMFI at such time, less customary reserves. The ABL Credit Agreement will terminate, and the commitments thereunder will mature, on 18 February 2019. As of 30 April 2017, there were US$168.0 million (30 April 2016: US$225.4 million) of loans outstanding under the ABL Credit Agreement, the amount of letters of credit issued under the ABL Credit Agreement was US$14.0 million (30 April 2016: US$11.4 million) and the Group's net availability under the ABL Credit Agreement was US$260.5 million (30 April 2016: US$201.8 million). The interest rate on the ABL Credit Agreement was approximately 3.39% on 30 April 2017 (30 April 2016: 3.15%).

The ABL Credit Agreement includes a sub-limit for letters of credit and for borrowings on same-day notice, referred to as "swingline loans."

Ability to Incur Additional Indebtedness. The commitments under the ABL Facility may be increased, subject only to the consent of the new or existing lenders providing such increases, such that the aggregate principal amount of commitments does not exceed US$442 million. The lenders under this facility are under no obligation to provide any such additional commitments, and any increase in commitments will be subject to customary conditions precedent. Notwithstanding any such increase in the facility size, DMFI's ability to borrow under the facility will remain limited at all times by the borrowing base (to the extent the borrowing base is less than the commitments).

Guarantee of Obligations under the Term Loan Credit Agreements and the ABL Credit Agreement

All obligations of DMFI under the *Term Loan Credit Agreements and the ABL Credit Agreement* are unconditionally guaranteed by the Del Monte Foods Holdings Limited (DMFHL) and by substantially all existing and future, direct and indirect, wholly owned material restricted domestic subsidiaries of DMFI, subject to certain exceptions.

Security Interests

Indebtedness under the First Lien Term Loan is generally secured by (i) a first priority pledge of all of the equity interests of DMFHL, (ii) a second priority lien on all ABL Priority Collateral of DMFHL and (iii) a first priority lien on substantially all other properties and assets of DMFHL. The Second Lien Term Loan is generally secured by (i) a second priority pledge of all of the equity interests of DMFHL, (ii) a third priority lien on all ABL Priority Collateral of DMFHL and (iii) a second priority lien on substantially all other properties and assets of DMFHL. The ABL Credit Agreement is generally secured by a first priority lien on DMFI's inventories and accounts receivable and by a third priority lien on substantially all other assets.

20. Loans and borrowings (cont'd)

ABL Credit Agreement (cont'd)

Restrictive and Financial Covenants

The Term Loan Credit Agreements and the ABL Credit Agreement contain restrictive covenants that limit DMFI's ability and the ability of its subsidiaries to take certain actions

Term Loan Credit Agreement and ABL Credit Agreement Restrictive Covenants. The restrictive covenants in the Term Loan Credit Agreement and the ABL Credit Agreement include covenants limiting DMFI's ability, and the ability of DMFI's restricted subsidiaries, to incur additional indebtedness, create liens, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions or repurchase DMFHL's capital stock, make investments, loans or advances, prepay certain indebtedness, engage in certain transactions with affiliates, amend agreements governing certain subordinated indebtedness adverse to the lenders, and change DMFI's lines of business.

Financial Maintenance Covenants. The Term Loan Credit Agreements and ABL Credit Agreement generally do not require that DMFI comply with financial maintenance covenants. The ABL Credit Agreement, however, contains a financial covenant that applies if availability under the ABL Credit Agreement (US$260.5 million at 30 April 2017; US$201.8 million at 30 April 2016) falls below a certain level. As of 30 April 2017, the financial covenant was not applicable.

Effect of Restrictive and Financial Covenants. The restrictive and financial covenants in the Term Loan Credit Agreements and the ABL Credit Agreement may adversely affect DMFI's ability to finance its future operations or capital needs or engage in other business activities that may be in its interest, such as acquisitions.

Unsecured Bank Loans

Certain unsecured bank loan agreements contain various affirmative and negative covenants that are typical of these types of facilities such as financial covenants relating to required debt-to-equity ratio, interest cover and maximum annual capital expenditure restrictions.

Unsecured Bank Loans (cont'd)

These covenants include requirements for delivery of periodic financial information and restrictions and limitations on indebtedness, investments, acquisitions, guarantees, liens, asset sales, disposals, mergers, changes in business, dividends and other transfers.

The Group is compliant with its loan covenants as at 30 April 2017, 2016 and 2015.

21. Other noncurrent liabilities

	Group		
	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Workers' compensation	23,410	30,969	32,101
Derivative liabilities	8,442	21,527	20,090
Deferred rental liabilities	3,818	5,173	5,823
Accrued lease liabilities	7,036	4,440	2,352
Other payables	1,312	477	797
	44,018	62,586	61,163

21. Other noncurrent liabilities (cont'd)

Workers' compensation are liabilities for wage replacement and medical benefits to employees injured in the course of employment in exchange for mandatory relinquishment of the employee's right to sue his or her employer for the tort of negligence.

Derivative liabilities

The Group uses interest rate swaps, commodity swaps and forward foreign currency contracts to hedge market risks relating to possible adverse changes in interest rates, commodity costs and foreign currency exchange rates. The Group continually monitors its positions and the credit rating of the counterparties involved to mitigate the amount of credit exposure to any one party.

As of 30 April 2017 and 2016, the Group designated each of its derivative contracts as a hedge of a forecasted transaction or of the variability of cash flows to be received or paid related to a recognised asset or liability ("cash flow hedge"). The following cash flow hedges were outstanding for the Group:

			Group	
	Note	**30 April 2017 US$'000**	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Interest rate swap valuation	33	(17,891)	(35,115)	(20,090)
Peso FX contracts	33	2,565	1,473	(1,003)
Commodity contracts	33	38	(1,630)	818
Total		(15,288)	(35,272)	(20,275)
Included in :				
Prepaid expense and other current assets	15	2,685	1,473	818
Trade and other payables	24	(9,531)	(15,218)	(1,003)
Other noncurrent liabilities		(8,442)	(21,527)	(20,090)
		(15,288)	(35,272)	(20,275)

22. Employee benefits

		Group	
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Pension asset	5,517	–	–
Total pension asset (non-current)	5,517	–	–
Post-retirement benefit obligation	39,017	41,908	94,643
Executive retirement plan	5,423	9,758	11,147
Cash incentive award	3,707	1,773	–
Short-term employee benefits	16,558	19,389	35,360
Other plans	7,114	7,732	4,280
Net defined benefit liability	37,945	50,209	26,849
Total employee benefit liability	109,764	130,769	172,279
Current	22,165	33,652	43,080
Non-Current	87,599	97,118	129,199
	109,764	130,770	172,279

22. Employee benefits (cont'd)

The Group contributes to the following post-employment defined benefit plans:

The DMPI Plan

DMPI has a funded defined benefit plan wherein starting on the date of membership of an employee in the DMPI Plan, DMPI contributes to the retirement fund 7.00% of the member's salary as defined every month. In addition, DMPI contributes periodically to the fund the amounts which shall be required, if any, to meet the guaranteed minimum benefit provision of the plan. Such contributions shall not be allocated nor credited to the individual accounts of the members, but shall be retained in a separate account to be used in cases where guaranteed minimum benefit applies.

Benefits are based on the total amount of contributions and earnings credited to the personal retirement account of the plan member at the time of separation or the 125% of the final basis salary multiplied by the number of credited years of service under the plan, whichever is higher. The manner of payment is lump sum, payable on retirement. DMPI's annual contribution to the pension plan consists of payments covering the current service cost for the year plus payments towards funding the actuarial accrued liability, if any.

DMPI expects to pay US$1.9 million in contributions to the pension plan in fiscal year 2017.

The DMFI Plan

DMFI sponsors a qualified defined benefit pension plan (the "DMFI Plan") and several unfunded defined benefit post-retirement plans providing certain medical, dental, and life insurance benefits to eligible retired, salaried, non-union hourly and union employees. The DMFI Plan comprises of two parts:

The first part is a cash balance plan which provides benefits for eligible salaried employees and provides that a participant's benefit derives from the accumulation of monthly compensation and interest credits. Compensation credits are calculated based upon the participant's eligible compensation and age each month. Interest credits are calculated each month by applying an interest factor to the previous month's ending balance. Participants may elect to receive their benefit in the form of an annuity or a lump sum. Part B of the plan was frozen to new participants effective 31 December 2016, which the active participation of certain participants was grandfathered subject to meeting participation requirements.

The second part is an arrangement which provides for grandfathered and suspended hourly participants a traditional pension benefit based upon service, final average compensation and age at termination. This plan was frozen since 31 December 1995, which the active participation of certain participants was grandfathered and the active participation of other participants was suspended.

DMFI currently meets and plans to continue to meet the minimum funding levels required under local legislation, which imposes certain consequences on DMFI's defined benefit plan if it does not meet the minimum funding levels. DMFI has not made any contributions during the year.

DMFI does not expect to make contributions to the plan in 2018.

22. Employee benefits (cont'd)

Movement in net defined benefit liability (asset)

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit liability (asset) and its components:

	Defined benefit obligation			Fair value of plan assets			Net defined benefit liability/(asset)		
	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Group									
Balance, Beginning	438,697	515,042	482,221	(346,580)	(393,550)	(394,890)	92,117	121,492	87,331
Included in profit or loss:									
Current service cost	10,595	10,120	10,444	–	–	–	10,595	10,120	10,444
Plan administration cost	–	–	–	691	–	514	691	–	514
Interest cost/ (income)	17,819	20,875	21,192	(14,188)	(15,772)	(17,226)	3,631	5,103	3,966
Past service cost (plan amendments)	–	(40,470)	–	–	–	–	–	(40,470)	–
Curtailment gain	–	(3,814)	–	–	–	–	–	(3,814)	–
Settlement loss	–	–	–	–	5,669	–	–	5,669	–
	467,111	501,753	513,857	(360,077)	(403,653)	(411,602)	107,034	98,100	102,255
Included in OCI									
Remeasurements loss/(gain):									
- Actuarial loss/(gain) arising from:									
- financial assumptions	3,293	(2,061)	11,973	–	–	–	3,293	(2,061)	11,973
- demographic assumptions	(7,045)	(6,183)	33,046	–	–	–	(7,045)	(6,183)	33,046
- experience adjustment	(3,875)	(4,486)	(7,657)	–	–	–	(3,875)	(4,486)	(7,657)
- Return on plan assets excluding interest income	–	–	–	(10,477)	16,227	(14,026)	(10,477)	16,227	(14,026)
- Effect of movements in exchange rates	(2,389)	(2,210)	12	2,201	1,693	(3)	(188)	(517)	9
	(10,016)	(14,940)	37,374	(8,276)	17,920	(14,029)	(18,292)	2,980	23,345
Others									
Contributions paid into the plan	–	–	–	(15,513)	(5,979)	(4,108)	(15,513)	(5,979)	(4,108)
Benefits paid	(38,493)	(48,116)	(36,189)	36,709	45,132	36,189	(1,784)	(2,984)	–
	(38,493)	(48,116)	(36,189)	21,196	39,153	32,081	(17,297)	(8,963)	(4,108)
Balance, Ending	418,602	438,697	515,042	(347,157)	(346,580)	(393,550)	71,445	92,117	121,492

22. Employee benefits (cont'd)

Represented by:

	Net defined benefit liability/(asset)		
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Net defined benefit asset	(5,517)	–	–
Post-retirement benefit obligation	39,017	41,908	94,643
Net defined benefit liability	37,945	50,209	26,849
	71,445	92,117	121,492

During fiscal year 2016, a change to the post-retirement benefits plan of certain non-union employees were made where current retiree medical and dental benefits were replaced for contributions to a health reimbursement arrangement (HRA) account. As a result of the plan amendment, the Group's defined benefit obligation decreased by US$40.7 million. A corresponding reduction against past service cost was recognised as part of "General and administrative expenses" account in the 2016 consolidated income statement.

During fiscal year 2015, the actuarial assumptions used in the pension valuation of the arrangements for a number of employees in the United States were adjusted to reflect longer lifespans of Americans. As a result of the change in these assumptions, the Group's defined benefit obligation increased by US$24.2 million. A corresponding remeasurement in retirement reserve was recognised in other comprehensive income during 2015.

Plan assets

Plan assets comprise:

	Group		
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Interest-bearing cash/bank deposits	5,710	3,622	7,495
Real estate	15,130	12,852	12,514
Common collective trust funds			
Fixed income	88,577	85,663	12,286
Equity fund	113,164	115,634	134,951
Mutual funds			
Equity fund	9,143	8,926	250
Debt instruments			
Corporate	39,348	40,238	47,373
Government	50,613	53,649	62,045
Others	5,958	6,388	10,519
Equity securities			
Quoted	3,053	3,237	87,302
Unquoted	–	–	426
Others	16,461	16,371	18,389
Fair value of plan assets	347,157	346,580	393,550

22. Employee benefits (cont'd)

In accordance with the Purchase Agreement with the seller (see Note 5), an initial transfer representing the fair value of plan assets related to the Consumer Food Business was completed in connection with the closing date of 18 February 2014. The fair value of plan assets includes the estimated residual fair value of plan assets to be transferred within 270 days after the acquisition date.

The BOD of DMFI reviews the level of funding required for the retirement fund. Such a review includes the asset-liability matching ("ALM") strategy and investment risk management policy. DMFI's ALM objective is to match maturities of the plan assets to the retirement benefit obligation as they fall due. The Group monitors how the duration and expected yield of the investments match the expected cash outflows arising from the retirement benefit obligation.

DMFI's investment objectives are to ensure that the assets of its qualified defined benefit plan are invested to provide an optimal rate of investment return on the total investment portfolio, consistent with the assumption of a reasonable risk level, and to ensure that pension funds are available to meet the plan's benefit obligations as they become due.

DMFI believes that a well-diversified investment portfolio, including both equity and fixed income components, will result in the highest attainable investment return with an acceptable level of overall risk. DMFI's investment policies and procedures are designed to ensure that the plan's investments are in compliance with the Employee Retirement Income Security Act ("ERISA").

Actuarial valuation

The funded obligations and plan assets are measured and valued with the advice of qualified actuary who carries out a full valuation annually. The last valuation of these obligations and plan was performed in April 2017 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 30 April 2017.

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

	<------------- DMFI ------------>			<------------- DMPI ------------>		
	30 April 2017	**30 April 2016**	**1 May 2015**	**30 April 2017**	**30 April 2016**	**1 May 2015**
Discount rate (per annum)	4.15% - 4.25%	4.10% - 4.35%	4.50% - 4.75%	5.08%	5.23%	5.18%
Future salary increases (per annum)	3.00% - 4.00%	3.00% - 4.00%	3.00% - 4.00%	6.80%	6.80%	6.00%
Current health care cost trend rate (per annum)	7.30%/ 7.50%	7.60%/ 7.90%	7.80%/ 8.30%	–	–	–
Ultimate health care cost trend rate	4.00%	4.00%	4.00%	–	–	–

Since the defined benefit plans and other benefits liabilities are measured on a discounted basis, the discount rate is a significant assumption. The discount rate was determined based on an analysis of interest rates for high-quality, long-term corporate debt at each measurement date. In order to appropriately match the bond maturities with expected future cash payments, the Group utilised differing bond portfolios to estimate the discount rates for the defined benefits pension plans and for the post-retirement benefits.

22. Employee benefits (cont'd)

The discount rate used to determine the defined benefit plans and for the post-retirement benefits projected benefit obligation as of the balance sheet date is the rate in effect at the measurement date. The same rate is also used to determine the defined benefit pension plans and post-retirement benefits for the following fiscal year. The long-term rate of return for defined benefits pension plans' assets is based on the Group's historical experience; the defined benefits pension plans' investment guidelines and the Group's expectations for long-term rates of return. The defined benefits pension plans' investment guidelines are established based upon an evaluation of market conditions, tolerance for risk and cash requirements for benefit payments. Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows.

As at 30 April 2017 and 2016, the weighted average duration of DMPI's defined benefit retirement obligation is 18.58 years and 19.30 years, respectively.

The projected future benefit payments for the DMPI plan are as follows:

	Normal Retirement US$'000	Other than Normal Retirement US$'000	Total US$'000
Less than one year	3,032	844	3,876
More than one year to five years	11,817	3,570	15,387
More than five years	146,652	24,270	170,922

The weighted average duration of DMFI's defined benefit retirement obligation for each year are as follows.

	Duration (years)		
	30 April 2017	30 April 2016	1 May 2015
Qualified retirement plan	9.9	9.8	9.0
Post-retirement benefits plan	12.4	12.3	14.0
Executive retirement plans	5.6 - 11.7	7.3 - 9.6	7.9 - 9.0

The projected future benefit payments for the DMFI plan are as follows:

	Normal Retirement US$'000	Other than Normal Retirement US$'000	Total US$'000
Less than one year	27,069	2,242	29,311
More than one year to five years	107,674	9,698	117,372
More than five years	123,721	12,366	136,087

The weighted-average asset allocation of the Group's pension plan assets and weighted-average target allocation as of the measurement date from date of incorporation is as follows:

	30 April 2017	Target Allocation Range
Equity securities	40%	31-51%
Debt securities	53%	42-64%
Other	7%	2-19%
Total	100%	

22. Employee benefits (cont'd)

	30 April 2016	Target Allocation Range
Equity securities	37%	31-51%
Debt securities	54%	42-64%
Other	9%	2-19%
Total	100%	

	30 April 2015	Target Allocation Range
Equity securities	43%	31-51%
Debt securities	52%	42-64%
Other	5%	2-19%
Total	100%	

The plan exposes the Group to market risk.

The BOD of DMFI approves the percentage of asset to be allocated for fixed income instruments and equities. The retirement plan has set maximum exposure limits for each type of permissible investments in marketable securities and deposit instruments. The BOD of DMFI may, from time to time, in the exercise of its reasonable discretion and taking into account existing investment opportunities, review and revise such allocation and limits.

Source of estimation uncertainty

Pension expense and pension assets/liabilities are determined using certain actuarial estimates and assumptions relating to the discount rate used in valuing the subsidiary's defined benefit obligations and future experiences such as the rate of return on plan assets, future salary increases, retirement date or age, mortality and turnover rate of covered employees. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognised in the financial statements.

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of reporting period would have increased (decreased) as a result of a change in the respective assumptions by the respective percentages below.

Defined benefit obligation	<------------------------------**DMFI**---------------------------->					
	2017		**2016**		**2015**	
	0.5% increase US$'000	0.5% decrease US$'000	0.5% increase US$'000	0.5% decrease US$'000	0.5% increase US$'000	0.5% decrease US$'000
Discount rate (per annum)	($15,217)	$16,578	($16,802)	$18,411	($16,070)	$17,498
Future salary increases (per annum)	$1,522	($1,482)	$1,610	($1,569)	$1,426	($1,381)

22. Employee benefits (cont'd)

Defined benefit obligation	**<------------------------------DMPI---------------------------->**					
	2017		**2016**		**2015**	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Discount rate (per annum)	(2,465)	2,954	(2,687)	2,967	(2,478)	2,892
Future salary increases (per annum)	1,424	(1,174)	1,371	(1,340)	2,663	(2,321)

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 30 April 2017 and are applied to adjust the defined benefit obligation at the end of the report period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumption shown.

Sensitivity analysis

Post-retirement benefit obligation

	2017		**2016**		**2015**	
	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000	1.0% increase US$'000	1.0% decrease US$'000
Health care cost trend rates (per annum)	3,994	(3,284)	4,278	(3,525)	12,441	(10,128)

Accumulated Post-retirement Benefit Obligation

The Accumulated Post-retirement Benefit Obligation is computed in accordance with IAS 19 *Employee Benefits*. This quantity is the actuarial present value of all benefits attributed under the projected unit credit method to service rendered prior to a particular date. Prior to an employee's full eligibility date, the accumulated post-retirement benefit obligation as of a particular date for an employee is the portion of the expected post-retirement benefit obligation attributed to that employee's service rendered to that date; on and after the full eligibility date, the accumulated and expected post-retirement benefit obligations for an employee are the same.

Source of estimation uncertainty

Accumulated post-retirement benefit obligation is determined using certain actuarial estimates and assumptions relating to the annual rate(s) of change in the cost of health care benefits currently provided by the post-retirement benefit plans due to factors other than changes in the composition of the plan population by age and dependency status, for each year from the measurement date until the end of the period in which benefits are expected to be paid. These estimates and assumptions directly influence the amount of the pension assets/liabilities and expense recognised in the financial statements.

22. Employee benefits (cont'd)

Multi-employer plans

The Group participates in several multi-employer pension plans, which provide defined benefits to covered union employees. Contributions rates to the multi-employer plans are provided in the collective bargaining agreements for the covered union employees. The contribution rates are expressed in terms of specific amounts to be contributed based on hours worked by covered union employees. The Group made contributions of US$7.1 million, US$6.7 million and US$6.0 million during fiscal 2017, 2016 and 2015 respectively.

The risks of participating in the multi-employer pension plans are as follows:

- assets contributed to the multi-employer plan by the Group may be used to provide benefits to employees of other participating employers;
- if a participating employer stops contributing to the plan, the unfunded obligations of the plan allocable to such withdrawing employer may be partially borne by the Group; and
- if the Group stops participating in some of its multi-employer pension plans, the Group may be required to pay those plans an amount based on its allocable share of the underfunded status of the plan, referred to as a withdrawal liability.

Defined Contribution Plans

The Group participates in two defined contribution plans. Group contributions to these defined contribution plans are based on employee contributions and compensation. The expense recognised under these plans for the year ended 30 April 2017 was US$4.8 million (30 April 2016: US$5.1 million).

Other plans

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

23. Environmental remediation liabilities

			Group	
	Note	**30 April 2017 US$'000**	**30 April 2016 US$'000**	**1 May 2015 US$'000**
At beginning of the year		6,313	4,580	4,241
Provision made during the period	6	80	1,815	339
Provisions used during the period		(195)	(82)	–
At end of the year		6,198	6,313	4,580

Provision for environmental remediation relates to legal or constructive obligations incurred by the Group in connection with its operations. In connection with the closure of the plant in Turkey, North Carolina, the Group has estimated and recognised additional environmental remediation liabilities of US$0.4 million in 2017 and US$1.8 million in 2016.

24. Trade and other payables

	Note	Group 30 April 2017 US$'000	Group 30 April 2016 US$'000	Group 1 May 2015 US$'000	Company 30 April 2017 US$'000	Company 30 April 2016 US$'000	Company 1 May 2015 US$'000
Trade payables		162,505	167,197	191,085	783	–	–
Overdrafts		12,191	11,438	4,714	–	–	–
Accrued operating expenses:							
Advertising		12,220	11,967	11,852	–	–	–
Professional fees		13,591	7,620	9,072	2,796	4,587	4,388
Taxes and insurance		8,639	6,146	1,213	–	–	–
Freight and warehousing		6,320	5,875	8,897	–	–	–
Accrued interest		11,133	11,778	11,144	–	–	–
Trade promotions		11,584	11,824	8,827	–	–	–
Miscellaneous		33,966	14,961	41,710	1,991	–	–
Derivative liabilities	21	9,531	15,218	1,003	–	–	–
Accrued payroll expenses		8,282	6,875	38,122	4,467	3,359	–
Advances from customers		3,137	2,465	3,189	–	–	–
Withheld from employees (taxes and social security cost)		1,692	1,527	6,214	20	–	–
Other payables		4,623	6,152	2,012	–	351	226
VAT payables		131	–	–	131	–	–
Amounts due to subsidiaries (non-trade)		–	–	–	108,283	108,001	159,171
		299,545	281,043	339,054	118,471	116,298	163,785

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

Accrued miscellaneous include interest, utilities, customer deposits, freight and warehousing and customs and other importation incidental costs.

Sources of estimation uncertainty

The determination of the unbilled trade promotion accrual requires significant estimation of the lag time when the services are performed and billings are received.

25. Revenue

Revenue of the Group comprises gross invoiced sales of goods, net of discounts and returns, and is recognised when goods are delivered, and title has passed to customers. All intra-group transactions have been excluded from Group revenue.

Revenue for fiscal year ended 30 April 2017 is net of discounts of US$86.0 million, returns of US$20.1 million and direct promotions of US$491.2 million. Revenue for fiscal year ended 30 April 2016 is net of discounts of US$85.2 million, returns of US$19.0 million and direct promotions of US$485.2 million. Revenue for fiscal year ended 30 April 2015 is net of discounts of US$83.3 million, returns of US$21.1 million and direct promotions of US$482.6 million.

26. Profit (loss) before taxation

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

		<---------------- Group --------------->			<------------- Company ------------->		
	Note	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2015 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2015 US$'000**
Allowance for inventory obsolescence	13	7,415	2,926	5,992	–	–	–
Impairment of (reversal of allowance for) trade and nontrade receivables	14	791	(1,355)	(4,733)	–	–	–
Amortisation of intangible assets	9	9,347	9,327	7,560	–	–	–
Audit fees							
- paid to the auditors of the Company*		371	339	322	371	339	302
- paid to other auditors		1,553	2,374	2,658		354	37
Changes in fair value of agricultural produce harvested and sold	12	33,501	22,060	15,456	–	–	–
Depreciation of property, plant and equipment	6	138,995	139,991	141,394	–	–	–
Loss on deconsolidation of a subsidiary	7	–	–	5,186	–	–	–
Loss on disposal of property, plant and equipment		729	1,052	1,278	–	–	–
Impairment loss (reversal of impairment) on property, plant and equipment	6	(330)	4,928	(508)	–	–	–
Inventories recognised as cost of sales	13	1,288,042	1,316,517	1,267,927	–	–	–
Non-audit fees							
- paid to the auditors of the Company*		–	–	222	–	–	218
- paid to other auditors		667	579	590	14	99	–
Operating lease rentals	36	64,951	52,141	52,444		–	–
Impairment loss on noncurrent assets held for sale	17	–	1,659	–	–	–	–
Research and development expenses		2,779	12,615	13,077	–	–	–
Income from post-closing working capital amount	5	–	(38,000)	–	–	–	–
Bargain purchase on acquisition of Sager Creek	5	–	–	(26,568)	–	–	–
Acquisition-related costs pertaining to Consumer Food Business	5	–	–	2,200	–	–	–

**excludes professional expenses related to the Acquisition of Consumer Food Business*

26. Profit (loss) before taxation (cont'd)

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

		<--- Group --->			<--- Company --->		
	Note	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2015 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2015 US$'000**
Staff costs							
Pension costs – defined benefit pension plan**		14,917	(23,392)	14,924	–	–	–
Pension costs – provident fund		4,825	5,131	5,114	–	–	–
Social security costs		18,760	20,471	16,853	–	–	–
Equity-settled share-based payment transactions	32	890	713	144	96	161	144
Wages and salaries		385,192	375,982	364,079	3,792	8,768	3,076

***includes effect of post-retirement medical plan amendment and enhanced early retirement program*

Other expenses not included above are advertising and marketing costs, freight, warehousing costs and others.

27. Net finance expense

		<--- Group --->			<--- Company --->		
	Note	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2015 US$'000**	**Year ended 30 April 2017 US$'000**	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2015 US$'000**
Finance income							
Interest income from							
bank deposits		129	365	400	4	2	4
land leases		362	–	–	–	–	–
Foreign exchange gain		5,318	1,866	–	43	–	4
		5,809	2,231	400	47	2	8
Finance expense							
Interest expenses on bank loans		(101,375)	(89,843)	(84,347)	(21,047)	(19,809)	(21,518)
Amortisation of debt issue cost, discount	20	(8,613)	(8,775)	(10,310)	(1,740)	(1,884)	(3,776)
Foreign exchange loss		(1,080)	(963)	(5,204)	(42)	(10)	–
		(111,068)	(99,581)	(99,861)	(22,829)	(21,703)	(25,294)
Net finance expense		(105,259)	(97,350)	(99,461)	(22,782)	(21,701)	(25,286)

28. Tax expense (credit) - net

	Note	Group Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000 (As restated*)	Year ended 30 April 2015 US$'000 (As restated*)
Current tax expense				
- current year		6,730	12,729	7,189
Deferred tax credit				
- origination and reversal of temporary differences	10	(6,179)	(3,786)	(24,717)
		551	8,943	(17,528)
Reconciliation of effective tax rate				
Profit (loss) before taxation		20,442	68,919	(63,618)
Taxation on profit at weighted average of the applicable tax rates		9,898	18,600	(23,452)
Non-deductible expenses		(9,347)	(9,657)	5,924
		551	8,943	(17,528)

** see Note 3.6*

	Note	Company Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000
Current tax expense				
- current year		14	5	–
Deferred tax credit				
- origination and reversal of temporary differences	10	(2)	–	–
		12	5	–

28. Tax expense (credit) – net (cont'd)

		Group		
		Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000
Applicable tax rates	**Note**			
- Philippines (non-PEZA)		30%	30%	30%
- Philippines (PEZA)*		5%	5%	5%
- India		31%	31%	31%
- Singapore		17%	17%	17%
- United States of America		38%	38%	38%
- Mexico		30%	30%	30%

* based on gross profit for the year

DMPI's core production operations in Cagayan de Oro City, Philippines is under Philippine Packing Agricultural Export Processing Zone. This new zone has been established in accordance with the policies of the Philippine Economic Zone Authority ("PEZA"). DMPI enjoys certain fiscal and non-fiscal incentives including a 5% (2016 and 2015: 5%) tax on gross profit in lieu of the statutory 30% (2016 and 2015: 30%) on profit before tax, duty free importation of capital equipment, raw materials and supplies used in pursuit of its Ecozone-registered activities, among other incentives. The incentives will be available for as long as DMPI complies with the PEZA's requirements which includes exporting 70% of its production. This current tax incentive will expire in fiscal year 2018.

DMPI has received the PEZA approval for a second zone, the Bukidnon Agro-Resources Export Zone, for agri-development projects. This current tax incentive will expire in fiscal year 2018.

Company

There is no tax expense for the Company as the income of the Company is exempt from all income taxes in the British Virgin Islands but its ROHQ in the Philippines has a preferential tax rate of 10%.

Sources of estimation uncertainty

The Group has exposure to income taxes in several foreign jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

29. Earnings (loss) per share

Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

Cumulative undeclared preference dividends as of 30 April 2017 is US$0.8 million.

	Group		
	Year ended 30 April 2017	**Year ended 30 April 2016 (As restated*)**	**Year ended 30 April 2015 (As restated*)**
Profit (loss) attributable to owners of the Company (US$'000)	24,366	56,978	(40,278)
Cumulative preference share dividends (US$'000)	(847)	–	–
	23,519	56,978	(40,278)
Weighted average number of ordinary shares ('000):			
Issued ordinary shares at 1 May	1,943,214	1,944,035	1,297,500
Effect of own shares held	–	(426)	(900)
Effects of shares issued	–	–	94,211
Weighted average number of ordinary shares during the year	1,943,214	1,943,609	1,390,811
Basic earnings (loss) per share (in US cents)	1.21	2.93	(2.90)

* *see Note 3.6*

29. Earnings (loss) per share (cont'd)

Diluted earnings (loss) per share

For the purpose of calculation of the diluted earnings per ordinary share, the weighted average number of ordinary shares in issue is adjusted to take into account the dilutive effect arising from Del Monte Pacific RSP, with the potential ordinary shares weighted for the period outstanding.

	Group		
	Year ended 30 April 2017	**Year ended 30 April 2016 (As restated*)**	**Year ended 30 April 2015 (As restated*)**
Profit (loss) attributable to owners of the Company (US$'000)	24,366	56,978	(40,278)
Cumulative preference share dividends (US$'000)	(847)	–	–
	23,519	56,978	(40,278)
Diluted weighted average number of shares ('000):			
Weighted average number of ordinary shares at end of year (basic)	1,943,214	1,943,609	1,390,811
Potential ordinary shares issuable under share options	746	736	–
Weighted average number of ordinary shares issued (diluted)	1,943,960	1,944,345	1,390,811
Diluted earnings (loss) per share (in US cents)	1.21	2.93	(2.90)

** see Note 3.6*

The potential ordinary shares issuable under the Del Monte RSP were excluded from the diluted weighted average number of ordinary shares calculation for the year ended 30 April 2017, 2016 and 2015 because their effect would decrease the loss per share and have an anti-dilutive effect.

30. Operating segments

The Group has two operating segments: geographical and product. In identifying these operating segments, management generally considers geographical as its primary operating segment.

Geographical segments

Americas

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

30. Operating segments (cont'd)

Asia Pacific

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

Europe

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

Product segments

Packaged fruit and vegetable

The packaged fruit and vegetable segment includes sales and profit of processed fruit and vegetable products under the Del Monte and S&W brands, as well as buyer's labels, that are packaged in different formats such as can, plastic cup, pouch and aseptic bag. Key products under this segment are canned beans, peaches and corn sold in the United States and canned pineapple and tropical mixed fruit in Asia Pacific.

Beverage

Beverage includes sales and profit of 100% pineapple juice in can, juice drinks in various flavours in can, tetra and PET packaging, and pineapple juice concentrate.

Culinary

Culinary includes sales and profit of packaged tomato-based products such as ketchup, tomato sauce, pasta sauce, recipe sauce, pizza sauce, pasta, broth and condiments under four brands namely Del Monte, S&W, College Inn and Contadina.

Fresh fruit and others

Fresh fruit and others include sales and profit of S&W branded fresh pineapples in Asia Pacific and buyer's label or non-branded fresh pineapples in Asia, and sales and profit of cattle in the Philippines. The cattle operation helps in the disposal of pineapple pulp, a residue of pineapple processing which is fed to the animals. This would also include non-branded sales to South America.

The Group allocated certain overhead and corporate costs to the various product segments based on sales for each segment relative to the entire Group.

Segment assets

Segment assets consist primarily of property, plant and equipment, intangible assets, trade and other receivables, biological assets, inventories and investments in joint ventures.

30. Operating segments (cont'd)

Information about reportable segments

	<-----Americas-----			<-----Asia Pacific----->			<-----Europe----->			<-----Total----->		
	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000 (As restated*)	Year ended 30 April 2015 US$'000 (As restated*)	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000 (As restated*)	Year ended 30 April 2015 US$'000 (As restated*)	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000 (As restated*)	Year ended 30 April 2015 US$'000 (As restated*)
Revenue												
Packaged/processed fruit and vegetable	1,363,015	1,446,602	1,326,855	127,092	116,100	109,374	28,254	19,039	23,489	1,518,361	1,581,741	1,459,718
Beverage	28,859	28,691	27,512	131,258	132,268	124,215	14,745	14,755	10,173	174,862	175,714	161,900
Culinary	298,454	294,486	310,852	120,857	122,063	117,984	–	–	–	419,311	416,549	428,836
Fresh fruit and others	1,108	90	52,266	139,141	99,992	87,263	–	–	–	140,249	100,082	139,529
Total	**1,691,436**	**1,769,869**	**1,717,485**	**518,348**	**470,423**	**438,836**	**42,999**	**33,794**	**33,662**	**2,252,783**	**2,274,086**	**2,189,983**
Gross profit												
Packaged/processed fruit and vegetable	239,208	266,422	206,744	38,694	31,444	28,225	11,706	5,510	3,570	289,608	303,376	238,539
Beverage	10,018	4,022	1,159	41,212	39,188	35,021	6,403	6,022	870	57,633	49,232	37,050
Culinary	54,949	56,020	51,990	46,268	46,212	45,643	–	–	–	101,217	102,232	97,633
Fresh fruit and others	250	12	12,987	46,184	30,965	25,243	–	–	–	46,434	30,977	38,230
Total	**304,425**	**326,476**	**272,880**	**172,358**	**147,809**	**134,132**	**18,109**	**11,532**	**4,440**	**494,892**	**485,817**	**411,452**
Share of loss in investments in joint ventures, net of tax												
Packaged/processed fruit and vegetable	–	–	–	(491)	(523)	(746)	–	–	–	(491)	(523)	(746)
Beverage	–	–	–	(97)	(123)	(156)	–	–	–	(97)	(123)	(156)
Culinary	–	–	–	(1,003)	(1,001)	(1,367)	–	–	–	(1,003)	(1,001)	(1,367)
Fresh fruit and others	–	–	–	(318)	(70)	(184)	–	–	–	(318)	(70)	(184)
Total	**–**	**–**	**–**	**(1,909)**	**(1,717)**	**(2,453)**	**–**	**–**	**–**	**(1,909)**	**(1,717)**	**(2,453)**

* *see Note 3.6*

30. Operating segments (cont'd)

Information about reportable segments

	Americas			Asia Pacific			Europe			Total		
	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000 (As restated*)	Year ended 30 April 2015 US$'000 (As restated*)	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000 (As restated*)	Year ended 30 April 2015 US$'000 (As restated*)	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000 (As restated*)	Year ended 30 April 2015 US$'000 (As restated*)	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000 (As restated*)	Year ended 30 April 2015 US$'000 (As restated*)
Profit (loss) before taxation												
Packaged/processed fruit and vegetable	(55,362)	9,501	(69,383)	17,617	10,828	8,737	8,265	3,020	9	(29,480)	23,349	(60,637)
Beverage	1,021	(1,795)	(4,757)	13,752	11,577	10,103	–	4,347	(635)	14,773	14,129	4,711
Culinary	(13,095)	2,233	(26,256)	17,915	19,171	20,345	4,781	–	–	9,601	21,404	(5,911)
Fresh fruit and others	2,790	(5,440)	(8,803)	22,758	15,477	10,030	–	–	–	25,548	10,037	1,227
Total	**(64,646)**	**4,499**	**(109,199)**	**72,042**	**57,053**	**49,215**	**13,046**	**7,367**	**(626)**	**20,442**	**68,919**	**(60,610)**
Other Material Non-Cash Items												
Depreciation and amortisation	47,278	56,971	49,500	101,064	92,347	99,454	–	–	–	148,342	149,318	148,954
Capital expenditure	**44,591**	**42,823**	**57,334**	**99,532**	**94,407**	**86,799**	**–**	**–**	**–**	**144,123**	**137,230**	**144,133**
Segment assets	**2,228,986**	**2,243,508**	**2,137,740**	**503,177**	**444,195**	**458,807**	**24,983**	**18,687**	**31,902**	**2,757,146**	**2,706,390**	**2,628,449**
Segment liabilities	**1,508,147**	**1,556,300**	**1,520,878**	**610,411**	**750,370**	**765,527**	**60,033**	**22,743**	**11,549**	**2,178,591**	**2,329,413**	**2,297,954**

** see Note 3.6*

30. Operating segments (cont'd)

Reconciliation of reportable segment profit or loss, assets and capital expenditures

	Group		
	Year ended 30 April 2017 US$'000	**Year ended 30 April 2016 US$'000**	**Year ended 30 April 2015 US$'000**
		(As restated*)	**(As restated*)**
Profit (loss) before taxation per operating segment	20,442	68,919	(60,610)
Unallocated amounts - acquisition related costs	–	–	(3,008)
Profit (loss) before taxation as reported	20,442	68,919	(63,618)

** see Note 3.6*

Major customer

Revenues from a major customer of the Americas segment for the year ended 30 April 2017 amounted to approximately US$630.3 million or 28% (year ended 30 April 2016: US$585.0 million or 26%, year ended 30 April 2015: US$496.7 million or 23%) of the Group's total revenue. The customer accounted for approximately 15% of trade and other receivables at 30 April 2017 (30 April 2016: 16%, 30 April 2015: 15%).

31. Seasonality of operations

The Group's business is subject to seasonal fluctuations as a result of increased demand during the end of year festive season. For Americas, products are sold heavily during the Thanksgiving and Christmas seasons. As such, the Group's sales are usually highest during the three months from August to October.

The Group operates 15 production facilities (30 April 2016: 16 production facilities) in the U.S., Mexico, Philippines and Venezuela. Fruit plants are located in California and Washington in the United States and Philippines, most of its vegetable plants are located in the U.S. Midwest and its tomato plants are located in California and Indiana.

The US Consumer Food Business has a seasonal production cycle that generally runs between the months of June and October. This seasonal production primarily relates to the majority of processed fruit, vegetable and tomato products, while some of its processed fruit and tomato products and its *College Inn* broth products are produced throughout the year. Additionally, the Consumer Food Business has contracts to co-pack certain processed fruit and vegetable products for other companies.

32. Share option and incentive plans

The Del Monte Pacific Executive Stock Option Plan 1999 (“ESOP 1999”) of the Company was approved and amended by its shareholders at general meetings held on 30 July 1999 and 21 February 2002 respectively. No further options could be granted pursuant to the ESOP 1999 as it had expired on 24 July 2009. The options granted by the Company prior to 24 July 2009 are valid for a period of ten years from the date of the grant of options.

The Company adopted a new plan, the Del Monte Pacific Executive Share Option Plan 2016 (“ESOP 2016”), which was approved by the shareholders at the general meeting held on 30 August 2016. The purpose of the ESOP 2016 is to provide an opportunity for Group executives to participate in the equity of the Company in order to motivate them to excel in their performance. The ESOP 2016 shall be valid for a period of ten years; however, it has yet to be implemented.

The Company also had two share plans, the Del Monte Pacific Restricted Share Plan (“Del Monte Pacific RSP”) and the Del Monte Pacific PSP Performance Share Plan (“Del Monte Pacific PSP”) (collectively the “Share Plans”), which were approved by the Company’s shareholders at the general meeting held on 26 April 2005. The Share Plans sought to increase the Company’s flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees targeted at executives holding key positions. The Share Plans expired after ten years or on 25 April 2015. Any share awards granted prior to the expiration of the Share Plans would continue to be valid.

Other information regarding the Del Monte Pacific RSP are as follows:

(a) No minimum vesting periods are prescribed.

(b) The length of the vesting period(s) in respect of each award granted will be determined on a case-to-case basis by the RSOC.

(c) Delivery of shares upon vesting of the share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

On 12 May 2009, six employees of related companies were granted an aggregate of 3,749,000 share awards at the market price of 0.540 Singapore dollar (S$) per share.

On 29 April 2011, 2,643,000 shares were awarded at the market price of S$0.485 per share to Mr. Joselito D. Campos, Jr, an associate of a controlling shareholder, approved by shareholders at the Annual General Meeting of the Company held on 29 April 2011.

On 30 April 2013, 211,440 shares were awarded to Joselito D. Campos, Jr, and 275,440 shares to five employees of related companies, representing 20% adjustment to the number of unvested share awards previously granted, at the market price of S$0.810 per share.

On 22 August 2013, 688,000 shares were awarded at the market price of S$0.840 per share to each Group Non-Executive Director/Group Executive Director.

On 1 July 2015, 57,918 shares were awarded at the market price of S$0.385 per share to six Directors of the Company, arising from the rights issue of shares carried out by the Company on 10 March 2015. The grant of the additional 57,918 share awards was for the adjustment to account for the dilutive effect arising from the rights issue on the unvested share awards previously granted by the Company.

32. Share option and incentive plans (cont'd)

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

(a) Vesting periods are not applicable.

(b) Shares awarded are released at the end of the performance period (typically, at the conclusion of a financial year end) once the RSOC is satisfied that the prescribed performance target(s) have been achieved by awardees.

(c) Delivery of share awards may be by way of an issue of new shares and/or the transfer of existing shares (by way of purchase of existing shares).

As at the date of this report, no share awards have been granted pursuant to the Del Monte Pacific PSP.

The RSOC is responsible for administering the ESOPs and the Share Plans.

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

ESOP

Date of grant of options	Exercise period	Exercise price	Options outstanding		
		S$	30 April 2017	30 April 2016	30 April 2015
7 March 2008	Up to 60%: 7 March 2010 – 6 March 2011 40%: 7 March 2011 – 6 March 2018	0.627	750,000	750,000	750,000
30 April 2013*	Up to 100%: 30 April 2013 – 6 March 2018	0.627	150,000	150,000	150,000
1 July 2015	Up to 100%: 6 March 2018	0.578	75,765	75,765	–
			975,765	975,765	900,000

* On 30 April 2013, the Company approved the grant of 150,000 stock options, representing a 20% adjustment to the number of unexercised stock options previously granted. The exercise period therefore follows that of the options granted on 7 March 2008.

32. Share option and incentive plans (cont'd)

As at the reporting date, a total of 975,765 options remain outstanding.

Del Monte Pacific RSP

Date of grant of share awards	Vesting period	Market price on date of grant S$	Share awards granted	Share awards outstanding
22 August 2013	Up to 60%: 22 August 2013 – 21 August 2016 40%: 22 August 2016 – 21 August 2017	0.840	688,000	688,000
1 July 2015	Up to 60%: 22 August 2016 – 21 August 2017 40%: 22 August 2017 – 21 August 2018	0.385	57,918	57,918
			745,918	745,918

Since the commencement of the employee share option plans until the end of the financial year, no option have been granted at a discount.

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on the Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

Fair value of share options/awards and assumptions

Date of grant of options/awards	7 March 2008	30 April 2013	1 July 2015	12 May 2009	29 April 2011	30 April 2013	22 August 2013	1 July 2015
	<----------------ESOP	-------------	>	<--------------- Del Monte Pacific RSP				------------->
Fair value at measurement date	US$0.12	US$0.18	US$0.29	US$0.37	US$0.40	US$0.18	US$0.65	US$0.29
Share price (Singapore Dollars) at grant date	0.615	0.810	0.385	0.540	0.485	0.810	0.840	0.385
Exercise price (Singapore Dollars)	0.627	0.627	0.578	–	–	–	–	–
Expected volatility	5.00%	2.00%	2.00%	–	–	–	3.00%	2.00%
Time to maturity	2 years	2 years	2 years	–	–	–	1 year	2 years
Risk-free interest rate	3.31%	1.51%	2.51%	–	–	–	2.69%	2.51%

32. Share option and incentive plans (cont'd)

The expected volatility is based on the historic volatility (calculated based on the weighted average expected life of the share options), adjusted for any expected changes to future volatility due to publicly available information.

There are no market conditions associated with the share option grants. Service conditions and non-market performance conditions are not taken into account in the measurement of the fair value of the services to be received at the grant date.

Del Monte Foods Holding Equity Compensation Plan ("ECP")

The 2014 Equity Compensation Plan (the "2014 Equity Plan") was adopted by the Board of DMFHI effective 24 September 2014. The 2014 Equity Plan provided for the grant of stock options to key executives. 9,000,000 shares of common stock of DMFHI were reserved for grant under the 2014 Equity Plan.

In 2015, DMFHI granted 7,065,000 stock options. As of 30 April 2016, 2,265,000 shares of common stock were available for future grant.

The options granted under the 2014 Equity Plan are subject to service-based and performance-based vesting, and vest annually over seven (7) years and have a term of ten (10) years. The grant date fair value of these options is US$1.22.

The fair value for stock options granted was estimated at the date of grant using a Black-Scholes option pricing model. This model estimates the fair value of the options based on a number of assumptions, such as expected option life, interest rates, the current fair market value and expected volatility of common stock and expected dividends. The expected term of options granted was based on the "simplified" method. Expected stock price volatility was determined based on the historical volatilities of comparable companies over a historical period that matches the expected life of the options. The risk-free interest rate was based on the expected U.S. Treasury rate over the expected life. The dividend yield was based on the expectation that no dividends will be paid. The following table presents the weighted-average assumptions for performance-based stock options granted for the periods indicated:

	11 November 2015	**24 September 2014**
Expected life (in years)	5.5	3.0
Expected volatility	38.49%	34.32%
Risk-free interest rate	1.64%	0.97%
Dividend yield	0%	0%

32. Share option and incentive plans (cont'd)

Stock option activity and related information during the periods indicated was as follows:

	2017		2016	
	Number of options	Weighted-average exercise price	Number of options	Weighted-average exercise price
Outstanding at beginning of year	6,620,000	5.39	6,735,000	5.00
Cancelled	(3,059,800)	5.39	(6,735,000)	5.00
Granted	–	–	7,405,000	5.39
Forfeited	(800,608)	5.39	(785,000)	5.39
Exercised	–	–	–	–
Outstanding at end of year	2,759,592	5.39	6,620,000	5.39
Exercisable at end of year	–	–	–	–

The expense recognised in profit or loss for equity-settled share based payments amounted to US$0.8 million in 2017 and US$0.6 million in 2016 and were included in personnel cost.

33. Financial risk management

The Group has exposure to the following risks from financial instruments:

- credit risk
- interest rate risk
- liquidity risk
- foreign exchange risk
- commodity price risk

Risk management framework

The Board of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework. The Audit and Risk Committee (ARC) is responsible for monitoring the Group's risk management policies developed by management.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The ARC oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The ARC is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARC.

33. Financial risk management (cont'd)

Financial risk management objectives and policies

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The BOD of the Group continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers. The carrying amounts of financial assets in the statements of financial position represent the Group and the Company's maximum exposures to credit risk, before taking into account any collateral held. The Group and Company do not hold any collateral in respect of their financial assets.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and countries in which customers are located, as these factors may have an influence on credit risk.

The ARC has approved a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes credit ratings, where available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount. Customers failing to meet the Group's benchmark credit worthiness may transact with the Group only on a prepayment or Letters of Credit basis.

Exposure to credit risk

At the reporting date, the maximum exposure to credit risk for financial assets, excluding cash on hand, by geographic region was:

	Note		Group	
		30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Americas		93,550	135,202	125,557
Europe		16,979	8,558	10,210
Asia Pacific		95,345	81,170	85,827
	14,16	205,874	224,930	221,594

At 30 April 2017, the Group's most significant customer accounted for 15% of the trade and other receivables carrying amount (30 April 2016: 16%, 30 April 2015: 15%).

33. Financial risk management (cont'd)

Credit risk (cont'd)

Impairment losses

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

Group	Note	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Not past due		170,924	166,721	169,250
Past due 0 - 60 days		23,868	36,681	31,854
Past due 61 - 90 days		2,003	4,624	4,197
Past due 91 - 120 days		1,398	3,810	7,342
More than 120 days		7,681	13,094	8,951
	14,16	205,874	224,930	221,594

As at 30 April 2017 and 2016 and 1 May 2015, the Company's financial assets were all not past due.

The table below shows the credit quality of the Group's financial assets based on their historical experience with the corresponding third parties:

	Note	30 April 2017 Grade A US$'000	Grade B US$'000	Total US$'000
Cash in banks and cash equivalents	16	37,523	–	37,523
Trade and other receivables	14	–	164,447	164,447
Refundable deposits*		–	1,219	1,219
Derivative asset		–	2,685	2,685
		37,523	168,351	205,874

included in other noncurrent assets

	Note	30 April 2016 Grade A US$'000	Grade B US$'000	Total US$'000
Cash in banks	16	47,153	–	47,153
Trade and other receivables	14	–	175,532	175,532
Refundable deposits*		–	772	772
Derivative asset		–	1,473	1,473
		47,153	177,777	224,930

included in other noncurrent assets

	Note	1 May 2015 Grade A US$'000	Grade B US$'000	Total US$'000
Cash in banks and cash equivalents	16	35,571	–	35,571
Trade and other receivables	14	–	184,402	184,402
Refundable deposits*		–	803	803
Derivative asset		–	818	818
		35,571	186,023	221,594

included in other noncurrent assets

As at 30 April 2017, 2016 and 2015, the Company's financial assets were all classified under Grade A and Grade B, respectively.

33. Financial risk management (cont'd)

Credit risk (cont'd)

Grade A financial assets pertain to those cash that are deposited in reputable banks. Grade B includes receivables that are collected on their due dates even without an effort from the Group to follow them up.

The Group believes that the unimpaired amount past due by more than 60 days are still collectible in full, based on historical payment behaviour and extensive analysis of customers' risk rating. An analysis of the credit quality of loans and receivables that are neither past due nor impaired indicates that they are of acceptable risk.

The Group sells its products through major distributors and buyers in various geographical regions. Management has a credit risk policy which includes, among others, the requirement of certain securities to ensure prompt observance and performance of the obligations of its distributors and other buyers from time to time. The Group monitors its outstanding trade receivables on an on-going basis. In addition, the Group also engages in sale of its trade receivables without recourse to certain financial institutions.

Cash in banks and cash equivalents

Cash in banks and cash equivalents are held with banks and financial institutions which are regulated.

The percentages of cash in banks and cash equivalents held in the following regions are:

	30 April 2017 %	**30 April 2016 %**	**1 May 2015 %**
Group			
United States of America	8	63	2
Philippines	44	11	70
Hong Kong	47	25	26
Singapore	1	1	2
Company			
Philippines	–	78	20
Hong Kong	100	22	80

Apart from the information stated above, the Group and Company have no significant concentration of credit risk with any single counterparty or group counterparties.

Derivatives

The derivatives are entered into with banks and financial institutions which are regulated.

Interest rate risk

Interest rate risk is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in the market interest rates. The Group's exposure ot the risk of changes in market interest rates relates primarily to the Group's long-term and short-term debt obligations with floating interest rates.

33. Financial risk management (cont'd)

Interest rate risk (cont'd)

The Group's cash balances are placed with reputable global banks and financial institutions. The Group manages its interest rate risks by placing the cash balances with varying maturities and interest rate terms. This includes investing the Group's temporary excess liquidity in short-term low-risk securities from time to time. The Group obtains financing through bank borrowings and leasing arrangements. Funding is obtained from bank loan facilities for both short-term and long-term requirement. The Group's policy is to obtain the most favourable interest rate available without increasing its foreign currency exposure.

Interest rate profile of interest-bearing financial instruments

The interest rate profile of the interest-bearing financial instruments as reported to management of the Group is as follows:

	Group			Company		
	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Fixed rate instruments						
Loans and borrowings	368,048	316,075	789,960	129,414	129,234	102,630
Variable rate instruments						
Loans and borrowings	1,345,918	1,527,707	928,527	195,510	348,630	348,250
Interest rate swaps	17,891	35,115	20,090	–	–	–
	1,363,809	1,562,822	948,617	195,510	348,630	348,250

Cash flow sensitivity analysis for variable rate instruments

At the reporting date, if interest rates had moved as illustrated in the table below, with all other variables held constant, profit/loss before tax in the next 12 months would have been affected as follows:

	Profit/loss before tax in the next 12 months	
	100 bp increase US$'000	100 bp decrease US$'000
Group		
30 April 2017		
Variable rate instruments	(11,282)	11,282
Interest rate swaps	5,270	(5,270)
Cash flow sensitivity (net)	(6,012)	6,012
30 April 2016		
Variable rate instruments	(11,941)	11,941
Interest rate swaps	6,260	(6,260)
Cash flow sensitivity (net)	(5,681)	5,681
30 April 2015		
Variable rate instruments	(15,871)	15,871
Interest rate swaps	6,260	(6,260)
Cash flow sensitivity (net)	(9,611)	9,611

33. Financial risk management (cont'd)

Interest rate risk (cont'd)

As at 30 April 2017, if the interest rate had moved by 100bp increase and decrease, with all other variables held constant, the Company's profit before tax in the next 12 months and equity would have been affected by US$0.1million decrease and US$0.1million increase, respectively.

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing significantly higher volatility than in prior years.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains a balance between continuity of cash inflows and flexibility in the use of available and collateral free credit lines from local and international banks. Currently, the Group excluding DMFI is entitled to a total of US$1,120 million (30 April 2016: US$991.0 million, 30 April 2015: US$928.0 million) in credit lines, of which 43% (30 April 2016: 29%, 30 April 2015: 22%) remain available. The lines are mostly for short term financing requirements, with US$196 million (30 April 2016: US$194 million, 30 April 2015: US$11.0 million) available for long term requirements. The Group constantly maintains good relations with its banks, such that additional facilities, whether for short or long term requirements, may be made available.

The Group is able to increase the commitments under the ABL Facility, subject only to the consent of the new or existing lenders providing such increases, such that the aggregate principal amount of commitments does not exceed US$450.0 million. The lenders under this facility are under no obligation to provide any such additional commitments, and any increase in commitments will be subject to customary conditions precedent. Notwithstanding any such increase in the facility size, the Group's ability to borrow under the facility will remain limited at all times by the borrowing base (to the extent the borrowing base is less than the commitments).

The Group has the right to request an additional US$100.0 million plus an additional amount of secured indebtedness under the First Lien Term Loan and the Second Lien Term Loan. Lenders under this facility are under no obligation to provide any such additional loans, and any such borrowings will be subject to customary conditions precedent, including satisfaction of a prescribed leverage ratio, subject to the identification of willing lenders and other customary conditions precedent.

33. Financial risk management (cont'd)

Liquidity risk (cont'd)

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2017						
Derivative financial liabilities						
Interest rate swaps used for hedging, net-settled	21	17,891	19,041	7,767	11,274	–
Non-derivative financial liabilities						
Unsecured bank loans						
- Short-term		280,584	281,271	281,271	–	–
- Long-term		341,974	386,674	14,313	369,361	–
Secured bank loans						
- Short-term		169,114	175,100	175,100	–	–
- Long-term		922,294	1,185,298	60,325	1,124,973	–
Trade and other payables*		286,877	296,408	296,408	–	–
		2,000,843	2,324,751	827,417	1,494,334	

**excludes derivative liabilities and advances from customers*

Group	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2016						
Derivative financial liabilities						
Interest rate swaps used for hedging, net-settled	21	35,115	36,130	15,218	20,912	–
Commodity contracts	21	1,630	1,630	1,630	–	–
		36,745	37,760	16,848	20,912	–
Non-derivative financial liabilities						
Unsecured bank loans						
- Short-term		501,481	517,695	517,695	–	–
- Long-term		193,224	219,402	7,313	212,089	–
Secured bank loans						
- Short-term		225,879	232,542	232,542	–	–
- Long-term		923,198	1,226,975	57,895	1,169,080	–
Other noncurrent liabilities						
- Other payables		477	477	–	477	–
Trade and other payables*		263,360	263,360	263,360	–	–
		2,107,619	2,460,451	1,078,805	1,381,646	–

**excludes derivative liabilities and advances from customers*

33. Financial risk management (cont'd)

Liquidity risk (cont'd)

Group	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2015						
Derivative financial liabilities						
Interest rate swaps used for hedging, net-settled	21	20,090	10,523	–	9,654	869
Foreign currency forward contracts used for hedging, net settled	21	1,003	1,003	1,003	–	–
		21,093	11,526	1,003	9,654	869
Non-derivative financial liabilities						
Unsecured bank loans						
- Short-term		347,180	349,204	349,204	–	–
- Long-term		348,250	376,271	13,153	363,118	–
Secured bank loans						
- Short-term		98,362	108,862	108,862	–	–
- Long-term		924,695	1,349,704	56,479	1,024,120	269,105
Other noncurrent liabilities						
- Other payables		797	797	–	797	–
Trade and other payables*		334,862	334,862	334,862	–	–
		2,054,146	2,519,700	862,560	1,388,035	269,105

excludes derivative liabilities and advances from customers

Company	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 2017					
Non-derivative financial liabilities					
Unsecured bank loans					
- Long-term	281,854	307,343	20,555	286,788	–
- Short-term	43,070	43,480	43,480	–	–
Trade and other payables	108,283	108,283	108,283	–	–
	433,207	459,106	172,318	286,788	–
30 April 2016					
Non-derivative financial liabilities					
Unsecured bank loans					
- Long-term	129,234	155,204	7,313	147,891	–
- Short-term	348,630	364,542	364,542	–	–
Trade and other payables	116,298	116,298	116,298	–	–
	594,162	636,044	488,153	147,891	–
30 April 2015					
Non-derivative financial liabilities					
Unsecured bank loans					
- Long-term	348,250	376,271	13,153	363,118	–
- Short-term	102,630	104,355	104,355	–	–
Trade and other payables	163,785	163,785	163,785	–	–
	614,665	644,411	281,293	363,118	–

33. Financial risk management (cont'd)

Liquidity risk (cont'd)

The Group's bank loans contain loan covenants, for which breaches will require the Group to repay the loans earlier than indicated in the above table. The covenants are constantly monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance.

For derivative financial liabilities, the disclosure shows net cash from amounts for derivatives that are net cash settled.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Foreign exchange risk

The Group is exposed to foreign exchange risk from its subsidiaries operating in foreign countries, which generate revenue and incur costs in foreign currencies, and from those operations of its local subsidiaries, which are in foreign currencies. The currency giving rise to this risk is primarily the US Dollar, Mexican Peso and Venezuelan Bolivar.

Group entities maintain their respective books and accounts in their functional currencies. As a result, the Group is subject to transaction and translation exposures resulting from currency exchange rate fluctuations.

From time to time, the Group manages its exposure to fluctuations in foreign currency exchange rates by entering into forward contracts to cover a portion of its projected expenditures paid in foreign currency. The Group accounts for these contracts as cash flow hedges.

33. Financial risk management (cont'd)

Foreign exchange risk (cont'd)

At the reporting date, the Group's exposure to foreign currencies is as follows:

	US Dollar US$'000	Mexican Peso US$'000
30 April 2017		
Trade and other receivables	24,779	4,799
Cash and cash equivalents	15,932	183
Other non-current assets	21,507	–
Loans and borrowings	(117,835)	–
Trade and other payables	(97,834)	(4,581)
	(153,451)	401
30 April 2016		
Trade and other receivables	25,675	3,813
Cash and cash equivalents	4,630	294
Other non-current assets	1,454	–
Loans and borrowings	(33,704)	–
Trade and other payables	(59,062)	(5,334)
	(61,007)	(1,227)
30 April 2015		
Trade and other receivables	134,664	2,502
Cash and cash equivalents	1,184	208
Other non-current assets	1,554	–
Loans and borrowings	(9,644)	–
Trade and other payables	(83,565)	(6,033)
	44,193	(3,323)

The Company has no significant exposure to foreign currencies as at 30 April 2017 and 2016, and 2015.

33. Financial risk management (cont'd)

Foreign exchange risk (cont'd)

Sensitivity analysis

A 10% strengthening of the group entities' foreign currencies against their respective functional currency at the reporting date would have increased (decreased) loss/profit before taxation and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

A 10% weakening of the group entities' foreign currencies against their respective functional currency would have the equal but opposite effect on the amounts shown below, on the basis that all other variables remain constant.

	US Dollar		Mexican Peso	
	Profit (loss) before taxation US$'000	Equity US$'000	Profit (loss) before taxation US$'000	Equity US$'000
30 April 2017				
10% strengthening	(15,345)	–	40	1,866
10% weakening	15,345	–	(40)	(1,866)
30 April 2016				
10% strengthening	6,101	–	(123)	2,222
10% weakening	(6,101)	–	123	(3,696)
30 April 2015				
10% strengthening	(4,419)	–	(332)	1,933
10% weakening	4,419	–	332	(931)

Commodity price risk

The Group is regularly engaged in the purchase of tinplates and fuel and is significantly exposed to commodity price risk related to tinplates and fuel. The Group ensures future supply of tinplates while minimising the impact of price movements by purchasing tinplates and fuel in advance of the production requirements. These purchase contracts are entered into for the purpose of receipt or delivery of tinplates and fuel in accordance with the expected usage requirements of the Group.

Certain commodities such as diesel fuel and natural gas (collectively, "commodity contracts") are used in the production and transportation of the Group's products. Generally these commodities are purchased based upon market prices that are established with the vendors as part of the procurement process. The Group uses futures, swaps, and swaption or option contracts, as deemed appropriate; to reduce the effect of price fluctuations on anticipated purchases. These contracts may have a term of up to 24 months.

33. Financial risk management (cont'd)

Commodity price risk (cont'd)

Sensitivity analysis

A 10% change in commodity prices at the reporting date would have decreased (increased) profit before taxation and increased (decreased) equity by the amounts shown below.

	Loss/profit before taxation US$'000	Equity US$'000
30 April 2017		
10% increase in commodity price	(400)	–
10% decrease in commodity price	400	–
30 April 2016		
10% increase in commodity price	(281)	(494)
10% decrease in commodity price	281	494

34. Accounting classification and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Group						
30 April 2017						
Cash and cash equivalents		37,571	–	–	37,571	37,571
Trade and other receivables		164,447	–	–	164,447	164,447
Derivative asset		–	2,685	–	2,685	2,685
		202,018	2,685	–	204,703	204,703
Loans and borrowings		–	–	1,713,966	1,713,966	1,552,043
Trade and other payables*		–	–	296,408	296,408	296,408
Derivative liabilities		–	8,442	–	8,442	8,442
		–	8,442	2,010,374	2,018,816	1,856,893

**excludes advances from customers*

34. Accounting classification and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

Group	Note	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
30 April 2016						
Cash and cash equivalents	16	47,203	–	–	47,203	47,203
Trade and other receivables	14	175,532	–	–	175,532	175,532
Derivative asset	15	–	1,473	–	1,473	1,473
		222,735	1,473	–	224,208	224,208
Loans and borrowings	20	–	–	1,843,782	1,843,782	1,822,868
Trade and other payables*	24	–	15,218	263,360	278,578	278,578
Derivative liabilities	21	–	21,527	–	21,527	21,527
		–	36,745	2,107,142	2,143,887	2,122,973

**excludes advances from customers*

Group	Note	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
1 May 2015						
Cash and cash equivalents	16	35,618	–	–	35,618	35,618
Trade and other receivables	14	184,402	–	–	184,402	184,402
Derivative asset	15	–	818	–	818	818
		220,020	818	–	220,838	220,838
Loans and borrowings	20	–	–	1,718,487	1,718,487	1,712,728
Trade and other payables*	24	–	1,003	334,862	335,865	335,865
Derivative liabilities	21	–	20,090	–	20,090	20,090
		–	21,093	2,053,349	2,074,442	2,068,683

**excludes advances from customers*

34. Accounting classification and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

Company	Note	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
30 April 2017						
Cash and cash equivalents	16	6,767	–	–	6,767	6,767
Trade and other receivables	14	120,031	–	–	120,031	120,031
		126,798	–	–	126,798	126,798
Loans and borrowings	20	–	–	324,924	324,924	326,034
Trade and other payables	24	–	–	118,471	118,471	118,471
		–	–	443,395	443,395	444,505
30 April 2016						
Cash and cash equivalents	16	361	–	–	361	361
Trade and other receivables	14	145,240	–	–	145,240	145,240
		145,601	–	–	145,601	145,601
Loans and borrowings	20	–	–	477,864	477,864	503,958
Trade and other payables	24	–	–	116,298	116,298	116,298
		–	–	594,162	594,162	620,256
1 May 2015						
Cash and cash equivalents	16	6,126	–	–	6,126	6,126
Trade and other receivables	14	105,723	–	–	105,723	105,723
		111,849	–	–	111,849	111,849
Loans and borrowings	20	–	–	450,880	450,880	454,798
Trade and other payables	24	–	–	163,785	163,785	163,785
		–	–	614,665	614,665	618,583

35. Determination of fair values

Fair value hierarchy

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

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

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

Level 3: unobservable inputs for the asset or liability.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing the categorisation at the end of each reporting period.

For purposes of the fair value disclosure, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

		30 April 2017			
	Note	**Level 1**	**Level 2**	**Level 3**	**Totals**
Financial assets					
Derivative assets	15	–	2,685	–	2,685
Non-financial assets					
Fair value of agricultural produce harvested under inventories	12	–	–	4,535	4,535
Fair value of growing produce	12	–	–	44,347	44,347
Freehold land	6	–	–	68,000	68,000
Financial liabilities					
Derivative liabilities	21	–	17,973	–	17,973

		30 April 2016			
	Note	**Level 1**	**Level 2**	**Level 3**	**Totals**
Financial assets					
Derivative assets	15	–	1,473	–	1,473
Non-financial assets					
Fair value of agricultural produce harvested under inventories	12	–	–	1,557	1,557
Fair value of growing produce	12	–	–	39,775	39,775
Noncurrent assets held for sale	17	–	–	1,950	1,950
Freehold land	6	–	–	65,372	65,372
Financial liabilities					
Derivative liabilities	21	–	36,745	–	36,745

35. Determination of fair values (cont'd)

Fair value hierarchy (cont'd)

	Note	1 May 2015 Level 1	Level 2	Level 3	Totals
Financial assets					
Derivative assets	15	–	818	–	818
Non-financial assets					
Fair value of agricultural produce harvested under inventories	12	–	–	1,155	1,155
Fair value of growing produce	12	–	–	33,374	33,374
Noncurrent assets held for sale	17	–	–	8,113	8,113
Freehold land	6	–	–	72,068	72,068
Financial liabilities					
Derivative liabilities	21	–	21,093	–	21,093

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Financial instruments measured at fair value

Type	Valuation technique
Forward exchange contracts	Market comparison technique: The fair values are based on brokers' quotes. Fair values reflect the credit risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.
Interest rate swaps	Market comparison technique: The fair values are calculated using a discounted cash flow analysis based on terms of the swap contracts and the observable interest rate curve. Fair values reflect the risk of the instrument and include adjustments to take into account the credit risk of the Group and counterparty when appropriate.
Commodities contracts	Market comparison technique: The commodities are traded over-the-counter and are valued based on the Chicago Board of Trade quoted prices for similar instruments in active markets or corroborated by observable market data available from the Energy Information Administration. The values of these contracts are based on the daily settlement prices published by the exchanges on which the contracts are traded.

35. Determination of fair values (cont'd)

Financial instruments not measured at fair value

Type	Valuation technique
Financial liabilities	The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date (Level 2). The fair value of the loan is based on the discounted value of expected future cash flows using risk free rates and credit spread ranging from 2.6% to 4.7% (Level 3).
Other financial assets and liabilities	The notional amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are, because of the short period to maturity, assumed to approximate their fair values. All other financial assets and liabilities are discounted to determine their fair values.

Other non-financial assets

Assets	Valuation technique	Significant unobservable inputs
Freehold land	The fair value of freehold land is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The valuation method used is sales comparison approach. This is a comparative approach that consider the sales of similar or substitute properties and related market data and establish a value estimate by involving comparison (Level 3).	The unobservable inputs used to determine market value are the net selling prices, sizes, property location and market values. Other factors considered to determine market value are the desirability, neighbourhood, utility, terrain, and the time element involved. The market value per square meter ranges from US$62.9 to US$69.6. The market value per acre ranges from US$2,300 to US$80,582.
Livestock	Sales Comparison Approach: the valuation model is based on market price of livestock of similar age, weight, breed and genetic make-up (Level 3).	The unobservable inputs are age, average weight and breed.

35. Determination of fair values (cont'd)

Other non-financial assets (cont'd)

Harvested crops – sold as fresh fruit	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the fresh fruit adjusted for margin and costs to sell (Level 3).	The unobservable input is the estimated pineapple selling price per ton specific for fresh products.
Harvested crops – used in processed products	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the processed product (concentrates, pineapple beverages, sliced pineapples, etc.) adjusted for margin and associated costs related to production (Level 3).	The unobservable input is the estimated pineapple selling price and gross margin per ton specific for processed products.
Unharvested crops – fruits growing on the bearer plants	The growing produce are now measured at fair value from the time of maturity of the bearer plant until harvest. Management used future selling prices of finished goods less future growing costs applied to the estimated volume of harvest as the basis of fair value.	The unobservable inputs are estimated pineapple selling price and gross margin per ton for fresh and processed products, estimated volume of harvest and future growing costs.

Significant increase (decrease) in the significant unobservable inputs of freehold land, livestock, harvested crops sold as fresh fruit and harvested crop sold used in processed products would result in higher (lower) fair values. Significant increase (decrease) in the estimated future pineapple selling price, gross margin per ton and estimated volume of harvest would result in higher (lower) fair value of growing produce, while significant increase (decrease) in the future growing costs would result in lower (higher) fair value.

36. Commitments

Operating lease commitments

The Group leases certain property, equipment and office and warehouse facilities. At the reporting date, the Group have commitments for future minimum lease payments under non-cancellable operating leases as follows:

	Group		
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Within one year	42,809	51,299	47,790
Between one to five years	130,481	134,973	115,888
More than five years	72,219	55,077	51,341
	245,509	241,349	215,019

The leases typically run for an initial period of 2 to 25 years, with an option to renew the lease after that date. Some of the leases contain escalation clauses but do not provide for contingent rents. Lease terms do not contain any restrictions on Group activities concerning dividends, additional debts or further leasing.

Operating Lease Commitments – Group as Lessee

The Group has entered into various lease agreements as a lessee. The Group had determined that the significant risks and rewards on properties leased from third parties are retained by the lessors.

Purchase commitments

The Group has entered into non-cancellable agreements with growers, co-packers, packaging suppliers and other service providers with commitments generally ranging from one year to ten years, to purchase certain quantities of raw products, including fruit, vegetables, tomatoes, packaging services and ingredients. At the reporting date, the Group have commitments for future minimum payments under non-cancellable agreements as follows:

	Group		
	30 April 2017 US$'000	**30 April 2016 US$'000**	**1 May 2015 US$'000**
Within one year	311,616	387,548	542,227
After one year but within five years	329,368	284,728	296,530
After five years	443,525	340,724	339,052
	1,084,509	1,013,000	1,177,809

36. Commitments (cont'd)

Future capital expenditure

	Group		
	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000
Capital expenditure not provided for in the financial statements			
- approved by Directors and contracted for	30,087	15,266	53,478
- approved by Directors but not contracted for	1,451	65,950	29,249
	31,538	81,216	82,727

The Group is also committed to incur capital expenditure of US$0.1 million (30 April 2016: US$1.8 million, 30 April 2015: US$2.0 million) in relation to its interest in a joint venture, which is expected to be settled within one year.

37. Contingencies

As at 30 April 2017, a subsidiary, DMPL India Limited has a contingent liability amounting to US$4.3 million (30 April 2016: US$6.8 million, 30 April 2015: US$8.9 million) in the form of a letter of undertaking securing 50% of the obligations of FFPL under its Loan Agreement with Infrastructure Development Finance Company Limited, in proportion to its equity interest.

Matters Assumed in Connection with the Consumer Food Business

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

Kosta Misbranding Class Action

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

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

Other legal cases

Bruce, et al v. DMFI

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

37. Contingencies (cont'd)

Other

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

Source of estimation uncertainty

The Group, in the ordinary course of business, sets up appropriate provisions for its present legal or constructive obligations, if any, in accordance with its policies on provisions. In recognizing and measuring provisions, management takes risk and uncertainties into account.

No provision for probable losses arising from legal contingencies were recognised in the Group's financial statements as of 30 April 2017 and 1 May 2016.

As of 30 April 2017, provision for probable losses arising from environmental remediation amounted to US$6.7 million, US$6.2 million of which is noncurrent (1 May 2016: US$6.3 million, all of which is noncurrent) (see Note 23).

As of 30 April 2017, provision for retained liabilities arising from workers' compensation claims amounted to US$27.2 million, US$23.4 million of which is noncurrent (1 May 2016: US$35.3 million, US$31.0 million of which is noncurrent) (see Note 21).

38. Related parties

Related party transactions

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

Other than those disclosed elsewhere in the financial statements, there are no other significant transactions with related parties.

38. Related parties (cont'd)

Related party transactions (cont'd)

Group Category/ Transaction	Year	Amount of the transaction US$'000	Outstanding balance - receivables/ (payables) US$'000	Terms	Conditions
Under Common Control					
▪ Shared IT services	**2017**	**351**	**57**	Due and demandable;	Unsecured;
	2016	215	79	non-interest bearing	no impairment
	2015	419	-		
▪ Sale of tomato paste	**2017**	**34**	**-**	Due and demandable;	Unsecured;
	2016	1,111	-	non-interest bearing	no impairment
	2015	1,627	748		
▪ Inventory count shortage	**2017**	-	-	Due and demandable;	Unsecured;
	2016	25	-	non-interest bearing	no impairment
	2015	363	57		
▪ Purchases	**2017**	**247**	**(24)**	Due and demandable;	Unsecured;
	2016	826	-	non-interest bearing	
	2015	392	-		
▪ Share in JYCC Fit Out Project	**2017**	**16**	**-**	Due and demandable;	Unsecured;
	2016	-	-	non-interest bearing	no impairment
	2015	-	-		
▪ Tollpack fees	**2017**	**666**	**(60)**	Due and demandable;	Unsecured
	2016	551	(63)	non-interest bearing	
	2015	472	-		
Other Related Party					
▪ Management fees from DMPI retirement fund	**2017**	**4**	**241**	Due and demandable;	Unsecured;
	2016	4	261	non-interest bearing	no impairment
	2015	5	272		
▪ Rental to DMPI Retirement	**2017**	**1,619**	**(277)**	Due and demandable;	Unsecured;
	2016	1,393	(3)	non-interest bearing	
	2015	1,519	5		
▪ Rental to NAI Retirement	**2017**	**572**	**(48)**	Due and demandable;	Unsecured
	2016	529	(166)	non-interest bearing	
	2015	582	-		
▪ Rental to DMPI provident fund	**2017**	**5**	**-**	Due and demandable;	Unsecured;
	2016	7	-	non-interest bearing	no impairment
	2015	-	-		
	2017	**3,514**	**(111)**		
	2016	4,661	108		
	2015	5,379	1,082		

38. Related parties (cont'd)

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	**2017**	-	-			Unsecured;
	2016	90,000	183,619	-		no
	2015	-	99,240	-		impairment
▪ Reimbursement	**2017**	**(88,650)**	**107,353**		Due and	Unsecured;
of expenses	2016	5,617	475	-	demandable;	no
	2015	4,891	470	-	non-interest	impairment
					bearing	
▪ Cash advance	**2017**	**45,313**	**-**	**107,201**	Due and	Unsecured
	2016	3,350	-	152,514	demandable;	
	2015	40,903	-	155,864	non-interest	
					bearing	
▪ Management	**2017**	**805**	**-**	**1,082**	Due and	Unsecured
fees payable to	2016	697	-	487	demandable;	
subsidiaries	2015	813	-	3,307	non-interest	
					bearing	
Joint Venture						
▪ Cash advance	**2017**	**314**	**6,330**		Due and	Unsecured;
	2016	3	6,016	-	demandable;	no
	2015	3,462	6,013	-	non-interest	impairment
					bearing	
▪ Investment	**2017**	**-**	**-**	**-**	Due and	Unsecured;
	2016	-	-	-	demandable;	no
	2015	2,551	-	-	non-interest	impairment
					bearing	
	2017		**113,683**	**108,283**		
	2016		190,110	153,001		
	2015		105,723	159,171		

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

Key management personnel compensation

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Directors of the Company and key executive officers (excluding executive directors) are considered as key management personnel of the Group.

38. Related parties (cont'd)

The key management personnel compensation is as follows:

	Group			Company		
	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Year ended 30 April 2017 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000
Directors:						
Fees and remuneration	2,969	2,778	1,870	2,507	2,345	1,805
Key executive officers (excluding Directors):						
Short-term employee benefits	3,331	2,580	2,530	1,459	1,359	1,378
Post-employment benefits	128	129	78	–	–	–

39. Non-controlling interest in subsidiaries

The following table summarises the information relating to the Group's subsidiaries with material non-controlling interests, based on their respective financial statements prepared in accordance with IFRS, modified for fair value adjustments on acquisition and differences in Group's accounting policies.

	30 April 2017 US$'000	30 April 2016 US$'000	1 May 2015 US$'000 (As restated*)
DMPLFL			
Ownership interests held by non-controlling interests	10.57%	10.57%	10.57%
Revenue	1,696,457	1,778,002	1,708,937
Profit (loss)	(41,512)	29,374	(53,106)
Other comprehensive income	23,872	1,325	(26,519)
Total comprehensive income			
Attributable to non-controlling interests:			
- Profit (loss)	(4,387)	3,104	(5,612)
- Other comprehensive income	2,523	140	(2,803)
Total comprehensive income	(1,864)	3,244	(8,415)
Non-current assets	1,289,889	1,307,257	1,314,243
Current assets	930,153	901,776	807,622
Non-current liabilities	(1,058,455)	(1,155,181)	(1,108,700)
Current liabilities	(568,530)	(443,950)	(434,514)
Net assets	593,058	609,902	578,651
Net assets attributable to non-controlling interests	62,671	64,451	61,148
Cash flows provided by (used in) operating Activities	183,936	(18,005)	192,394
Cash flows used in investing activities	(42,482)	(39,104)	(132,160)
Cash flows provided by (used in) financing activities, before dividends to non-controlling interests	(139,504)	57,646	(77,775)
Currency realignment	(22)	84	(521)
Net increase (decrease) in cash and cash equivalents	1,928	621	(18,062)

40. Subsequent events

On 28 June 2017, the Company announced a series of new joint ventures with FDP (NYSE: FDP) that will result in expanded refrigerated offerings sold across all distribution and sales channels, and a new retail food and beverage concept modelled after an already successful FDP business in the Middle East. These joint ventures will initially focus on the US market with the potential for expansion into other territories where the companies' businesses complement each other. The joint ventures are also facilitated by the full and final settlement of all active litigation between DMPL and DMFI on the one hand, and FDP on the other hand, effective immediately. Such long-standing litigation had centered on licensing rights and product distribution in various territories around the world. In addition to retail and new product ventures, the companies also agreed to a long-term mutual supply agreement that would expand Del Monte product sales in various markets around the world.

On 29 June 2017, the Company declared a cash dividend of US$0.0061 per ordinary share, representing a 50% payout of fiscal year 2017 net profit.

SGV
Building a better working world

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

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

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

**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

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

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of Del Monte Pacific Limited and Subsidiaries (the Group) as at and for the years ended 30 April 2017 and 2016 and have issued our report thereon dated 13 July 2017. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011), and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Catherine E. Lopez

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

13 July 2017

Del Monte Pacific Limited and Subsidiaries
Index to the Consolidated Financial Statements and Supplementary Schedules
30 April 2017

Schedule A – Financial assets

Name of issuing entity/Description of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the Statements of Financial Position US$'000	Value based on market quotations at 30 April 2017 US$'000	Income received and accrued US$'000
Cash and cash equivalents	–	37,571	37,571	129
Trade and other receivables	–	164,447	164,447	–
Refundable deposits	–	1,219	1,219	–
Derivative assets	–	2,685	2,685	–
	–	205,922	205,922	129

Schedule B – Amounts receivable from directors, officers, employees and related parties and principal stockholders (other than related parties)

Name and designation of debtor	Balance at beginning of period US$'000	Additions US$'000	Amounts collected US$'000	Amounts written off US$'000	Current US$'000	Non-current US$'000	Balance at end of period US$'000
Advances to officers and employees	365	8,701	(7,703)	–	231	1,132	1,363
	365	8,701	(7,703)	–	231	1,132	1,363

Schedule C – Amounts receivable from related parties which are eliminated during the consolidation of the Financial Statements

Name and designation of debtor	Balance at beginning of period US$'000	Additions US$'000	Amounts collected US$'000	Amounts written off US$'000	Current US$'000	Non-current US$'000	Balance at end of period US$'000
Philippines Packing Management Services Corporation	–	1,208	(1,120)	–	84	4	88
Del Monte Philippines, Inc.	189,833	279,073	(218,439)	–	57,247	193,220	250,467
Central American Resources, Inc.	91,559	(3,358)	(19,334)	–	66,434	2,433	68,867
Dewey Sdn. Bhd.	50,437	213	(9,112)	–	41,361	177	41,538
Dewey Limited	–	45,000	(25,124)	–	19,876	–	19,876
Del Monte Pacific Resources Limited	138,638	(5,790)	(19,334)	–	113,514	–	113,514
GTL Limited	169,914	268,409	(116,394)	–	275,253	46,676	321,929
S&W Fine Foods International Limited	16,103	26,570	(762)	–	41,911	–	41,911
DMPL Management Services Pte Ltd.	3,042	4,677	(4,878)	–	2,395	446	2,841
Del Monte Pacific Limited	184,345	74,116	(19,809)	–	127,766	110,886	238,652
Del Monte Foods Incorporated	296	(54)	–	–	242	–	242
South Bukidnon Fresh Trading, Inc.	336	936	–	–	1,272	–	1,272
	844,503	691,000	(434,306)	–	747,355	353,842	1,101,197

Schedule D – Intangible assets – Other assets

Description	Balance at beginning of period US$'000	Additions through acquisition US$'000	Additions US$'000	Adjustment US$'000	Charged to cost and expenses US$'000	Charged to other accounts US$'000	Currency translation adjustments US$'000	Balance at end of period US$'000
Goodwill	203,432	–	–	–	–	–	–	203,432
Indefinite life trademarks	408,043	–	–	–	–	–	–	408,043
Amortisable trademarks	31,984	–	–	–	(2,309)	–	–	29,675
Customer relationships	106,914	–	–	–	(7,038)	–	–	99,876
Total	750,373	–	–	–	(9,347)	–	–	741,026

Schedule E – Long-term debt

Title of issue and type of obligation	Amount authorised by indenture US$'000	Outstanding balance US$'000	Current portion of long-term debt US$'000	Non-current portion of long-term debt US$'000	Interest rates	Final maturity
Unsecured bank loans						
BDO Bridging facility	350,000	154,000	–	154,000	90 days libor + 3.25 Margin	2019
BDO long-term loan	100,000	100,000	–	100,000	4.5%	2020
BDO long-term loan	30,000	30,000	–	30,000	4.5%	2020
BDO long-term loan	60,120	60,120	–	60,120	3.5% for the first 60 days; 4.5% for the remaining term + 5% GRT	2020
Secured bank loans						
Secured First lien term loan	710,000	686,925	7,100	679,825	Higher of Libor +3.25% or 4.25%	2021
Secured Second lien term Loan	260,000	260,000	–	260,000	Higher of Libor + 7.25% or 8.25%	2021
Long-term Debt	1,510,120	1,291,045	7,100	1,283,945		
Less: Unamortized debt issue cost	–	–	(5,986)	(19,677)		
	1,510,120	1,291,045	1,114	1,264,268		

Schedule F – Indebtedness to related parties

Description	Name of related party	Balance at beginning of period	Balance at end of period

Not Applicable

Schedule G – Guarantees of securities of other issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee

Not Applicable

Schedule H – Capital stock

Description	Number of shares authorised ’000	Number of shares issued ’000	Treasury shares ’000	Number of shares issued and outstanding ’000	Number of shares reserved for options ’000	Number of shares held: Related party ’000	Number of shares held: Directors and officers ’000	Number of shares held: Others ’000
Ordinary shares	3,000,000	1,944,936	1,722	1,943,214	1,722	1,303,257	18,852	621,105
Preference shares	600,000	20,000	–	20,000	–	–	38	19,962
	3,600,000	1,964,936	1,722	1,963,214	1,722	1,303,257	18,890	641,067

Del Monte Pacific Limited and Subsidiaries
SCHEDULE OF EFFECTIVE STANDARDS AND INTERPRETATIONS
APRIL 30, 2017

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
IFRSs Practice Statement Management Commentary		✓		
INTERNATIONAL Financial Reporting Standards				
IFRS 1 (Revised)	First-time Adoption of International Financial Reporting Standards			✓
	Amendments to IFRS 1 and IAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓		
	Amendments to IFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to IFRS 1: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters			✓
	Amendments to IFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to IFRS 1: Government Loans			✓
	Amendment to IFRS 1: First-time Adoption of International Financial Reporting Standards - Meaning of 'Effective IFRSs'			✓
IFRS 2	Share-based Payment	✓		
	Amendments to IFRS 2: Vesting Conditions and Cancellations	✓		
	Amendments to IFRS 2: Group Cash-settled Share-based Payment Transactions	✓		
	Amendments to IFRS 2: Share-based Payment – Definition of Vesting Condition	✓		
	Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions	Not early adopted		
IFRS 3 (Revised)	Business Combinations			✓
	Business Combinations – Accounting for Contingent Consideration in a Business Combination			✓
	Business Combinations – Scope Exceptions for Joint Arrangements			✓
IFRS 4	Insurance Contracts			✓
	Amendments to IAS 39 and IFRS 4: Financial Guarantee Contracts			✓
	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts	Not early adopted		

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		
	Amendment to IFRS 5: Changes in Methods of Disposal	✓		
IFRS 6	Exploration for and Evaluation of Mineral Resources			✓
IFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to IAS 39 and IFRS 7: Reclassification of Financial Assets	✓		
	Amendments to IFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to IFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to IFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to IFRS 7: Mandatory Effective Date of IFRS 9 and Transition Disclosures			✓
	Amendments to IFRS 7: Disclosures - Servicing Contracts			✓
	Amendments to IFRS 7: Applicability of the Amendments to IFRS 7 to Condensed Interim Financial Statements			✓
IFRS 8	Operating Segments	✓		
	Amendments to IFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets	✓		
IFRS 9	Financial Instruments	Not early adopted		
	Amendments to IFRS 9: Mandatory Effective Date of IFRS 9 and Transition Disclosures	Not early adopted		
	Amendments to IFRS 9: Hedge Accounting	Not early adopted		
IFRS 10	Consolidated Financial Statements	✓		
	Amendments to IFRS 10: Investment Entities			✓
	Amendments to IFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not early adopted		
	Amendments to IFRS 10: Applying the Consolidated Exception			✓
IFRS 11	Joint Arrangements	✓		
	Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	✓		
IFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to IFRS 12: Investment Entities	✓		
	Amendment to IFRS 12: Clarification of the Scope of the Standard (Part of Annual Improvements to IFRSs 2014 - 2016 Cycle)	Not early adopted		

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
IFRS 13	Fair Value Measurement	✓		
	Amendment to IFRS 13: Short-term Receivables and Payables	✓		
	Amendment to IFRS 13: Fair Value Measurement - Portfolio Exception			✓
IFRS 14	Regulatory Deferral Accounts			✓
IFRS 15	Revenue from Contracts with Customers	Not early adopted		
IFRS 16	Leases	Not early adopted		
International Accounting Standards				
IAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to IAS 1: Capital Disclosures	✓		
	Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to IAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to IAS 1: Presentation of Financial Statements – Disclosure Initiative	✓		
IAS 2	Inventories	✓		
IAS 7	Statement of Cash Flows	✓		
	Amendments to IAS 7: Statements of Cash Flows – Disclosure Initiative	Not early adopted		
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
IAS 10	Events after the Reporting Period	✓		
IAS 11	Construction Contracts			✓
IAS 12	Income Taxes	✓		
	Amendment to IAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
	Amendments to IAS 12: Income Taxes, Recognition of Deferred Tax Assets for Unrealized Losses	✓		
IAS 16	Property, Plant and Equipment	✓		
	Amendment to IAS 16: Property, Plant and Equipment - Revaluation Method - Proportionate Restatement of Accumulated Depreciation	✓		
	Amendment to IAS 16: Clarification of Acceptable Methods of Depreciation and Amortization			✓
	Amendment to IAS 16: Agriculture - Bearer Plants	✓		
IAS 17	Leases	✓		
IAS 18	Revenue	✓		

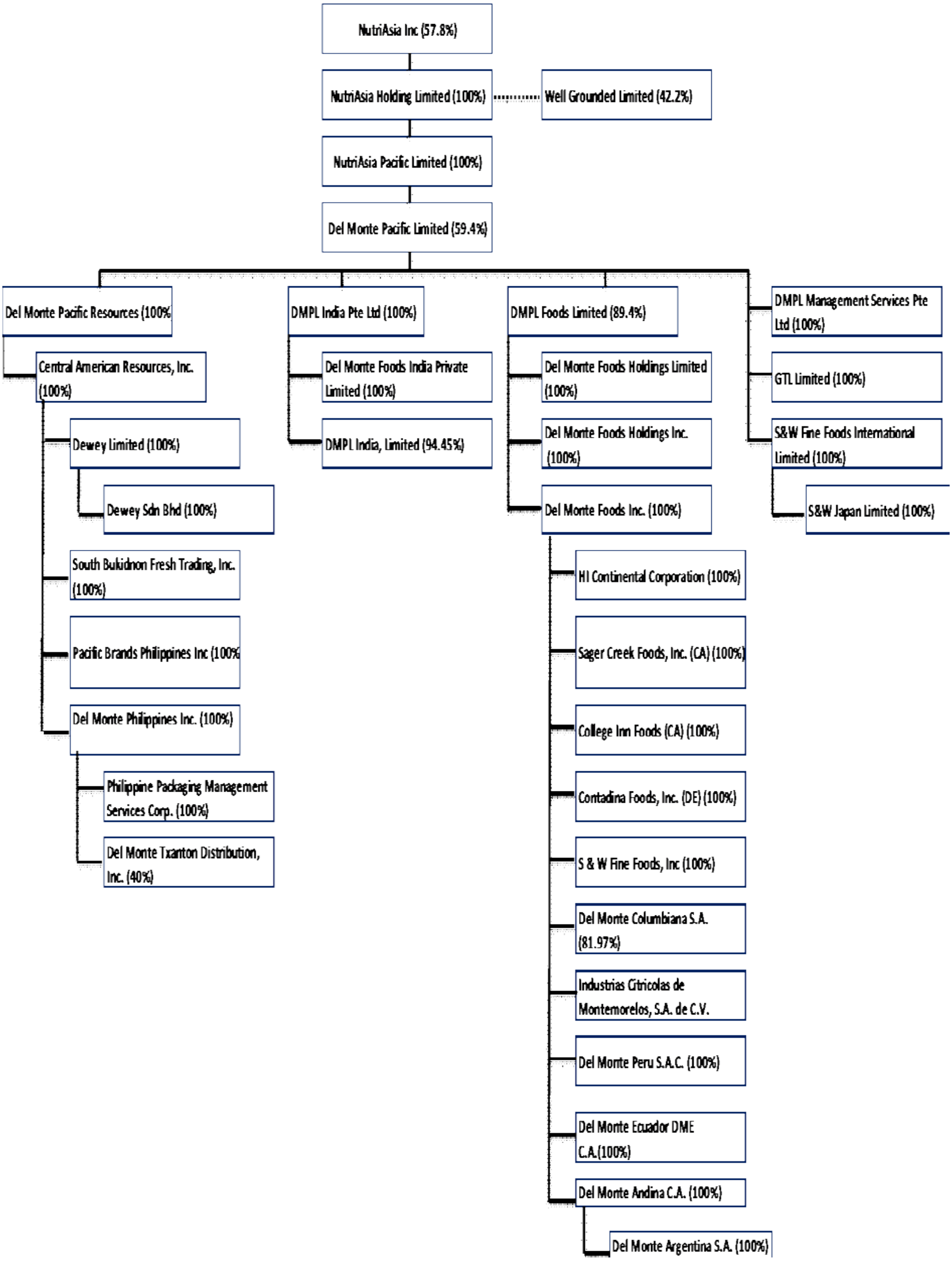
INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
IAS 19 (Revised)	Employee Benefits	✓		
	Amendments to IAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		
	Amendments to IAS 19: Defined Benefit Plans: Employee Contributions	✓		
	Amendments to IAS 19: Regional Market Issue Regarding Discount Rate			✓
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
IAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation	✓		
IAS 23 (Revised)	Borrowing Costs	✓		
IAS 24 (Revised)	Related Party Disclosures	✓		
	Amendments to IAS 24: Key Management Personnel	✓		
IAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
IAS 27 (Amended)	Separate Financial Statements	✓		
	Amendments to IAS 27: Investment Entities			✓
	Amendments to IAS 27: Equity Method in Separate Financial Statements	✓		
IAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not early adopted		
	Amendments to IAS 28: Investment Entities: Applying Consolidation Exception	Not early adopted		
IAS 29	Financial Reporting in Hyperinflationary Economies			✓
IAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to IAS 32: Classification of Rights Issues	✓		
	Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
IAS 33	Earnings per Share	✓		
IAS 34	Interim Financial Reporting	✓		
	Amendments to IAS 34: Disclosure of Information ‘Elsewhere in the Interim Financial Report	✓		
IAS 36	Impairment of Assets	✓		
	Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓		
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
IAS 38	Intangible Assets	✓		

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
	Amendments to IAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization	✓		
	Amendments to IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓
IAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to IAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to IAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions	✓		
	Amendments to IAS 39: The Fair Value Option	✓		
	Amendments to IAS 39 and IFRS 4: Financial Guarantee Contracts	✓		
	Amendments to IAS 39 and IFRS 7: Reclassification of Financial Assets	✓		
	Amendments to IAS 39 and IFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to IFRIC - 9 and IAS 39: Embedded Derivatives	✓		
	Amendment to IAS 39: Eligible Hedged Items	✓		
	Amendment to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓
IAS 40	Investment Property			✓
	Amendments to IAS 40			✓
	Amendments to IAS 40, Investment Property, Transfers of Investment Property	Not early adopted		
IAS 41	Agriculture	✓		
	Amendments to IAS 41: Bearer Plants	✓		
International Financial Reporting and Interpretations Committee				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✓		
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives	✓		
	Amendments to IFRIC - 9 and IAS 39: Embedded Derivatives	✓		
IFRIC 10	Interim Financial Reporting and Impairment	✓		
IFRIC 12	Service Concession Arrangements			✓

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to IFRIC- 14, Prepayments of a Minimum Funding Requirement	✓		
IFRIC 15	Agreements for the Construction of Real Estate			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓
IFRIC 22	Foreign Currency Transactions and Advance Consideration	Not early adopted		
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-15	Operating Leases - Incentives	✓		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures.			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services			✓
SIC-32	Intangible Assets - Web Site Costs			✓

Note: Standards and interpretations tagged as "Not Applicable" are those standards and interpretations which were adopted but the entity has no significant covered transaction as at 30 April 2017.

III. Map of Relationships of the Companies within the Group



IV. Financial Ratios

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

SGV
Building a better working world

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

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

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

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULES

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

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Del Monte Pacific Limited and Subsidiaries (the Group) as at and for the years ended 30 April 2017 and 2016 and have issued our report thereon dated 13 July 2017. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedule of reconciliation of retained earnings available for dividend declaration is the responsibility of the Group's management. This schedule is presented for purposes of complying with Securities Regulation Code Rule 68, As Amended (2011) and is not part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

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

13 July 2017

DEL MONTE PACIFIC LIMITED

SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION AS AT APRIL 30, 2017

(In US$'000)

	Amount
Unappropriated retained earnings, beginning	**$148,866**
Adjustments:	
Amendment to IAS 16 and IAS 41	**11,765**
Unappropriated retained earnings, as adjusted, beginning	**160,631**
Less: Non-actual/unrealized income net of tax	
Equity in net income of associate/joint venture	**(124,556)**
Unappropriated retained earnings, as adjusted to available for dividend distribution, beginning	**36,075**
Add: Net income actually earned/realized during the period	
Net income during the period closed to retained earnings	**24,366**
Less: Non-actual/unrealized income net of tax	
Equity in net income of associate/joint venture	**(62,393)**
Unrealized foreign exchange gain - net (except those attributable to cash and cash equivalents)	**(8)**
Net loss actually incurred during the period	**(38,035)**
Less: Dividends declared during the period	**(25,828)**
Unappropriated retained earnings available for dividend declaration, end	**($27,788)**

DEL MONTE PACIFIC LIMITED ("DMPL")
Supplementary Schedule –
Report on the Use of Proceeds as of 30 April 2017

A. Preference Shares Offering

DMPL completed in April 2017[1] the offering of its Series A-1 Preference Shares. The offering had a total volume of 20,000,000 Series A-1 Preference Shares that were sold at the price of U.S.$10.00 per share. This offering generated approximately U.S.$200.0 million proceeds which were utilized as follows:

Use of Proceeds	Amounts in U.S. Dollars	
Gross Proceeds		200,000,000.00
Less:		
BDO Bridge Loan Payment		
Principal	(196,000,000.00)	
Interest	(2,564,967.62)	
Underwriting Fees	(1,435,032.38)	(200,000,000.00)
Balance of Proceeds as of 30 April 2017		**0.00**

B. Rights Offering

DMPL completed in March 2015[2] a rights offering in the Philippines which was simultaneously conducted with the rights issue in Singapore. 641,935,335 Ordinary Shares ("**Rights Shares**") were offered to eligible shareholders at an issue price per share of S$0.325 in Singapore and ₱10.60 in the Philippines. The application of proceeds from this offering is broken down as follows:

Use of Proceeds	Amounts in U.S. Dollars
Balance of Proceeds as at 30 April 2016	483,011.95
Less:	
Expenses incurred from 1 May 2016 to 30 April 2017	0.00
Balance of Proceeds as of 30 April 2017	**483,011.95**

[1] The Series A-1 Preference Shares were listed on the Main Board of the Philippine Stock Exchange ("PSE") on 7 April 2017.
[2] The rights shares were listed on the Main Boards of the PSE and the Singapore Exchange Securities Trading Limited ("SGX-ST") on 11 March 2015.

Del Monte Pacific Limited and its Subsidiaries

Unaudited Interim Condensed Consolidated
Financial Statements
31 July 2017 and for the Three Months Ended
31 July 2017 and 2016
(With Comparative Audited Consolidated Statement of
Financial Position as at 30 April 2017)

Unaudited Interim Consolidated Statements of Financial Position
(With Comparative Audited Figures as at 30 April 2017)

	Note	As at 31 July 2017 US$'000 (Unaudited)	As at 30 April 2017 US$'000 (Audited)
Noncurrent assets			
Property, plant and equipment - net	6, 19	**644,857**	657,185
Investments in joint ventures	8	**25,278**	25,797
Intangible assets and goodwill	7	**738,689**	741,026
Deferred tax assets - net		**101,210**	92,786
Biological assets	10	**1,453**	1,420
Employee benefits		**5,356**	5,517
Other noncurrent assets	9	**28,933**	27,112
		1,545,776	1,550,843
Current assets			
Biological assets	10	**41,541**	44,347
Inventories	11	**1,024,623**	916,892
Trade and other receivables	12, 18	**157,163**	164,447
Prepaid expenses and other current assets	13	**41,190**	43,046
Cash and cash equivalents	14, 18	**19,486**	37,571
		1,284,003	1,206,303
Total assets		**2,829,779**	2,757,146
Equity			
Share capital	22	**39,449**	39,449
Retained earnings		**159,909**	159,169
Reserves		**315,450**	318,460
Equity attributable to owners of the company		**514,808**	517,078
Non-controlling interests		**59,866**	61,477
Total equity		**574,674**	578,555
Noncurrent liabilities			
Loans and borrowings	15, 18	**1,266,309**	1,264,268
Employee benefits		**87,930**	87,599
Environmental remediation liabilities		**6,205**	6,198
Deferred tax liabilities - net		**2,558**	3,913
Other noncurrent liabilities	16	**42,826**	44,018
		1,405,828	1,405,996
Current liabilities			
Loans and borrowings	15, 18	**501,556**	449,698
Employee benefits		**31,857**	22,165
Trade and other payables	17, 18	**314,205**	299,545
Current tax liabilities		**1,659**	1,187
		849,277	772,595
Total liabilities		**2,255,105**	2,178,591
Total equity and liabilities		**2,829,779**	2,757,146

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements.

Unaudited Interim Consolidated Income Statements

	Note	Three months ended 31 July 2017 US$'000	2016 US$'000 (Restated*)
Revenue	10	**473,844**	467,374
Cost of sales		**(375,960)**	(371,939)
Gross profit		**97,884**	95,435
Distribution and selling expenses		**(45,547)**	(45,305)
General and administrative expenses	21	**(39,048)**	(41,762)
Other income - net		**1,555**	238
Results from operating activities		**14,844**	8,606
Finance income		**1,755**	734
Finance expense		**(26,128)**	(27,363)
Net finance expense		**(24,373)**	(26,629)
Share in net loss of joint ventures	8	**(519)**	(359)
Loss before taxation		**(10,048)**	(18,382)
Tax expense - current		**(2,304)**	(1,768)
Tax benefit - deferred		**11,176**	11,006
		8,872	9,238
Loss for the period		**(1,176)**	(9,144)
Profit (loss) attributable to:			
Non-controlling interest		**(1,916)**	(2,101)
Owners of the Company		**740**	(7,043)
Loss per share			
Basic loss per share (U.S. cents)	23	**(0.13)**	(0.36)
Diluted loss per share (U.S. cents)	23	**(0.13)**	(0.36)

*See Note 26

The accompanying notes form an integral part of these unaudited interim condensed consolidated financial statements.

Unaudited Interim Consolidated Statements of Comprehensive Income

	Three months ended 31 July 2017 US$'000	Three months ended 31 July 2016 US$'000 (Restated*)
Profit for the period	**(1,176)**	(9,144)
Other comprehensive income (loss)		
Items that will not be reclassified subsequently to profit or loss		
Remeasurement of retirement plans	**2,487**	6,815
Income tax effect on remeasurement of retirement plans	**(911)**	(5,326)
	1,576	1,489
Items that may be reclassified subsequently to profit or loss		
Currency translation differences	**(5,613)**	(1,323)
Effective portion of changes in fair value of cash flow hedges	**2,093**	(1,645)
Income tax effect on cash flow hedges	**(795)**	625
	(4,315)	(2,343)
Other comprehensive loss for the period, net of tax	**(2,739)**	(854)
Total comprehensive loss for the period	**(3,915)**	(9,998)
Total comprehensive loss attributable to:		
Non-controlling interests	**(1,620)**	(2,055)
Owners of the Company	**(2,295)**	(7,943)
	(3,915)	(9,998)

*See Note 26

Unaudited Interim Consolidated Statements of Changes in Equity
Three months ended 31 July 2017

	<------ Attributable to owners of the Company ------>											
	Share capital US$'000	Share premium US$'000	Translation reserve US$'000	Revaluation reserve US$'000	Remeasurement of retirement plans US$'000	Hedging reserve US$'000	Share option reserve US$'000	Reserve for own shares US$'000	Retained earnings US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
2017												
At 1 May 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 for the period												
Profit (loss) for the period	–	–	–	–	–	–	–	–	740	740	(1,916)	(1,176)
Other comprehensive income												
Currency translation differences	–	–	(5,616)	–	–	–	–	–	–	(5,616)	3	(5,613)
Remeasurement of retirement plans	–	–	–	–	1,420	–	–	–	–	1,420	156	1,576
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	1,161	–	–	–	1,161	137	1,298
Total other comprehensive income	–	–	(5,616)	–	1,420	1,161	–	–	–	(3,035)	296	(2,739)
Total comprehensive income for the period	–	–	(5,616)	–	1,420	1,161	–	–	740	(2,295)	(1,620)	(3,915)
Transactions with owners of the Company recognised directly in equity												
Contributions by and distributions to owners of the Company												
Transaction costs related to the issuance of preference share	–	(70)	–	–	–	–	–	–	–	(70)	–	(70)
Value of employee services received for issue of share options	–	–	–	–	–	–	95	–	–	95	9	104
Total contributions by and distributions to owners	–	(70)	–	–	–	–	95	–	–	25	9	34
At 31 July 2017	39,449	390,250	(83,703)	10,885	3,228	(6,282)	1,874	(802)	159,909	514,808	59,866	574,674

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited Interim Consolidated Statements of Changes in Equity
Three months ended 31 July 2016 (Restated)*

	<------ Attributable to owners of the Company ------>											
	Share capital US$'000	**Share premium US$'000**	**Translation reserve US$'000**	**Revaluation reserve US$'000**	**Remeasure-ment of retirement plans US$'000**	**Hedging reserve US$'000**	**Share option reserve US$'000**	**Reserve for own shares US$'000**	**Retained earnings US$'000**	**Total US$'000**	**Non-controlling interests US$'000**	**Total equity US$'000**
2016												
At 1 May 2016	19,449	214,843	(59,806)	8,002	(10,833)	(17,502)	1,031	(802)	160,631	315,013	61,971	376,984
Total comprehensive income for the period												
Profit for the period	–	–	–	–	–	–	–	–	(7,043)	(7,043)	(2,101)	(9,144)
Other comprehensive income												
Currency translation differences	–	–	(1,324)	–	–	–	–	–	–	(1,324)	1	(1,323)
Remeasurement of retirement plans	–	–	–	–	1,336	–	–	–	–	1,336	153	1,489
Effective portion of changes in fair value of cash flow hedges	–	–	–	–	–	(912)	–	–	–	(912)	(108)	(1,020)
Total other comprehensive income	–	–	(1,324)	–	1,336	(912)	–	–	–	(900)	46	(854)
Total comprehensive income for the period	–	–	(1,324)	–	1,336	(912)	–	–	(7,043)	(7,943)	(2,055)	(9,998)
Transactions with owners of the Company recognised directly in equity												
Contributions by and distributions to owners of the Company												
Value of employee services received for issue of share options	–	–	–	–	–	–	316	–	–	316	(2)	314
Total contributions by and distributions to owners	–	–	–	–	–	–	316	–	–	316	(2)	314
At 31 July 2016, as restated	19,449	214,843	(61,130)	8,002	(9,497)	(18,414)	1,347	(802)	153,588	307,386	59,914	367,300

*See Note 26.

The accompanying notes form an integral part of these unaudited condensed consolidated interim financial statements.

Unaudited Interim Consolidated Statements of Cash Flows

	Note	Three months ended 31 July 2017 US$'000	Three months ended 31 July 2016 US$'000 (Restated*)
Cash flows from operating activities			
Profit for the period		**(1,176)**	(9,144)
Adjustments for:			
Finance expense**		**26,128**	27,363
Depreciation of property, plant and equipment	20	**35,246**	31,715
Amortisation of intangible assets	7	**2,337**	1,764
Net loss on derivative settlement		**1,105**	2,342
Share in net loss of joint ventures	8	**519**	359
Equity-settled share-based payment transactions		**104**	314
Loss on disposal of property, plant and equipment		**113**	743
Finance income**		**(1,755)**	(734)
Tax expense		**(8,872)**	(9,238)
		53,749	45,484
Changes in:			
Other noncurrent assets		**(37,565)**	10,737
Inventories		**(91,022)**	(165,540)
Biological assets		**17,981**	(2,319)
Trade and other receivables		**4,597**	16,240
Prepaid and other current assets		**(874)**	(2,046)
Trade and other payables		**13,551**	70,172
Employee benefits		**4,013**	3,793
Net cash flows used in operating activities		**(35,570)**	(23,479)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	**(22,502)**	(36,149)
Additional investments in a joint venture		**–**	(1,359)
Proceeds from disposal of property, plant and equipment	6	**40**	56
Interest received		**132**	126
Net cash flows used in investing activities		**(22,330)**	(37,326)

*See Note 26
** Includes foreign exchange gains and losses

Unaudited Interim Consolidated Statements of Cash Flows (continued)

	Note	Three months ended 31 July 2017 US$'000	2016 US$'000 (Restated*)
Cash flows from financing activities			
Proceeds from borrowings		**373,414**	85,989
Interest paid		**(23,162)**	(22,636)
Transactions costs related to issuance of preference shares		**(70)**	–
Repayment of borrowings		**(319,427)**	(28,125)
Net cash flows provided by financing activities		**30,755**	35,228
Net decrease in cash and cash equivalents		**(27,145)**	(25,577)
Cash and cash equivalents at beginning of period		**37,571**	47,203
Effect of exchange rate changes on balances held in foreign currency		**9,060**	(1,132)
Cash and cash equivalents at end of period	14	**19,486**	20,494

Selected Notes to the Unaudited Interim Condensed Consolidated Financial Statements

1. Domicile and activities

Del Monte Pacific Limited (the "Company") was incorporated in the British Virgin Islands on 27 May 1999 under the International Business Companies Ordinance, Chapter 291 of the laws of the British Virgin Islands, as an international business company. On 2 August 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST"). On 10 June 2013, the Company was also listed on the Philippine Stock Exchange ("PSE"). 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, developing, manufacturing, marketing, distributing and selling packaged fruits and vegetables, canned and fresh pineapples, pineapple concentrate, tropical mixed fruit, tomato-based products, broth and certain other food products mainly under the brand names of *"Del Monte", "S&W"*, *"Contadina*", *"College Inn"* and other brands.

The immediate holding company is NutriAsia Pacific Limited whose ultimate shareholders are NutriAsia Inc. ("NAI") and Well Grounded Limited, which at 31 July 2017 held 57.8% and 42.2% (30 April 2017: 57.8% and 42.2%) interest in NutriAsia Pacific Limited respectively, through their intermediary company, NutriAsia Holdings Limited. NutriAsia Pacific Limited, NutriAsia Inc. and Well Grounded Limited are incorporated in the British Virgin Islands.

The financial statements of the Group as at and for the period ended 31 July 2017 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities') and the Group's interests in joint ventures.

2. Basis of preparation

2.1 Statement of compliance

The accompanying unaudited interim condensed consolidated financial statements as at 31 July 2017 and for the three months ended 31 July 2017 and 2016 have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. The unaudited interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the 2017 annual audited consolidated financial statements, comprising the consolidated statements of financial position as at 30 April 2017 and 2016 and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended 30 April 2017, 2016, and 2015.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and 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.

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

3. Significant accounting policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's 2017 annual consolidated financial statements, except for the adoption of the following amendments effective beginning 1 May 2017, which did not have significant impact to the Group:

- Amendment to IFRS 12, Clarification of the Scope of the Standard (Part of Annual Improvements to IFRSs 2014 - 2016 Cycle)
- Amendments to IAS 7, Statement of Cash Flows, Disclosure Initiative
- Amendments to IAS 12, Income Taxes, Recognition of Deferred Tax Assets for Unrealised Losses

The Group will adopt the following new standards when they become effective.

Applicable 1 May 2018

- Amendments to IFRS 2, Share-based Payment, Classification and Measurement of Share-based Payment Transactions
- Amendments to IFRS 4, Insurance Contracts, Applying IFRS 9, Financial Instruments, with IFRS 4
- Amendments to IAS 28, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to IFRSs 2014 - 2016 Cycle)
- Amendments to IAS 40, Investment Property, Transfers of Investment Property
- IFRIC-22, Foreign Currency Transactions and Advance Consideration
- IFRS 9, Financial Instruments
- IFRS 15, Revenue from Contracts with Customers

Applicable 1 May 2019

- IFRS 16, Leases
- IFRIC 23, Uncertainty over Income Tax Treatments
- Amendments to IFRS 9, Prepayment Features with Negative Compensation
- Amendments to IAS 28, Long-term Interests in Associates and Joint Ventures

Applicable 1 May 2021

- IFRS 17, Insurance Contracts

Deferred by IASB

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

4. 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 USA, Canada, and Mexico. Majority of this segment's sales are principally sold under the Del Monte brand but also under the Contadina, S&W, College Inn and other brands. This segment also includes sales of private label food products. Sales 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; 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 and Middle East

Included in Europe segment are sales of unbranded products in Europe and Middle East.

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 and liabilities

Segment assets consist primarily of property, plant and equipment, intangible assets and goodwill, trade and other receivables, biological assets, inventories, deferred tax assets - net, and investments in joint ventures. Segment liabilities consist of loans and borrowings, employee benefits, tax liabilities, and trade and other payables.

Information about reportable segments

	Americas		**Asia Pacific**		**Europe and Middle East**		**Total**	
	Three months ended 31 July		**Three months ended 31 July**		**Three months ended 31 July**		**Three months ended 31 July**	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**	**US$'000**
		(Restated*)		**(Restated*)**		**(Restated*)**		**(Restated*)**
Revenue								
Packaged fruit and vegetable	**279,033**	284,197	**29,388**	27,100	**6,273**	3,510	**314,694**	314,807
Beverage	**6,193**	9,915	**32,181**	34,524	**1,534**	928	**39,908**	45,367
Culinary	**50,184**	55,953	**25,926**	26,281	**–**	–	**76,110**	82,234
Others	**336**	97	**42,796**	24,869	**–**	–	**43,132**	24,966
Total	**335,746**	350,162	**130,291**	112,774	**7,807**	4,438	**473,844**	467,374
Gross profit (loss)								
Packaged fruit and vegetable	**46,855**	46,158	**8,448**	7,671	**2,725**	1,204	**58,028**	55,033
Beverage	**1,066**	2,686	**10,510**	12,238	**(113)**	373	**11,463**	15,297
Culinary	**5,127**	7,511	**10,548**	10,745	**–**	–	**15,675**	18,256
Others	**71**	(79)	**12,647**	6,928	**–**	–	**12,718**	6,849
Total	**53,119**	56,276	**42,153**	37,582	**2,612**	1,577	**97,884**	95,435

*See Note 26

	Americas		Asia Pacific		Europe and Middle East		Total	
	Three months ended 31 July		Three months ended 31 July		Three months ended 31 July		Three months ended 31 July	
	2017 US$'000	2016 US$'000 (Restated*)	2017 US$'000	2016 US$'000 (Restated*)	2017 US$'000	2016 US$'000 (Restated*)	2017 US$'000	2016 US$'000 (Restated*)
Share in net loss of joint ventures								
Packaged fruit and vegetable	–	–	**(161)**	(77)	–	–	**(161)**	(77)
Beverage	–	–	**(37)**	(29)	–	–	**(37)**	(29)
Culinary	–	–	**(307)**	(239)	–	–	**(307)**	(239)
Fresh fruit and others	–	–	**(14)**	(14)	–	–	**(14)**	(14)
Total	–	–	**(519)**	(359)	–	–	**(519)**	(359)
Profit (loss) before taxation								
Packaged fruit and vegetable	**(23,328)**	(27,169)	**3,939**	3,171	**1,903**	705	**(17,486)**	(23,293)
Beverage	**(937)**	(80)	**3,629**	4,962	**(360)**	270	**2,332**	5,152
Culinary	**(6,976)**	(8,418)	**5,243**	5,174	–	–	**(1,733)**	(3,244)
Others	**628**	386	**6,211**	2,617	–	–	**6,839**	3,003
Total	**(30,613)**	(35,281)	**19,022**	15,924	**1,543**	975	**(10,048)**	(18,382)

*See Note 26

	Americas		Asia Pacific		Europe and Middle East		Total	
	31 Jul 2017 US$'000	30 April 2017 US$'000	31 Jul 2017 US$'000	30 April 2017 US$'000	31 Jul 2017 US$'000	30 April 2017 US$'000	31 Jul 2017 US$'000	30 April 2017 US$'000
Reportable								
segment assets	**2,330,449**	2,228,986	**482,309**	503,177	**17,021**	24,983	**2,829,779**	2,757,146
segment liabilities	**1,399,123**	1,508,147	**788,159**	610,411	**67,823**	60,033	**2,255,105**	2,178,591
Capital expenditure	**5,867**	42,823	**16,635**	99,532	–	–	**22,502**	142,355

Major customer

Revenues from a major customer of the Americas segment for the quarters ended 31 July 2017 and 2016 amounted to US$135.1 million and US$134.5 million, respectively representing 29% the total revenue.

5. 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.

The Group operates several production facilities in the U.S., Mexico, and Philippines. Fruit plants are located in California and Washington in the United States and Philippines, most of its vegetable plants are located in the U.S. Midwest and its tomato plants are located in California and Indiana.

The Del Monte Foods, Inc. ("DMFI") has a seasonal production cycle that generally runs between the months of June and July. 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, DMFI has contracts to co-pack certain processed fruit and vegetable products for other companies.

6. Property, plant and equipment

During the three months ended 31 July 2017, the Group acquired assets with a cost of US$27.1 million (three months ended 31 July 2016: US$36.1 million), which includes noncash acquisition. There was no significant disposal of property, plant and equipment for the three months ended 31 July 2017 and 2016.

7. Intangible assets and goodwill

	Goodwill	Indefinite life trademarks	Amortisable trademarks	Customer relationship	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cost					
At 30 April 2017	203,432	408,043	36,080	120,500	768,055
At 31 July 2017	203,432	408,043	36,080	120,500	768,055
Accumulated amortisation					
At 30 April 2017	–	–	6,405	20,624	27,029
At 1 May 2017	–	–	6,405	20,624	27,029
Amortisation	–	–	578	1,759	2,337
At 31 July 2017	–	–	6,983	22,383	29,366
Carrying amounts					
At 30 April 2017	203,432	408,043	29,675	99,876	741,026
At 31 July 2017	**203,432**	**408,043**	**29,097**	**98,117**	**738,689**

Goodwill

Goodwill arising from the acquisition of DMFI was allocated to DMFI and its subsidiaries, which is considered as one cash generating unit ("CGU").

Indefinite life trademarks

Management has assessed the following trademarks as having indefinite useful lives as the Group has exclusive access to the use of these trademarks on a royalty free basis.

America trademarks

The indefinite life trademarks arising from the acquisition of Consumer Food Business relate to those of DMFI for the use of the "Del Monte" trademark in the United States and South America market, and the "College Inn" trademark in the United States, Australia, Canada and Mexico.

The Philippines trademarks

A subsidiary, Dewey, owns the "Del Monte" and "Today's" trademarks for use in connection with processed foods in the Philippines ("The Philippines trademarks").

Indian sub-continent trademark

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

Asia S&W trademark

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

Amortisable trademarks and customer relationships

	Net Carrying amount		**Remaining amortisation period (years)**	
	31 July 2017 US$'000	**30 April 2017 US$'000**	**31 July 2017**	**30 April 2017**
America Contadina trademark	**18,222**	18,497	**16.6**	16.8
Sager Creek trademarks	**9,545**	9,793	**9.7**	9.9
America S&W trademark	**1,313**	1,363	**6.6**	6.8
Asia S&W trademark	**17**	22	**1.0**	1.2
	29,097	29,675		

Asia S&W trademark

The amortisable trademark pertains to "Label Development" trademark.

America trademarks

The amortisable trademarks relate to the exclusive right to use of the "S&W" trademark in the United States, Canada, Mexico and certain countries in Central and South America and "Contadina" trademark in the United States, Canada, Mexico South Africa and certain countries in Asia Pacific, Central America, Europe, Middle East and South America market.

Sager Creek trademarks

The trademarks were acquired when the Group acquired the Sager Creek business in March 2015. Sager Creek's well-known brands include Veg-All, Freshlike, Popeye, Princella and Allens', among others. In September 2017, DMFI entered into an Asset Purchase Agreement and Licensing Agreement with a third party buyer covering these intangible assets.

Customer relationships

Customer relationships relate to the network of customers where DMFI and Sager Creek has established relationships with the customers, particularly in the United States market through contracts.

	Net carrying amount		Remaining amortisation period (years)	
	31 July 2017 US$'000	**30 April 2017 US$'000**	**31 July 2017**	**30 April 2017**
DMFI customer relationships	**88,625**	89,962	**16.6**	16.8
Sager Creek customer relationships	**9,492**	9,914	**5.7**	5.9
	98,117	99,876		

Management has included the DMFI customer relationships in the DMFI CGU impairment assessment and concluded no impairment exist at the reporting date. In September 2017, DMFI entered into an Asset Purchase Agreement with a third party buyer covering certain customer contracts.

Estimating useful lives of amortisable trademarks and customer relationships

The Group estimates the useful lives of its amortisable trademarks and customer relationships based on the period over which the assets are expected to be available for use. The estimated useful lives of the trademarks and customer relationships are reviewed periodically and are updated if expectations differ from previous estimates due to legal or other limits on the use of the assets. A reduction in the estimated useful lives of amortisable trademarks and customer relationships would increase recorded amortisation expense and decrease non-current assets.

8. Investments in joint ventures

			Effective Equity Held by the Group	
Name of joint venture	**Principal activities**	**Place of Incorporation and Business**	**As at 31 Jul 2017 %**	**As at 30 Apr 2017 %**
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

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

	31 July 2017 US$'000	**30 April 2017 US$'000**
Assets		
Current assets	**24,545**	20,907
Noncurrent assets	**15,519**	15,877
Total assets	**40,064**	36,784
Liabilities		
Current liabilities	**(15,447)**	(11,616)
Noncurrent liabilities	**(19,902)**	(19,927)
Total liabilities	**(35,349)**	(31,543)
Net Assets	**4,715**	5,241

	31 July 2017 US$'000	**31 July 2016 US$'000**
Results		
Revenue	**17,873**	17,630
Loss from continuing operations	**(1,046)**	(701)
Other comprehensive income	–	14
Total comprehensive loss	**(1,046)**	(687)

	31 July 2017 US$'000	**30 April 2017 US$'000**
Group's interest in net assets of FFPL at beginning of the year/period	**23,872**	20,661
Capital injection during the year/period	**–**	4,887
Group's share of:		
- loss from continuing operations	**(523)**	(1,676)
- other comprehensive income	**–**	–
- total comprehensive income	**(523)**	(1,676)
Carrying amount of interest at end of the year/period	**23,349**	23,872

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 (Note 7) 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.

9. Other noncurrent assets

	31 July 2017 US$'000	**30 April 2017 US$'000**
Advances to growers	**12,812**	11,867
Advance rentals and deposits	**6,703**	6,289
Excess insurance	**4,279**	4,279
Land expansion (development costs of acquired leased areas)	**3,731**	3,295
Prepayments, noncurrent	**448**	508
Deferred charges	**129**	−
Others	**831**	874
	28,933	27,112

Excess insurance relate mainly to reimbursements due from insurers to cover the workers' compensation.

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.

10. Biological assets

	31 July 2017 US$'000	**30 April 2017 US$'000**
Livestock		
At beginning of the year/period	**1,420**	1,448
Purchases of livestock	**154**	776
Sales of livestock	**(104)**	(717)
Currency realignment	**(17)**	(87)
At end of the year/period	**1,453**	1,420

	31 July 2017 US$'000	**30 April 2017 US$'000**
Agricultural produce		
At beginning of the year/period	**44,347**	39,775
Additions	**2,989**	13,547
Harvested	**(4,267)**	(15,079)
Fair value gain on produce prior to harvest	**115**	7,660
Currency realignment	**(1,643)**	(1,556)
At end of the year/period	**41,541**	**44,347**

	31 July 2017 US$'000	30 April 2017 US$'000
Current	**41,541**	44,347
Noncurrent	**1,453**	1,420
Totals	**42,994**	45,767

11. Inventories

	31 July 2017 US$'000	30 April 2017 US$'000
Finished goods		
- at cost	**755,166**	708,637
- at net realisable value	**40,335**	30,902
Semi-finished goods		
- at cost	**299**	299
- at net realisable value	**13,810**	7,235
Raw materials and packaging supplies		
- at net realisable value	**215,013**	169,819
	1,024,623	916,892

Inventories are stated after allowance for inventory obsolescence. Movements in the allowance for inventory obsolescence during the year/period are as follows:

	Note	31 July 2017 US$'000	30 April 2017 US$'000
At beginning of the year/period		**15,086**	12,715
Allowance for the year/period	20	**719**	7,415
Reversal of allowance for the year/period		**(2,642)**	–
Write-off against allowance		**(1,366)**	(4,350)
Currency realignment		**46**	(694)
At end of the year/period		**11,843**	15,086

The allowance for inventory obsolescence recognised during the period is included in "Cost of sales".

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 decrease current assets.

12. Trade and other receivables

	31 July 2017 US$'000	**30 April** 2017 **US$'000**
Trade receivables	**140,181**	147,167
Non trade receivables	**23,297**	23,812
Allowance for doubtful accounts – trade	**(1,863)**	(2,022)
Allowance for doubtful accounts – nontrade	**(4,452)**	(4,510)
Trade and other receivables	**157,163**	164,447

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

	Gross		**Impairment losses**	
At 31 July 2017	**Trade US$'000**	**Non trade US$'000**	**Trade US$'000**	**Non trade US$'000**
Not past due	**105,753**	**14,455**	**–**	**–**
Past due 0 - 60 days	**16,891**	**844**	**–**	**–**
Past due 61 - 90 days	**2,223**	**260**	**(40)**	**–**
Past due 91 - 120 days	**7,686**	**518**	**(89)**	**–**
More than 120 days	**7,628**	**7,220**	**(1,734)**	**(4,452)**
	140,181	**23,297**	**(1,863)**	**(4,452)**

	Gross		Impairment losses	
At 30 April 2017	**Trade US$'000**	**Non trade US$'000**	**Trade US$'000**	**Non trade US$'000**
Not past due	114,730	14,767	–	–
Past due 0 - 60 days	22,997	871	–	–
Past due 61 - 90 days	1,758	245	–	–
Past due 91 - 120 days	1,286	112	–	–
More than 120 days	6,396	7,817	(2,022)	(4,510)
	147,167	23,812	(2,022)	(4,510)

The recorded impairment loss falls within the Group's historical experience in the collection of accounts receivables. Therefore, management believes that there is no significant additional credit risk beyond what has been recorded.

13. Prepaid expense and other current assets

	31 July 2017 US$'000	**30 April 2017 US$'000**
Prepaid expenses	**30,042**	29,698
Downpayment to contractors and suppliers	**6,978**	9,933
Derivative asset	**3,670**	2,685
Others	**500**	730
	41,190	43,046

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

14. Cash and cash equivalents

	31 July 2017 US$'000	**30 April 2017 US$'000**
Cash on hand	**61**	48
Cash in banks	**19,056**	33,141
Cash equivalents	**369**	4,382
Cash and cash equivalents	**19,486**	37,571

Certain of the cash and bank balances earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 1.0% per annum.

15. Loans and borrowings

	31 July 2017 US$'000	30 April 2017 US$'000
Current liabilities		
Unsecured bank loans	**306,434**	280,584
Secured bank loans	**195,122**	169,114
	501,556	449,698
Non-current liabilities		
Unsecured bank loans	**342,310**	341,974
Secured bank loans	**923,999**	922,294
	1,266,309	1,264,268
	1,767,865	1,713,966

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate %	Year of maturity	31 July 2017 Face value US$'000	31 July 2017 Carrying amount US$'000	30 April 2017 Face value US$'000	30 April 2017 Carrying amount US$'000
Group							
Unsecured bank loans	PHP	2.00-4.50	2017-2020	**91,674**	**91,674**	117,835	117,835
Unsecured bank loans	USD	1.15-2.50	2017	**274,160**	**274,160**	222,869	222,869
Unsecured bridging loans	USD	1.50-4.53	2020	**130,000**	**129,415**	130,000	129,414
Unsecured bridging loan	USD	90 days LIBOR +3.25%	2019	**154,000**	**153,496**	154,000	152,440
Secured bank loan under ABL Credit Agreement	USD	Libor +4.25%	2017	**194,000**	**191,173**	168,000	166,730
Secured First lien term loan	USD	Higher of LIBOR+3.25% or 4.25%	2017-2021	**686,925**	**675,684**	686,925	668,109
Secured Second lien term Loan	USD	Higher of LIBOR+ 7.25% or 8.45%	2021	**260,000**	**252,263**	260,000	256,569
				1,790,759	**1,767,865**	1,739,629	1,713,966

New Loan Availment
The Group's financial liabilities slightly increased by US$51 million mainly driven by the increase in DMFI loan under an ABL Credit Agreement (a senior secured asset-based revolving facility) to be used for working capital needs and general corporate purposes (the "ABL Facility") from US$168 million to US$194 million as of 31 July 2017. Unsecured bank loan also increased from US$340 million to US$365 million.

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, debt service coverage ratio, 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, and changes in business, dividends and other transfers.

The Group is compliant with its loan covenants as at 31 July 2017 and 30 April 2017.

Long Term Borrowings

Long Term Borrowings	Principal Amount (In Thousands)	Interest Rate	Maturity	Payment Terms (e.g. annually, quarterly, etc.)	Interest already paid 1 May 2017 to 31 Jul 2017	
Senior secured variable rate first lien term loan	USD 710,000	Higher of Libor +3.25% or 4.25%	2021	0.25% quarterly principal payments from 30 April 2014 to July 31, 2021; Balance due in full at its maturity, 18 February 2021.	USD	7,416
Senior secured second lien variable rate term loan	USD 260,000	Higher of Libor + 7.25% or 8.45%	2021	Due in full at its maturity, August 18, 2021.	USD	7,251
BDO bridging facility	USD 154,000	90day Libor + 3.5% margin	2019	Quarterly interest payment and principal on maturity date.	USD	2,390
BDO Long-Term Loan	USD 30,000	4.50%	2020	Quarterly interest payment and principal on maturity date.	USD	678
BDO Long-Term Loan	USD 100,000	4.50%	2020	Quarterly interest payment and principal on maturity date.	USD	2,262
BDO Long-Term Loan	PHP 3,000,000	3.5% for the first 60 days; 4.5% for the remaining term + 5% GRT	2020	Quarterly interest payment and principal on maturity date.	PHP	35,831

The balance of unamortised debt issuance cost follows:

	Three months ended 31 July 2017 US$'000	Year ended 30 April 2017 US$'000
Beginning of year/period	**25,663**	32,527
Additions	–	1,749
Amortisation	**(2,769)**	(8,613)
End of year/period	**22,894**	25,663

16. Other noncurrent liabilities

	31 July 2017 US$'000	30 April 2017 US$'000
Workers' compensation	**23,357**	23,410
Derivative liabilities	**7,490**	8,442
Accrued lease liabilities	**7,102**	7,036
Provision for onerous leases	**3,761**	3,818
Other payables	**1,115**	1,312
	42,825	44,018

17. Trade and other payables

	31 July 2017 US$'000	30 April 2017 US$'000
Trade payables	**155,711**	162,505
Overdrafts	**26,810**	12,191
Accrued operating expenses		
Advertising	**12,979**	12,220
Professional fees	**11,275**	13,591
Taxes and insurance	**8,885**	8,639
Freight and warehousing	**15,717**	6,320
Accrued interest	**9,662**	11,133
Trade promotions	**37,068**	39,202
Miscellaneous	**5,172**	6,348
Derivative liabilities	**8,790**	9,531
Accrued payroll expenses	**8,679**	8,282
Withheld from employees (taxes and social security cost)	**1,737**	1,692
Advances from customers	**3,232**	3,137
Other payables	**8,334**	4,623
VAT payables	**154**	131
	314,205	299,545

18. Accounting classification and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Group						
31 July 2017						
Cash and cash equivalents	14	**19,486**	**–**	**–**	**19,486**	**19,486**
Trade and other receivables	12	**157,163**	**–**	**–**	**157,163**	**157,163**
Derivative asset	13	**–**	**3,670**	**–**	**3,670**	**3,670**
		176,649	**3,670**	**–**	**180,319**	**180,319**
Loans and borrowings	15	–	**–**	**1,767,865**	**1,767,865**	**1,596,303**
Trade and other payables*	17	–	**–**	**302,183**	**302,183**	**302,183**
Derivative liabilities	16, 17	–	**16,280**	–	**16,280**	**16,280**
		–	**16,280**	**2,070,048**	**2,086,328**	**1,914,766**
30 April 2017						
Cash and cash equivalents	14	37,571	–	–	37,571	37,571
Trade and other receivables	12	164,447	–	–	164,447	164,447
Derivative asset	13	–	2,685	–	2,685	2,685
		202,0188	2,685	–	204,703	204,703
Loans and borrowings	15	–	–	1,713,966	1,713,966	1,552,043
Trade and other payables*	17	–	–	286,877	286,877	286,877
Derivative liabilities	16, 17	–	17,973	–	17,973	17,973
		–	17,973	2,000,843	2,018,816	1,856,893

* *excludes advances from customers and derivative liabilities*

19. Determination of fair values

Fair value hierarchy

The table below analyses recurring non-financial assets carried at fair value. The different levels are defined as follows:

- 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 recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing the categorization 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.

			31 July 2017		
	Note	**Level 1**	**Level 2**	**Level 3**	**Totals**
Financial assets					
Derivative assets	13	**–**	**3,670**	**–**	**3,670**
Non-financial assets					
Fair value of agricultural produce harvested under inventories		**–**	**–**	**6,679**	**6,679**
Fair value of growing produce	11	**–**	**–**	**41,541**	**41,541**
Freehold land	6	**–**	**–**	**70,511**	**70,511**
Financial liabilities					
Derivative liabilities	16, 17, 18	**–**	**16,280**	**–**	**16,280**

			30 April 2017		
		Level 1	Level 2	Level 3	Totals
Financial assets					
Derivative assets	13	–	2,685	–	2,685
Non-financial assets					
Fair value of agricultural produce harvested under inventories		–	–	4,535	4,535
Fair value of growing produce	11	–	–	44,347	44,347
Freehold land	6	–	–	68,000	68,000
Financial liabilities					
Derivative liabilities	16, 17, 18	–	17,973	–	17,973

During the period, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

Determination of fair values of financial assets

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	The fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market interest rate ranges from 18.7% to 31.0% and 17.4% to 33.6% as at the reporting date 31 July 2017 and 30 April 2017, respectively (Level 2). The fair value of noncurrent loans and borrowings under this category amounted to US$755.5 million and US$759.3 million as of 31 July 2017 and 30 April 2017, respectively. The fair value of the loan is based on the discounted value of expected future cash flows using risk free rates and credit spread ranges from 3.8% to 5.3% as at 31 July 2017 and 2.6% to 4.7% as at 30 April 2017 (Level 3). The fair value of noncurrent loans and borrowings under this category amounted to US$339.2 million and US$343.1 million as at 31 July 2017 and 30 April 2017, respectively. Current loans and borrowings approximate its carrying amount as of 31 July 2017 and 30 April 2017 due to short-term maturities.
Other financial assets and liabilities	The notional amounts of financial assets and liabilities with maturity of less than one year (including trade and other receivables, cash and cash equivalents, and trade and other payables) are, because of the short period to maturity, assumed to approximate their fair values. All other financial assets and liabilities are discounted to determine their fair values.

Other non-financial assets

Assets	**Valuation technique**	**Significant unobservable inputs**
Freehold land	The fair value of freehold land is determined by external, independent property valuers, having appropriate recognized 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 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 freehold land was last revalued in 2016. 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.
Harvested crops – sold as fresh fruit	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the fresh fruit adjusted for margin and costs to sell (Level 3).	The unobservable input is the estimated pineapple selling price per ton specific for fresh products.
Harvested crops – used in processed products	The fair values of harvested crops are based on the most reliable estimate of market prices, in both local and international markets at the point of harvest. The market price is derived from average sales price of the processed product (concentrates, pineapple beverages, sliced pineapples, etc.) adjusted for margin and associated costs related to production (Level 3).	The unobservable input is the estimated pineapple selling price and gross margin per ton specific for processed products.
Unharvested crops – fruits growing on the bearer plants	The growing produce are now measured at fair value from the time of maturity of the bearer plant until harvest. Management used future selling prices of finished goods less future growing costs applied to the estimated volume of harvest as the basis of fair value.	The unobservable inputs are estimated pineapple selling price and gross margin per ton for fresh and processed products, estimated volume of harvest and future growing costs.

20. Profit for the period

The following items have been included in arriving at profit for the period:

	Note	Three months ended 31 July 2017 US$'000	Three months ended 31 July 2016 US$'000
Provision for inventory obsolescence	11	**719**	6,940
Reversal (provision) of allowance for doubtful receivables (trade)		**(205)**	49
Amortisation of intangible assets	7	**2,337**	1,764
Depreciation of property, plant and equipment		**35,246**	31,715

21. General and administrative expenses

This account consists of the following:

	31 July 2017 US$'000	31 July 2016 US$'000
Personnel costs	**19,094**	21,070
Professional and contracted services	**8,442**	8,567
Computer cost	**3,783**	3,243
Facilities expense	**1,711**	1,851
Postage and telephone	**854**	1,111
Travelling and business meals	**536**	817
Rental	**939**	555
Employee-related expenses	**204**	297
Machinery and equipment maintenance	**542**	259
Utilities	**145**	156
R&D projects	**206**	195
Materials and supplies	**81**	199
Auto operating and maintenance costs	**264**	71
Miscellaneous overhead	**2,247**	3,371
	39,048	41,762

Miscellaneous overhead consists of donation, corporate initiatives, and other expenses. Personnel cost last year is net of the DMFI retirement plan change impact.

22. Share capital

		31 July 2017		30 April 2017	
		No. of shares ('000)	US$'000	No. of shares ('000)	US$'000
Authorised:					
Ordinary shares of	US$0.01 each	**3,000,000**	**30,000**	3,000,000	30,000
Preference shares of	US$1.00 each	**600,000**	**600,000**	600,000	600,000
		3,600,000	**630,000**	3,600,000	630,000
Issued and fully paid:					
Ordinary shares of	US$0.01 each	**1,944,936**	**19,449**	1,944,936	19,449
Preference shares of	US$1.00 each	**20,000**	**20,000**	20,000	20,000
		1,964,936	**39,449**	1,964,936	39,449

Reconciliation of number of outstanding ordinary shares in issue:

	Period ended 31 July 2017 ('000)	Year ended 30 April 2017 ('000)
At beginning of the year/period	**1,943,214**	1,943,214
Acquisition of own shares	**–**	–
At end of the year/period	**1,943,214**	1,943,214

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 of Directors (BOD) may designate. The terms and conditions of the authorised preference share are finalised upon each issuance.

On 30 October 2014, the Company had additional ordinary shares listed and traded on the SGX-ST and the PSE pursuant to a public offering conducted in the Philippines. The Company offered and sold by way of primary offer 5,500,000 ordinary shares at an offer price of 17.00 Philippine pesos (Php) per share.

In March 2015, additional 641,935,335 ordinary shares were listed on the SGX-ST and the PSE, which were offered and sold to eligible shareholders by way of a stock rights offering at an exercise price of S$0.325 or Php10.60 for each share in Singapore and the Philippines, respectively.

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 (U.S. \$1.0 par value per share) in the Philippines, generating US$200 million in proceeds. The said shares were listed on the PSE.

Undeclared preference dividends as of 31 July 2017 amounted to US$3.3 million.

Capital management

The BOD'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 Company's capital comprises its share capital and reserves. The BOD monitors the return on capital, which the Company defines as profit or loss for the year divided by total shareholders' equity. The BOD also monitors the level of dividends paid to ordinary shareholders.

The bank loans of the Company contain various capital covenants with respect to capital maintenance and ability to incur additional indebtedness. The BOD 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 Company's approach to capital management during the period.

23. Earnings (loss) per share

Basic and diluted earnings per share are calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Three months ended 31 July	
	2017	**2016 (Restated*)**
Basic profit per share is based on:		
Profit (loss) attributable to owners of the Company (US$'000)	**740**	(7,043)
Cumulative preference share dividends (US$'000)	**(3,313)**	–
	(2,573)	(7,043)
Basic weighted average number of ordinary shares ('000):		
Issued ordinary shares at 1 May	**1,943,214**	1,943,214
Effect of own shares held	**–**	–
Weighted average number of ordinary shares at end of period (basic)	**1,943,214**	1,943,214
Basic loss per share (in U.S. cents)	**(0.13)**	(0.36)

*See Note 26

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.

	Three months ended 31 July	
	2017	**2016 (Restated***
Diluted profit per share is based on:		
Profit (loss) attributable to owners of the Company (US$'000)	**740**	(7,043)
Cumulative preference share dividends (US$'000)	**(3,313)**	–
	(2,573)	(7,043)
Diluted weighted average number of shares ('000):		
Weighted average number of ordinary shares (basic)	**1,943,214**	1,943,214
Effect of share options on issue	**746**	746
Weighted average number of ordinary issued and potential shares assuming full conversion	**1,943,960**	1,943,960
Diluted loss per share (in U.S. cents)	**(0.13)**	(0.36)

The potential ordinary shares issuable under the Executive Stock Options Plan (ESOP) were excluded from the diluted weighted average number of ordinary shares calculation because they have an anti-dilutive effect.

*See Note 26

24. Commitments and contingencies

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 at approximately US$256.0 million.

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.

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 and packaging services. At the reporting date, the Group have commitments for future minimum payments under non-cancellable agreements at approximately US$1,095.8 million.

DMPL India Limited

As at 31 July 2017, a subsidiary, DMPL India Limited has a contingent liability amounting to INR232.0 million or an equivalent of US$3.6 million (30 April 2017: US$4.3 million) in the form of a letter of undertaking securing 50% of the obligations of FFPL under its Loan Agreement with Infrastructure Development Finance Company Limited, in proportion to its equity interest.

25. Related parties

Related party transactions

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

Other than disclosed elsewhere in the financial statements, transactions with related parties are as follows:

Category/ Transaction	Period (as of)	Amount of the transaction US$'000	Outstanding balance – receivables/ (payables) US$'000	Terms	Conditions
Under Common Control					
▪ Shared IT & JYCC Fit-out services	July 2017	**58**	**24**	Due and demandable;	Unsecured;
	April 2017	351	57	non–interest bearing	no impairment
▪ Sale of tomato paste	July 2017	**–**	–	Due and demandable;	Unsecured;
	April 2017	34	–	non–interest bearing	no impairment
▪ Purchases	July 2017	**–**	**(15)**	Due and demandable;	Unsecured;
	April 2017	247	(24)	non–interest bearing	no impairment
▪ Share in JYCC Fit Out Project	July 2017	**–**	–	Due and demandable;	Unsecured
	April 2017	16	–	non–interest bearing	no impairment
▪ Tollpack fees	July 2017	**218**	–	Due and demandable;	Unsecured
	April 2017	666	(60)	non–interest bearing	
▪ Others	July 2017	**196**	**(196)**	Due and demandable;	Unsecured
	April 2017	**–**	–	non–interest bearing	
Other Related Party					
▪ Management fees from Del Monte Philippines, Inc. ("DMPI") Retirement fund	July 2017	**1**	**241**	Due and demandable;	Unsecured;
	April 2017	4	241	non–interest bearing	no impairment
▪ Rental to DMPI Retirement	July 2017	**410**	**–**	Due and demandable;	Unsecured
	April 2017	1,619	(277)	non–interest bearing	
▪ Rental to NAI Retirement	July 2017	**132**	**–**	Due and demandable;	Unsecured
	April 2017	572	(48)	non–interest bearing	
▪ Rental to DMPI provident fund	July 2017	–	–	Due and demandable;	Unsecured;
	April 2017	5	–	non–interest bearing	no impairment
Receivables included under "Trade and other receivables" in Note 12			**265**		
Payables included under "Trade and other payables" in Note 17			**(211)**		

Category/ Transaction	Period (as of)	Amount of the transaction US$'000	Outstanding balance – receivables/ (payables) US$'000	Terms	Conditions

Receivables included under "Trade and other receivables" in Note 12	298
Payables included under "Trade and other payables" in Note 17	(409)

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

26. Other Matters

a. There were no known trends, demands, commitments, events or uncertainties that will have a material impact on the Group's liquidity.

b. There were no known trends, events or uncertainties that have had or that are reasonably expected to have a favourable or unfavourable impact on net sales or revenues or income from continuing operations.

c. There were no known events that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation and there were no changes in contingent liabilities and contingent assets since the last annual statements of financial position date.

d. There were no material off-statements of financial position transactions, arrangements, obligations (including contingent obligations), and other relationship of the Group with unconsolidated entities or other persons created during the reporting period.

e. The effects of seasonality or cyclicality on the interim operations of the Group's businesses are explained in Note 5, Seasonality of operations.

f. The Group's material commitments for capital expenditure projects have been approved but are still ongoing and not yet completed as of end of 31 July 2017. These consist of construction, acquisition, upgrade or repair of fixed assets needed for normal operations of the business. The said projects will be carried forward to the next quarter until its completion. The fund to be used for these projects will come from available cash, short and long-term loans.

g. In fiscal year 2017, the Group has adopted the amendments to IAS 16 and IAS 41 (Agriculture: Bearer Plants). The change in accounting standard was applied retrospectively and comparative statements for the period have been restated to reflect the changes in accounting policy.

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

	As previously reported US$'000	Adjustments US$'000	As restated US$'000
Income Statement			
Revenue	465,523	1,851	467,374
Tax credit/expense - net	9,412	(174)	9,238
Profit (loss) for the period	**(10,821)**	1,677	**(9,144)**
Owners of the Company	**(8,720)**	1,677	**(7,043)**
Loss per share			
Basic loss per share (US cents)	(0.45)	0.09	(0.36)
Diluted loss per share (US cents)	(0.45)	0.09	(0.36)

h. The Group is the subject of, or a party to, various suits and pending or threatened litigations. 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.

i. The retained earnings is restricted for the payment of dividends to the extent representing the accumulated equity in net earnings of the subsidiaries and unrealised asset revaluation reserve. The accumulated equity in net earnings of the subsidiaries is not available for dividend distribution until such time that the Company receives the dividends from the subsidiaries.

j. On 28 June 2017, the Company announced a series of new joint ventures with Fresh Del Monte Produce, Inc. (NYSE: FDP) that will result in expanded refrigerated offerings sold across all distribution and sales channels, and a new retail food and beverage concept modelled after an already successful FDP business in the Middle East. These joint ventures will initially focus on the U.S. market with the potential for expansion into other territories where the companies' businesses complement each other. The joint ventures are also facilitated by the full and final settlement of all active litigation between DMPL and DMFI on the one hand, and FDP on the other hand, effective immediately. Such long-standing litigation had centered on licensing rights and product distribution in various territories around the world. In addition to retail and new product ventures, the companies also agreed to a long-term mutual supply agreement that would expand Del Monte product sales in various markets around the world.

   As of 31 July 2017, the Company has not made any significant investments with respect to the aforementioned agreement with FDP.

k. In September 2017, DMFI entered into an Asset Purchase Agreement and other accessory contracts covering certain equipment, intangible assets and contracts of Sager Creek for a total consideration of US$55.0 million.

Annex A

Key Performance Indicators

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

A. Current Ratio

	31-Jul-17	31-Jul-16	30-Apr-17	Benchmark
Current Ratio	1.5119	1.0617	1.5614	Minimum of 1.20

Current ratio increased due to higher inventory.

B. Debt to Equity

	31-Jul-17	31-Jul-16	30-Apr-17	Benchmark
Debt to Equity	3.9241	6.7348	3.7656	Maximum of 2.50

Debt ratio decreased versus last year due to loan payment and higher equity from preference share offering.

C. Net Profit Margin

	31-Jul-17	31-Jul-16	30-Apr-17	Benchmark
Net Profit Margin attributable to owners of the company	0.16%	-1.51%	1.08%	Minimum of 3%

Higher net profit than last year due to higher sales driven by the S&W business

D. Return on Asset

	31-Jul-17	31-Jul-16	30-Apr-16	Benchmark
Return on Asset	-0.04%	-0.32%	0.72%	Minimum of 1.21

Favourable than last year due to higher net profit from higher sales.

E. Return on Equity

	31-Jul-17	31-Jul-16	30-Apr-16	Benchmark
Return on Equity	-0.20%	-2.49%	3.44%	Minimum of 8%

Favourable than last year due to higher net profit from higher sales.

Material Changes in Accounts

A. Cash and cash equivalent

Lower cash mainly on repayment of borrowings.

B. Inventories

Increase in inventory is due to inventory build-up to support the increased demand in the second quarter of the fiscal year and due to DMFI's seasonal production.

C. Trade and other receivables

The increase in trade and other receivables is mainly on the timing of collection.

E. Intangible assets

Decrease in intangibles is mainly attributed to the amortization for the year.

F. Trade & other payables

Decrease in trade and other payables are mainly due to timing of payment.

H. Financial liabilities

Decrease in financial liabilities is due to partial payment of bridge loans.

Liquidity and Covenant Compliance

Certain unsecured bank loan agreements contain various 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.[1]

For the U.S.$154.0 million loan, the debt shall not exceed 8 times the equity; the interest cover shall not be lower than 1.5 (EBIT over interest); and the capital expenditures shall not exceed U.S.$40.0 million.

For the U.S.$130 million loan, the debt shall not exceed 6.7 times the equity by end of FY 2017 and 3.0 times from FY 2018 to FY 2020; and the interest cover shall not be lower than 1.5 (EBIT over interest) in FY 2016 and 2.0 from FY 2017 to FY2 020.

The foregoing financial covenants apply to the Company and its subsidiaries, as Borrower, excluding DMFHL and its subsidiaries, including, but not limited to, DMFI.

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

As at 31 July 2017 and 30 April 2017, the Company is in compliance with the covenants stipulated in its loan agreements.

Use of Proceeds

DMPL completed in March 2015 a rights offering in the Philippines which was simultaneously conducted with the rights issue in Singapore. 641,935,335 Ordinary Shares ("Rights Shares") were offered to eligible shareholders at an issue price per share of S$0.325 in Singapore and ₱10.60 in the Philippines. The application of proceeds from this offering is broken down as follows:

Use of Proceeds	Amounts in U.S. Dollars
Balance of Proceeds as at 30 April 2017	483,011.95
Less:	
Expenses incurred from 1 May 2017 to 31 July 2017	0.00
Balance of Proceeds as of 30 April 2017	483,011.95

Annex B

DEL MONTE PACIFIC, LTD.
SUPPLEMENTARY SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

Ratio	Formula	For the three months ended July 31, 2017	For the three months ended July 31, 2016
(i) Liquidity Analysis Ratios:			
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.5	1.1
Quick Ratio	(Current Assets - Inventory - Prepaid expense - Biological - Assets held for sale) / Current Liabilities	0.2	0.1
(ii) Solvency Ratio	Total Assets / Total Debt*	1.3	1.1
Financial Leverage Ratios:			
Debt Ratio	Total Debt*/Total Assets	0.8	0.9
Debt-to-Equity Ratio	Total Debt*/Total Stockholders' Equity	3.9	6.7
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	4.9	7.7
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT)** / Interest Charges	0.6	0.3
(v) Profitability Ratios			
Gross Profit Margin	Sales - Cost of Goods Sold or Cost of Service / Sales	20.66%	20.42%
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Sales	0.16%	-1.51%
Net Profit Margin	Net Profit / Sales	-0.25%	-1.96%
Return on Assets	Net Income / Total Assets	-0.04%	-0.32%
Return on Equity	Net Income / Total Stockholders' Equity	-0.20%	-2.49%

* *Total Debt refers to total liabilities which composed of financial liabilities, trade payables, accrued expenses, and other liabilities.*
*** EBIT =Profit before tax plus finance expenses excluding foreign exchange gain/loss*