108122016001289

SECURITIES AND EXCHANGE COMMISSION

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Deficiencies Found

- Company Name and SEC Number do not match
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Remarks/Notes

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A

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

1. For the fiscal year ended **April 30, 2016**

2. Commission identification number. **N/A**

3. BIR Tax Identification No. **N/A**

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

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

6. Industry Classification Code: (SEC Use Only)

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

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

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

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

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Shares	1,943,214,106

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

    Exchange? Yes [/] No [ ]

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Singapore Exchange	**Common Shares**
Philippine Stock Exchange	**Common Shares**

Indicate by check mark whether the registrant:

Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [✓] No [ ]

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

Yes [ ] No [ ]

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

The aggregate market value of the voting stock held by non-affiliates is US$138,259,000

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

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

Not Applicable

DOCUMENTS INCORPORATED BY REFERENCE

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

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

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

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

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer **Del Monte Pacific Limited**

Psdt

Signature and Title Parag Sachdeva
Chief Financial Officer and Duly Authorized Officer

Date August 11, 2016

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Part I - BUSINESS AND GENERAL INFORMATION

Item 1. Business

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.

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

Subsidiaries

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

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2016 %	30 April 2015 %	1 May 2014 %
Held by the Company					
Del Monte Pacific Resources Limited ("DMPRL") [5]	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 ("DMPL Mgt Svcs") [2]	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00	100.00
GTL Limited ("GTL Ltd")[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

Name of subsidiary	Principal activities	Place of in-corporation and business	Effective equity held by the Group 30 April 2016	30 April 2015	1 May 2014
			%	%	%
DMPL Foods Limited ("DMPLFL") [7]	Investment holding	British Virgin Islands	89.43	89.43	89.43
Held by DMPRL					
Central American Resources, Inc ("CARI")[6]	Investment holding	Panama	100.00	100.00	100.00
Held by CARI					
Del Monte Philippines, Inc ("DMPI") [1]	Growing, processing and distribution of food products mainly under the brand name "Del Monte".	Philippines	100.00	100.00	100.00
Dewey Limited ("Dewey") [7]	Mainly investment holding	Bermuda	100.00	100.00	100.00
Pacific Brands Philippines, Inc [7]	Inactive	State of Delaware, U.S.A.	100.00	100.00	100.00
South Bukidnon Fresh Trading Inc ("SBFTI") [c] [1]	Production, packing, sale and export of food products	Philippines	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	94.45	94.20	93.90
Held by DMPI					
Philippines Packing Management Services Corporation ("PPMSC") [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	–
Held by Dewey					
Dewey Sdn. Bhd. [3]	Owner of various trademarks	Malaysia	100.00	100.00	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	–

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2016 %	30 April 2015 %	1 May 2014 %
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	–
Del Monte Andina C.A. [5]	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	–	–	89.43
Del Monte Colombiana S.A. [3]	Manufacturing, processing and distributing food, beverages and other related products	Colombia	81.97	81.97	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.[4]	Distribution food, beverages and other related products	Peru	89.43	89.43	89.43
Del Monte Ecuador DME C.A. [4]	Distribution food, beverages and other related products	Ecuador	89.43	89.43	89.43
Hi-Continental Corp. [4]	Lessee of real property	State of California, U.S.A.	89.43	89.43	89.43
College Inn Foods [4]	Inactive	State of California, U.S.A.	89.43	89.43	89.43
Contadina Foods, Inc.[4]	Inactive	State of Delaware, U.S.A.	89.43	89.43	89.43
S&W Fine Foods, Inc.[4]	Inactive	State of Delaware, U.S.A.	89.43	89.43	89.43

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2016 %	30 April 2015 %	1 May 2014 %
Held by Del Monte Andina C.A.					
Del Monte Argentina S.A. [3]	Inactive	Argentina	–	–	89.43

(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.

(c) The Group has agreement with the shareholders of SBFTI where the Group is to receive substantially all the returns related to its operations and its net assets. The Group is able to direct the entity's activities and operations and is deemed to have 100% control over SBFTI. Effective 1 May 2015, SBFTI is held by CARI.

[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 of 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 (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.

Risk Factors relating to the Business

Enterprise-Risk Management Programme

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

Risk management is a regular board agenda item.

Principal risk	Specific risk we face	Risk mitigation
Financial Leverage	The Group has long-term acquisition financing resulting in a leveraged balance sheet. Risks would arise if there is a general economic or industry slowdown that may impact the Group's performance, which subsequently may affect the Group's ability to service its interest and principal obligations.	• The Group raised approximately US$150 million in March 2015 from the oversubscribed Rights Issue in Singapore and the Philippines, and used the proceeds to partially pay down the acquisition bridge financing • US$350 million of bridge financing had been extended for two years to February 2017 • The Group plans to launch a preferred share offering of up to US$350 million in the Philippines, subject to regulatory and market conditions, which would refinance the bridge financing • The Group also expects to meet its financial obligation by generating more cash flows through the following: – Expected sales and profit growth in the US, which accounts for approximately 80% of Group sales, by strengthening the core business and expanding the product portfolio and markets – 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 – Expected cost savings from selling, general and administrative expense reduction initiatives, managing working capital, production levels and capital spending, productivity enhancements and operational efficiencies • The Group manages its interest rate risk by swapping variable with fixed interest rates – The majority of the term acquisition loans in the USA have already been swapped to fixed rates in February 2014 – The swap rates became effective beginning February 2016
New ERP system in USA	In January 2015, the Group implemented a new Enterprise Resource Planning system, SAP, in the US and outsourced its finance and accounting functions to a reputable global service provider in the Philippines. Given the new systems and processes involved, there are risks to timely and accurate processing of documents, monitoring of expenditures, along with the change of service provider and decision-making associated with the steady flow of detailed quality information.	• The Group is in the process of transitioning to a new global service provider for finance and accounting • The Group will manage the transition by retaining existing staff in its back office for a certain period, managing knowledge transfer to key members of the new staff, and solid training for all staff involved with SAP • Refocus IT support to effectively manage the project implementation which includes prioritising SAP enhancements and alignment of key business processes with functional groups • Transition plan in place

Principal risk	Specific risk we face	Risk mitigation
Branded and Non-Branded Business	The Group's branded business in the USA, the Philippines and the Indian subcontinent through *Del Monte*, and in Asia and the Middle East through *S&W*, is affected by a number of factors, including, but not limited to, competition, product innovation and acceptance of new products, industry trends, distribution expansion, penetration and business partners' risks. The Group's core categories in the US – Canned Vegetables, Canned Fruits and Canned Tomato – are large categories that generate strong cash flows but are slowing down. Certain non-branded business of the Group (including the USDA and certain private label) requires a competitive bidding process which does not guarantee the outcome of the bid nor the profitability of such bids.	• Strengthen the core business and expand the product portfolio and markets • Shift to branded value-added, packaged products with emphasis on innovation, health and wellness, convenience, quality, competitiveness and consumer appeal of the categories • Reinforce consumption-driven marketing strategies such as consumer advertising • Focus resources on growing categories – Broth and Single-serve Fruit snacks • Market and customer diversification: increased penetration of high-growth channels such as foodservice and e-commerce • Building on closer working relationships with trade partners • The Group is reassessing its non-branded business in its long-term strategic plan
Compliance with Regulatory Changes	Changes in legislation and government regulations affect the Group's business, including food safety, labelling, labour and environmental matters.	• The Group has a compliance programme in place that aims to monitor and ensure the Group's compliance with laws and regulations to manage any risks related to regulatory developments • Our US business is converting to BPA free cans for our branded and non-branded fruit, vegetable and tomatoes • Compliance is a regular board agenda item
Operations Integration in the United States	Acquisition of Sager Creek resulted in excess capacity and labour, breakdown of production equipment and different manufacturing operations.	• Standardisation of all US manufacturing operations • SAP implementation at Sager Creek's Arkansas plant and monitoring of inventory balances • Closure of Sager Creek's North Carolina manufacturing facility in FY2016, in addition to the closure of the Wisconsin plant of Sager Creek a year earlier; Consolidation of production capacity in other plants
Trade Concentration	A relatively limited number of customers account for a large percentage of the Group's total sales. In FY2016, DMFI's top customer accounted for more than 20% of Group sales.	• Leverage market leadership position in packaged Vegetable, Fruit and Tomato and growing categories – Broth and Fruit Cups • The Group has a dedicated sales team in the US and Asia to service these major accounts and maximise growth opportunities • Diversify customers and channels, including foodservice and e-commerce

Principal risk	Specific risk we face	Risk mitigation
Environmental Risks	Production output is subject to certain risk factors relating to weather conditions, catastrophes, crop yields, contract growers and service providers' performance, and leasehold arrangements. There is no assurance that natural catastrophes or climate change will not materially disrupt the Group's business operations in the future, or that the Group is fully capable to deal with these situations with respect to all the damages and economic losses resulting from these risks. Our business in the US operates and contractually grows food in the United States where water availability may be at risk due to drought and limited water supply, new regulations on fresh water use and grey water discharges, and increasing cost. During the fiscal period, the Group experienced the El Niño weather phenomenon in certain areas of its operation. This affected crop yield. The drought in California has had an effect on fruit trees such as peaches, affecting quality, volume and pricing which could reduce consumer demand. The drought in southern Philippines impacted the pineapple supply.	• The Group develops and executes a long-term strategic plan and annual operating plan, supported by a contingency plan and risk management measures • The Group also has in place disaster recovery plans and business continuity plans to mitigate these incidents, and has implemented programmes and initiatives to mitigate the effects of El Niño • The Group also works with insurance brokers to assess the risk exposure and secure adequate insurance coverage, if cost effective • The Group has Global Agricultural Practices (GAP) certifications, and complies with proven agricultural practices • The Group is exploring sourcing peaches from foreign sources – Higher peach product costs are expected to be offset by lower costs from productivity enhancements and operational efficiencies • To minimise water risks, the Group needs to: – Invest in technologies to improve water conservation and encourage the business culture of saving water – Reuse and/or recycle water in operations as many times as possible before discharging to grey water – Improve the quality of grey water discharges using source point pollution control and new raw product processing methods that discharge less pollutants of concern – Work with growers to encourage the use of more water-efficient irrigation systems and techniques • To manage any impact from heavy rainfall and floods, plantings are done in various locations to minimise tonnage loss, and towing units have been augmented to ensure continuity of harvest during wet conditions • Long-term land leases with staggered expiry terms are also secured
Trademark Use and Intellectual Property Rights	While the Group holds the *Del Monte* trademark rights for packaged food products in the USA, South America, Philippines, the Indian subcontinent and Myanmar, the *Del Monte* trademark is licensed to other companies that are independent of the Group. Acts or omissions by any of such companies or any of the licensees of the *Del Monte* trademark may adversely affect the value of the *Del Monte* trademark and demand for the Group's products.	• The Group relies on trademark, trade secret, patent and other intellectual property laws, as well as non-disclosure and confidentiality agreements and other methods, to protect its proprietary information, technologies and processes • However, the Group may also be subject to intellectual property infringement or violation claims

Principal risk	Specific risk we face	Risk mitigation
Cyber Security	The increasing global incidence of cyber attacks on company servers and websites demonstrates the need to strengthen and improve security of the Group's systems.	• The Group develops and implements measures to counter and eliminate cyber attacks from outside sources • The Group has engaged a third party to audit its systems and mitigate such risks
Group Assets	The Group assets are exposed to various risks relating to the assets of, and the possible liabilities from, its operations.	• To safeguard its assets, the Group assesses its risk exposure annually with its insurance brokers and insurance companies • Assets are generally insured at current replacement values • Additions during the current year are automatically included with provision for inflation protection • During the financial year in review, all major risks were adequately covered, except where the premium costs were considered excessive in relation to the probability and extent of a loss
Operations	As an integrated producer of packaged and fresh fruit products for the world market, the Group's earnings are inevitably subject to certain other risk factors, which include general economic and business conditions, change in business strategy or development plans, international business operations, production efficiencies, input costs and availability, disruption of logistics and transportation facilities, litigious counterparties, insurgent activities and changes in government regulations, including, without limitation, environmental regulations.	• The Group develops and executes a long-term strategic plan and annual operating plan, supported by a business continuity plan, risk management and a corporate sustainability programme • It also pursues productivity-enhancing and efficiency-generating work practices and capital projects • To manage security risks in its operating units in the Philippines, the Group has strengthened security measures and improved its stakeholder relations in the communities where it operates

Product Recall and Litigation	The Group may be exposed to product recall, including voluntary recalls or withdrawals, and adverse public relations if the Group's products are alleged to cause injury or illness, or if the Group is alleged to have mislabeled or misbranded its products or otherwise violated governmental regulations.
	
	The Group may also voluntarily recall or withdraw products that the Group considers below standards, whether for taste, appearance or otherwise, in order to protect its brand reputation.
		• The Group has in place a robust Quality Management and Food Safety System that is designed to meet high global standards in product quality, food safety, hygiene and service
		• Manufacturing programmes have been established to identify and control hazards that impact on food safety and product quality
		  – These programmes' effectiveness is periodically verified by various third-party certification bodies following well established and accepted quality systems and standards such as ISO 9001:2008, GMP, HACCP, GLP, GAP, BRC, IFS, GFSI and FSSC
		• The Group has established a system to effectively manage incidents that may require immediate action to protect its brands, including procedures to manage emergency situations that may impact consumer safety, product quality or regulatory compliance
		• The Group maintains Accidental Contamination, Recall and Adverse Publicity coverage
		• In the event that a product withdrawal or recall is activated, a well documented traceability procedure is initiated
		  – A complete identification of production lots from all raw and packaging materials used up to distribution is accomplished within eight hours
		  – Effectiveness of these procedures is tested by a periodic conduct of mock recalls

Item 2. Properties

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

Desccription	Location/ Address	Status	Condition	Book Value (In US$ MM)
Cannery Operations				46.28
Can Plant	Bugo, Cagayan de Oro City	Owned	Good	2.84
Cannery Clothes and Shoes Changing	Bugo, Cagayan de Oro City	Owned	Good	0.14
Central Maintenance	Bugo, Cagayan de Oro City	Owned	Good	0.50
Coal-Fired Boiler Plant	Mambatangan, Bukidnon	Owned	Good	3.78
Compound & Yard	Bugo, Cagayan de Oro City	Owned	Good	9.00
Concentrate Plant	Bugo, Cagayan de Oro City	Owned	Good	1.74
Dispensary	Bugo, Cagayan de Oro City	Owned	Good	0.00
DM Bugo Clinic	Bugo, Cagayan de Oro City	Owned	Good	0.10
Engineering & Design	Bugo, Cagayan de Oro City	Owned	Good	0.12
Factory Offices	Bugo, Cagayan de Oro City	Owned	Good	0.06
General Products Plant	Bugo, Cagayan de Oro City	Owned	Good	0.01
Labeling & Warehousing	Bugo, Cagayan de Oro City	Owned	Good	2.49
Machine Shop	Bugo, Cagayan de Oro City	Owned	Good	0.00
Maintenance Shops & Warehouses	Bugo, Cagayan de Oro City	Owned	Good	0.03
Mixed Fruit Plant	Bugo, Cagayan de Oro City	Owned	Good	2.23
Preparation Plant	Bugo, Cagayan de Oro City	Owned	Good	3.26
Processing Plant	Bugo, Cagayan de Oro City	Owned	Good	4.86
Quality Control	Bugo, Cagayan de Oro City	Owned	Good	0.13
Steam & Power Plant	Bugo, Cagayan de Oro City	Owned	Good	0.77
Sugar Recovery Plant	Bugo, Cagayan de Oro City	Owned	Good	0.81
Two Storey Building,1859 SQ.M. (929.5 each floor)	Bugo, Cagayan de Oro City	Owned	Good	0.40
Waste Water Treatment Plant	Bugo, Cagayan de Oro City	Owned	Good	13.02
Others		Owned	Good	12.86
Chillers & Dispensers		Owned	Good	0.53
Equipment at Warehouses		Owned	Good	0.11
Fleet of Vehicles for Sales Agent	Global City, Taguig	Owned	Good	1.15
JMC Fresh Fruit Packing House w/ Cold Storage		Owned	Good	0.00
JYCC Building Fit-out Works	Global City, Taguig	Owned	Good	3.87
PET Plant	Cabuyao, Laguna	Owned	Good	6.82
Quality Assurance, Research & Dev't Equipment		Owned	Good	0.37
Plantation Operations				18.60
Boom Harvesters	Manolo Fortich, Bukidnon	Owned	Good	0.70

Desccription	Location/ Address	Status	Condition	Book Value (In US$ MM)
Boom Sprayers	Manolo Fortich, Bukidnon	Owned	Good	0.82
Camp Phillips Compound (Admin Offices)	Malaybalay City, Bukidnon	Owned	Good	0.18
Fertilizer and Chemical Bodega and Batching Facility		Owned	Good	4.01
Camp 1 (JMC)	Manolo Fortich, Bukidnon	Owned	Good	0.60
Camp 14	Manolo Fortich, Bukidnon	Owned	Good	0.26
Camp 9	Manolo Fortich, Bukidnon	Owned	Good	0.25
Camp Fabia		Owned	Good	0.02
Camp Phillips		Owned	Good	1.94
Cawayanon		Owned	Good	0.13
CLAVERIA		Owned	Good	0.00
Dalwangan	Malaybalay City, Bukidnon	Owned	Good	0.22
Damilag		Owned	Good	0.03
El Salvador, Mis. Or.		Owned	Good	0.00
FF Packing Shed		Owned	Good	0.00
Hospital		Owned	Good	0.00
Impasug-ong	Impasug-ong, Bukidnon	Owned	Good	0.05
Kiantig Quezon, Buk.		Owned	Good	0.07
LAND PREPARATION ASSEMBLY AREA		Owned	Good	-
Livestock & Cut-meat		Owned	Good	0.03
Montemar Industries		Owned	Good	0.00
South Bukidnon		Owned	Good	0.04
Sumilao	Sumilao, Bukidnon	Owned	Good	0.36
Taliwan		Owned	Good	0.04
JMC Fresh Fruit Packing House w/ Cold Storage	Manolo Fortich, Bukidnon	Owned	Good	3.46
Livestock, Feedlot, and Dairy	Manolo Fortich, Bukidnon	Owned	Good	0.12
Motorgrader	Manolo Fortich, Bukidnon	Owned	Good	0.15
South Bukidnon Packing House w/ Cold Storage	Quezon, Bukidnon	Owned	Good	2.77
Staff Houses	Manolo Fortich, Bukidnon	Owned	Good	0.82
Trucks, Pick-ups, and Motorcycles	Manolo Fortich, Bukidnon	Owned	Good	1.52
Wheel & Crawler Tractors	Manolo Fortich, Bukidnon	Owned	Good	4.05
DMFI Facilities				
Production facilities	Continental United States and Mexico	Owned	Good	466.04
Distribution facilities	Continental United States and Mexico	Leased	Good	
Grand Total				**543.78**

Item 3. Legal Proceedings

<u>Matters Assumed in Connection with the Consumer Food Business</u>

In connection with the acquisition of the Consumer Food Business, the Group assumed the legal matters described below from the Seller.

<u>Kosta Misbranding Class Action</u>

On 5 April 2012, Plaintiff (Kosta) filed a complaint against Seller 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 Seller made a variety of false and misleading labeling and advertising claims including, but not limited to lycopene and antioxidant claims for tomato products and claims that Seller misled consumers with respect to its refrigerated fruit products. The complaint sought certification as a class action. On 30 July 2015 the Court denied Plaintiff's motion for class certification. Plaintiff has appealed this ruling to the U.S. Ninth Circuit Court of Appeal. 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.

<u>Fresh Del Monte Produce Inc. vs. Seller</u>

On 19 December 2013, Fresh Del Monte Produce Inc. ("FDP") filed a complaint against Seller in the U.S. District Court for the Southern District of New York for breach of a 1989 License Agreement ("License"). FDP asserts that Seller committed a breach by denying FDP's requests for additional rights under the License. DMFI denies these claims and counterclaimed for breach of contract, trademark infringement, and unfair competition on 31 March 2014. Among other things, DMFI asserts that FDP committed a breach and trademark infringement by marketing under the Del Monte trademark pasteurised juice products, processed avocado and guacamole products, and combination products that combine fresh and non-fresh ingredients. Both parties seek declaratory, monetary, and injunctive relief from the other. Discovery is proceeding in the cases, and no trial date has been set. The Group cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

In a separate matter, DMFI initiated an arbitration action against an affiliate of FDP for breach of another license agreement by using the Del Monte brand on cafes and a delivery service in the Middle East. The arbitration panel issued its ruling in July 2016, finding that the FDP affiliate's activities are permitted under the license agreement but that the affiliate breached the terms of the license agreement in the manner in which it used the Del Monte trademarks. The arbitration panel is expected to rule on the appropriate cure for these breaches in Summer 2016.

<u>Resolved Dispute with Smucker's</u>

On 18 February 2014, DMFI consummated the acquisition of the Consumer Food Business of Smucker's. The purchase price to be paid by DMFI at closing was adjusted upward in the amount of US$111.0 million (the "Closing Adjustment Amount") based on the difference between the target working capital agreed by the parties in the Purchase

Agreement and Smucker's' good faith estimate of working capital on the day immediately preceding the closing date. Based on Smucker's' calculation of closing working capital, Smucker's seeks an additional upward adjustment to the purchase price in the amount of US$16.3 million, together with interest accrued from the closing date through the date of payment.

On 18 June 2014, DMFI served its Notice of Disagreement asserting that Smucker's' statement setting forth its calculation of closing working capital is in breach of several provisions of the Purchase Agreement and that Smucker's is not entitled to any adjustment of the purchase price on account of working capital, including the US$16.3 million it now seeks, and the Closing Adjustment Amount must be returned.

In March 2015, the parties have submitted this dispute to an independent certified public accounting firm for resolution pursuant to the Purchase Agreement. An initial ruling on the closing working capital calculation was issued in July 2015. The parties continued discussions and on 25 April 2016, have entered into a settlement agreement, under which Smucker's paid/refunded to DMFI US$38.0 million in full satisfaction of the post-closing working capital amount adjustment under the Purchase Agreement. The resulting settlement gain was recognised in "Other income (expenses) - net" account in the consolidated income statement for the year ended 30 April 2016 (Note 26).

Other legal cases

FDP vs. DMPL

On September 29, 2015, FDP filed an action against DMPL with the New York Supreme Court. FDP alleged that DMPL failed to comply with its contractual obligation to use commercially reasonable efforts to curb supply of parallel imports of Del Monte branded products into FDP's territories. Among other things, FDP claims that DMPL violated the settlement agreements by refusing to sell adequate products to FDP to curb parallel imports. DMPL believes that it has complied with its contractual obligations. DMPL cannot at this time reasonably estimate a range of exposure, if any, of the potential liability. The case is in discovery stage during which documents are produced and depositions of witnesses are taken.

Four (4) Labour disputes versus DMPI (Mindanao)

Amount of contention is immaterial. For filing of position papers and appeals to the proper courts.

Other

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

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

Except for the matters taken up during the Annual General Meeting and General Meeting of Stockholders last August 28, 2015, there was no other matter submitted to a vote of security holders during the period covered by this report.

Part II – OPERATIONAL AND FINANCIAL INFORMATION

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

The Company has been listed on the SGX-ST for nearly 15 years since 1999. The Company was successfully listed on the PSE on 10 June 2013, making DMPL the first entity to be dual-listed on the SGX-ST and the PSE.
The Company's share price highlights are as follows:

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

The Company has an authorized capital stock of U.S.$630.0 million consisting of 3,000,000,000 ordinary shares, each with a par value of U.S.$0.01 and 600,000,000 preference shares, each with a par value of U.S.$1.00. Out of the authorized capital stock, 1,943,214,106 ordinary shares are outstanding. The number of ordinary shares outstanding excludes 1,721,720 ordinary shares held by the Company as treasury shares. The Company has a total of 1,944,935,826 issued ordinary shares, including treasury shares.

The top 20 shareholders of the Company as at 8 July 2016 are as follows:

Rank	Name	No. of Ordinary Shares	%
1	NutriAsia Pacific Limited	1,155,030,190	59.44%
2	HSBC (Singapore) Nominees Pte Ltd	164,711,947	8.48%
3	Lee Pineapple Company Pte Ltd	100,422,000	5.17%
4	Deutsche Bank Manila-Clients A/C	83,049,455	4.27%
5	DBS Nominees Pte Ltd	79,596,242	4.10%
6	Raffles Nominees (Pte) Ltd	40,207,174	2.07%
7	BNP Paribas Nominees Singapore Pte Ltd	18,864,490	0.97%
8	Government Service Insurance System	16,722,937	0.86%
9	Wee Poh Chan Phyllis	14,351,900	0.74%
10	United Overseas Bank Nominees (Private) Limited	11,582,728	0.60%
11	Banco De Oro – Trust Banking Group	10,369,376	0.53%
12	Citibank Nominees Singapore Pte Ltd	10,272,632	0.53%
13	DBS Vickers Securities (Singapore) Pte Ltd	8,627,071	0.44%
14	COL Financial Group, Inc	8,425,346	0.43%
15	Joselito Jr Dee Campos	7,621,466	0.39%
16	Pineapples of Malaya Private Limited	6,432,000	0.33%
17	Maybank Kim Eng Securities Pte. Ltd.	5,212,764	0.27%
18	The Hongkong and Shanghai Banking Corp Ltd. -Clients' Acct	4,628,297	0.24%
19	IGC Securities, Inc	4,368,849	0.22%
20	KGI Fraser Securities Pte. Ltd.	3,809,860	0.20%

Subtotal (Top 20 Stockholders)	**1,754,306,724**	**90.28%**
Others	188,907,382	9.72%
Total Outstanding	**1,943,214,106**	**100.00%**

DIVIDENDS AND DIVIDEND POLICY

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.

The Company's dividend payment policy has been to distribute a minimum of 33% of full year profit but this is subject to review by the Board in light of the Company's acquisition of Del Monte Foods, Inc. (DMFI) consumer food business in the U.S. in February 2014.

The dividend payout from 2006 to 2012 was 75% and the dividend payout for 2013 was 50%. There is, however, no guarantee that the Company will pay any dividends to its common equity shareholders in the future.

On 12 August 2013, the Company declared an interim dividend of 0.62 U.S. cents per share. The Company did not declare a final dividend in 2013 and any in FY2015 due to the non-recurring acquisition-related expenses, purchase accounting financial impact and transition expenses of DMFI resulting in a loss to the Company. For FY2016, the Company declared a 50% payout of the year's net profit.

The Company pays dividends in an equitable and timely manner within 30 days after being declared. The dividend policy and terms, including the declaration dates, are provided in the Company's website.

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

As of the fiscal year ended 30 April 2016

The financial statements of the Company and its subsidiaries (the "**Group**") as of 30 April 2016 are attached and incorporated herein by reference.

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

Review of Operating Performance for FY2016

Sales

The Group generated sales of US$2.3 billion in FY2016, up 3.7% versus the prior year on higher sales from the US, Philippines and S&W in Asia and the Middle East.

USA

The Group's US subsidiary, Del Monte Foods, Inc (DMFI), grew sales by 4.0% to US$1.8 billion or 78.4% of Group sales. Without Sager Creek, DMFI's sales decreased by 3.9%, mainly due to unsuccessful government contract bids and lower pineapple sales due to constrained supply as a result of the El Niño weather pattern.

Certain segments - *Del Monte* canned vegetable, *Del Monte* fruit in cups and *College Inn* broth - generated higher sales.

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

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

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

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

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

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

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

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

Philippines

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

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

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

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

- Launch of new, limited-time-offer juice variants of *Del Monte Pineapple Strawberry* and *Del Monte Blueberry Juice Drinks* in 7-Eleven which generated strong performance for the total *Del Monte* juices;

- Pilot *Del Monte Fruit Slush* in Easy Day Stores which grabbed shares from frozen beverages and refreshments and created a new segment; and

- Jollibee breakfast promotion.

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

S&W in Asia and the Middle East

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

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

FieldFresh India (equity accounted)

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

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

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

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

Gross Profit and Margin

The Group generated a gross profit of US$481.9 million, higher by 18% over the prior year. Prior year included the US$44.3 million unfavourable inventory step-up adjustment related to the February 2014 acquisition. Stripping that out, gross profit for FY2016 would have still been up 7% on higher sales and cost optimisation initiatives.

Group gross margin for the full year improved to 21.2% from 18.7% in the same period last year with lower trade spend in in the States and cost optimisation initiatives to mitigate the impact of lower pineapple output from El Niño, particularly in the first half of the financial year. In addition, prior year included the unfavourable inventory step-up adjustment mentioned above. Absent that, FY2015's gross margin would have been 20.7%.

DMFI's gross margin for the full year improved to 18.1%, much higher than the 15.9% in the prior year for the same reasons above. In FY2016, DMFI encountered operational issues and inefficiencies in the newly acquired Sager Creek production sites. The supply chain footprint for Sager Creek is being integrated with the rest of DMFI and the operational issues had been addressed.

DMPL ex-DMFI's gross profit grew to US$160.7 million, and its gross margin increased to 29.0% from 26.3% due to better sales mix, pricing actions and cost optimisation initiatives.

EBITDA and Net Profit

The Group posted an EBITDA of US$235.2 million, up 172% as it included a one-off net gain of US$33.1 million due to DMFI's retirement plan amendment and the working capital adjustment, which offset expenses from the closure of a plant in North Carolina. Even without the one-off gain, EBITDA would have been up a strong 38%. A table on the non-recurring items is provided below. DMFI accounted for US$155.5 million of Group EBITDA.

The Group achieved a net income of US$51.5 million for FY2016, inclusive of one-off net favourable adjustments of US$31.7 million after tax. Even after excluding non-recurring items, the core or recurring net income in FY2016 of US$19.8 million is a significant improvement from the US$43.2 million reported loss last year. DMFI accounted for US$26.3 million of the Group net income.

DEBT AND CASH FLOW

The Group's net debt (cash and bank balances less borrowings) amounted to US$1.8 billion as at 30 April 2016, slightly higher than the US$1.7 billion as at 30 April 2015 due to DMFI's higher working capital loan balance given the higher inventory level from reduced sales to the USDA. This inventory is shelf-stable and can be sold on a go-forward basis.

As part of the Group's deleveraging plan, DMPL intends to issue US dollar denominated perpetual preference shares in 2016 in the Philippine capital market, to be listed on the Philippine Stock Exchange (PSE) subject to all regulatory approvals and market conditions. The Company has received pre-effective approval from the Philippine SEC earlier and is awaiting the approval of its listing application and the offering from the PSE and the Bangko Sentral ng Pilipinas (Cenral Bank), respectively.

As this is the first ever US$-denominated preference shares to be issued and listed on the PSE, the platform is being set up. The PSE has approved and endorsed its amended Dollar Denominated Securities rules to the SEC for its concurrence. The proposed issue will be up to US$360 million (with an initial tranche of up to US$250 million and the balance issuable within three years) that will result in a further improvement of the Group's leverage ratios.

In March 2015, the Group raised approximately US$150 million from the oversubscribed Rights Issue.

The Group's cash flow from operations was US$31.0 million for FY2016, significantly lower than the US$239.6 million in FY2015 due to the higher working capital requirement mentioned above.

The Group expects to meet its financial obligations by increasing its operating cash flow in the coming year and managing its interest rate risk by swapping variable with fixed interest rates. The majority of the LBO loans in the USA have already been swapped to fixed rates starting February 2016.

CAPEX

Capital expenditures (capex) were US$60.3 million for FY2016, lower than the US$75.2 million in the prior year due to completion of key SAP projects at DMFI. DMFI accounted for US$44.3 million of Group capex for FY2016.

DMFI migrated its ERP to SAP in January 2015, and capitalised US$39.8 million (and expensed US$16.4 million) for this project in FY2015. DMFI capitalised another US$7.1 million (and expensed US$13.2 million) for SAP in FY2016.

DMPL ex DMFI's capex was US$16.0 million for FY2016 which included spending for the PET bottling plant in the Philippines.

OPERATING SEGMENTS

AMERICAS

For the full year ended 30 April

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2016	**FY2015**	**% Chg**	**FY2016**	**FY2015**	**% Chg**	**FY2016**	**FY2015**	**% Chg**
Packaged fruit	**632,598**	704,644	(10.2)	**100,801**	104,984	(4.0)	**28,873**	(12,045)	339.7
Packaged vegetable	**814,004**	622,211	30.8	**167,506**	101,760	64.6	**56,957**	14,747	286.2
Beverage	**28,691**	27,512	4.3	**4,033**	1,159	248.0	**(148)**	(3,332)	95.6
Culinary	**294,486**	310,852	(5.3)	**56,409**	51,990	8.5	**18,138**	(9,346)	294.1
Others	**90**	52,266	(99.8)	**12**	12,987	(99.9)	**(5,436)**	(5,958)	8.8
Total	**1,769,869**	1,717,485	3.1	**328,761**	272,880	20.5	**98,384**	(15,934)	717.4

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

For the full year, Americas generated US$1.8 billion or 78.4% of Group sales and showed an improvement of 3.1% versus prior year period. Without Sager Creek, America's sales decreased by 3.9%, mainly impacted by unsuccessful government contract bids.

The Others category showed a significant decline due to the deconsolidation of the Venezuelan business in March 2015 due to the unstable economic conditions and additional currency devaluation in that country.

Operating profit for the full year turned around to US$98.4 million from a net loss of US$15.9 million due to higher volume, gross margin improvements and reduction of advertising and operating expenses. Gross margin improvement was mainly due to the absence of the one-off inventory step-up last year worth US$44.3 million. The operating profit also benefited from the one-time favourable adjustment in the second quarter arising from DMFI's retirement plan amendment that reduced SG&A expenses by US$39.4 million (both gross and net of tax basis, ie no tax impact) and working capital adjustment in the fourth quarter of US$23.6 (net of tax basis).

Other one-off expenses included in the operating results related to stabilising SAP, Reorganisation initiative, Sager Creek acquisition integration, and closure of the North Carolina plant. These amounted to US$22.9 million in the fourth quarter and US$44.3 million for the full year.

ASIA PACIFIC

For the full year ended 30 April

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2016	**FY2015**	**% Chg**	**FY2016**	**FY2015**	**% Chg**	**FY2016**	**FY2015**	**% Chg**
Packaged fruit	**114,175**	107,798	5.9	**30,963**	27,823	11.3	**11,896**	9,973	19.3
Packaged vegetable	**1,925**	1,576	22.1	**481**	402	19.7	**263**	207	27.1
Beverage	**132,268**	124,215	6.5	**39,188**	35,021	11.9	**12,619**	11,133	13.3
Culinary	**122,063**	117,984	3.5	**46,212**	45,643	1.2	**21,022**	22,429	(6.3)
Others	**93,743**	83,969	11.6	**24,715**	21,949	12.6	**9,952**	7,581	31.3
Total	**464,174**	435,542	6.6	**141,559**	130,838	8.2	**55,752**	51,323	8.6

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.

Operating profit for the full year increased by 8.6% to US$55.8 million driven by higher sales and gross margin improvement as outlined for the quarter.

EUROPE

For the full year ended 30 April

In US$'000	Turnover			Gross Profit			Operating Income/(Loss)		
	FY2016	**FY2015**	**% Chg**	**FY2016**	**FY2015**	**% Chg**	**FY2016**	**FY2015**	**% Chg**
Packaged fruit	**19,039**	23,489	(18.9)	**5,510**	3,570	54.3	**3,152**	176	n.m.
Beverage	**14,755**	10,173	45.0	**6,022**	870	592.2	**4,450**	(563)	n.m.
Total	**33,794**	33,662	0.4	**11,532**	4,440	159.7	**7,602**	(387)	n.m.

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

Sales in Europe in the fourth quarter increased by 17.3% to US$12.9 million mainly driven by the beverage category.

Operating income in the fourth quarter increased to US$4.9 million reflecting gross margin improvement mainly from higher pricing in line with prevailing market conditions.

REVIEW OF COST OF GOODS SOLD AND OPERATING EXPENSES

% of Turnover	For the three months ended 30 April			For the full year ended 30 April		
	FY2016	FY2015	**Comments**	**FY2016**	FY2015	**Comments**
Cost of Goods Sold	**78.7**	80.0	Lower pineapple cost	**78.8**	81.3	Prior year included the non-recurring expense of inventory step up
Distribution and Selling Expenses	**7.5**	8.1	Lower DMFI selling cost	**8.9**	9.1	Same as 4Q
G&A Expenses	**10.2**	10.3	Lower DMFI selling and administrative cost	**6.6**	8.7	Mainly due to DMFI's favourable adjustment from retirement plan amendment worth US$39.4 million
Other Operating Income	**(7.5)**	(3.3)	Mainly due to DMFI working capital adjustment	**(1.4)**	(0.8)	Same as 4Q

REVIEW OF OTHER MATERIAL CHANGES TO INCOME STATEMENTS

in US$'000	For the full year ended 30 April			
	FY2016	FY2015	**%**	**Comments**
Depreciation and amortisation	**(74,150**	(58,98	25.7	Mainly due to higher asset base and increased trademark from purchase of Sager Creek
Provision/(reversal of asset impairment)	**(4,928**	50	n.m.	Due to DMFI
Provision for inventory obsolescence	**(2,926**	(3,25	(10.2)	Due to timing of the provision
Reversal for doubtful debts	**1,312**	4,37	(70.0)	Due to settlement of receivables
Loss on disposal of fixed assets	**(1,052**	(1,27	(17.7)	Due to DMFI
Foreign exchange gain (loss), net	**903**	(5,16	(117.5)	Favourable impact of peso depreciation
Interest income	**365**	40	(8.8)	Higher interest income from operating assets
Interest expense	**(98,618**	(94,65	4.2	Higher level of borrowings
Share of loss of JV, (attributable to the owners of the Company)	**(1,621**	(2,31	(30.0)	Higher sales in Indian joint venture
Taxation	**(8,139**	17,91	(145.4)	Due to income position

REVIEW OF GROUP ASSETS AND LIABILITIES

Extract of Accounts with Significant Variances *in US$'000*	**30 Apr 2016**	30 Apr 2015 **(Restated)**	30 Apr 2014 **(Restated)**	Comments
Joint venture	**22,820**	22,590	21,008	Driven by additional capital call
Deferred tax assets	**100,899**	86,303	47,157	Due to increase in non current deferred charges
Other noncurrent assets	**25,941**	28,985	23,688	Due to decrease in DMFI
Biological assets	**125,462**	128,640	119,923	Mainly due to translation
Inventories	**845,233**	749,549	808,671	Due to DMFI lower sales
Trade and other receivables	**175,532**	184,402	158,868	Due to timing of collection
Prepaid and other current assets	**35,597**	39,870	57,388	Due to decrease in DMFI
Cash and cash equivalents	**47,203**	35,618	28,401	Mainly on increased borrowings
Financial liabilities – non-current	**1,116,422**	1,272,945	934,385	Reclassification of loans net of availment and payment
Other non-current liabilities	**62,586**	61,163	46,880	Decrease due to settlement of liabilities
Employee benefits - noncurrent	**97,118**	129,199	99,060	Due to DMFI decrease in employee retirement plan
Financial liabilities – current	**727,360**	445,542	919,579	Due to working capital requirements and refinancing of bridge loans
Trade and other payables	**281,037**	339,054	257,749	Due to lower accrued expenses
Current tax liabilities	**3,827**	1,299	126	Due to timing of tax payment

REVIEW OF OTHER MATERIAL CHANGES

Extract of Accounts with Significant Variances in US$'000 *in US$'000*	**30 Apr 2016**	30 Apr 2015 (Restated)	Comments
Exchange differences on translating of foreign operations	**(13,476)**	(1,655)	Mainly on DMPI impact of translation
Effective portion of changes in fair value of cash flow hedges	**(10,553)**	(16,643)	Mainly on DMFI
Remeasurement of retirement benefit	**(428)**	(23,184)	Mainly on one-off retirement plan amendment

Key Performance Indicators

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

A. Current Ratio

	30-Apr-16	**30-Apr-15**	**30-Apr-14**	**Benchmark**
Current Ratio	**1.1**	**1.3**	**1.0**	**Minimum of 1.2**

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

B. Debt to Equity

	30-Apr-16	**30-Apr-15**	**30-Apr-14**	**Benchmark**
Debt to Equity	**6.4**	**7.1**	**9.2**	**Maximum of 2.5**

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

C. Net Profit Margin

	30-Apr-16	30-Apr-15	30-Apr-14	Benchmark
Net Profit Margin attributable to owners of the company	**2.27%**	**-1.97%**	**-11.60%**	**Minimum of 3%**

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

D. Return on Asset

	30-Apr-16	30-Apr-15	30-Apr-14	Benchmark
Return on Asset	**2.02%**	**-1.87%**	**-1.98%**	**Minimum of 1.21**

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

E. Return on Equity

	30-Apr-16	30-Apr-15	30-Apr-14	Benchmark
Return on Equity	**14.93%**	**-15.11%**	**-20.15%**	**Minimum of 8%**

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

Material Changes in Accounts

A. Cash and cash equivalent
The increase in cash was mainly due to increased borrowings.

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

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

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

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

G. Trade & Other Payables
Decrease in trade and other payable is mainly due to DMFI's settlement of payable during the year.

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

Liquidity and Covenant Compliance

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

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

Financial Ratios

Supplementary Schedule of Financial Soundness Indicator

Ratio	Formula	30 April 2016	30 April 2015	30 April 2014
(i) Liquidity Analysis Ratios:				
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.1	1.3	1.0
Quick Ratio	(Current Assets - Inventories - Prepaid expenses and other current assets - Biological Assets – Noncurrent assets held for sale) / Current Liabilities	0.2	0.3	0.2
(ii) Solvency Ratio	Total Assets / Total Liabilities	1.2	1.1	1.1
Financial Leverage Ratios:				
Debt Ratio	Total Debt/Total Assets	0.9	0.9	0.9
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	6.4	7.1	9.2
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	7.4	8.1	10.2
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	1.6	0.3	-3.1
(v) Debt/EBITDA Ratios	Total Debt/ Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	9.9	26.6	-55.8
	(vi) Profitability Ratios			
Gross Profit Margin	Revenue - Cost of Sales / Revenue	21.25%	18.67%	9.80%
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Revenue	2.27%	-1.97%	-11.60%
Net Profit Margin	Net Profit / Revenue	2.40%	-2.24%	-12.91%
Return on Assets	Net Profit / Total Assets	2.02%	-1.87%	-1.98%
Return on Equity	Net Profit / Total Stockholders' Equity	14.93%	-15.11%	-20.15%

BUSINESS OUTLOOK

With the return to profitability in FY2016, the Group has successfully laid a foundation from which it will execute its strategies and growth plans. Barring unforeseen circumstances, the Group will continue to be profitable in FY2017, continuing the improvements achieved in FY2016. The Group sees opportunities in foodservice or institutional accounts and e-commerce, and will be accelerating its business development in these channels.

Del Monte Foods, Inc (DMFI) is expected to be profitable in financial year 2017 largely on the back of cost saving initiatives and operational improvements. DMFI's Sager Creek business experienced manufacturing issues in FY2016 which impacted the overall US company's margins. DMFI's manufacturing team has already addressed these inefficiencies at Sager Creek, closing one of the two manufacturing plants and integrating DMFI best practices into the other.

In the short-to-mid term, DMFI also plans to improve its financial performance through procurement synergies and transformation, and optimisation of G&A costs through the restructuring initiative which started in FY2016. The Group has shifted to a leaner organisation model in the US to drive channel growth and bring down costs in line with competition.

In terms of revenue building, DMFI will increasingly offer differentiated value propositions through meaningful product improvements, marketing campaigns, and innovation as well as effectively manage pricing fundamentals and executing well at retail.

DMFI's products align well with the ongoing consumer trend for health and wellness as well as emerging consumer concerns about food ingredient and packaging safety. There is latent market demand to consume more fruits and vegetables, and DMFI's product line provides healthy and convenient solutions to address this. It has also made important strides to address emerging concerns, including GMO and BPA. The key is to continuously improve products to meet ever evolving consumer trends and concerns and be able to clearly communicate the new product attributes.

For its strong brands with significant scale, there is tremendous opportunity in the better-for-you eating trend and the Group believes that it is well positioned to grow long-term with this trend.

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

In the Philippines, the Group will be sustaining prior years' successful programmes aimed at driving user base expansion, generating more frequent consumption, building new usage occasions, and innovation meant to expand the brand's footprint into new consumer segments. In addition, the Group expects to take full advantage of the growing foodservice industry by forging strategic tie-ups with key foodservice accounts, particularly on beverage expansion and culinary meal inclusion.

The Group expects the S&W business to sustain its strong growth as it expands distribution, partners with foodservice companies, explores the e-commerce channel, and increase its beverage portfolio in its markets.

The focus for Del Monte in India in the near term will be on increasing the penetration and reach of each of its key categories in India in retail, led by the culinary segment – bothmayonnaise and ketchup – and the Italian range. As one of the most widely distributed brands in the B2B space, FieldFresh will also continue to leverage its considerable strength in the foodservice segment by regular introduction of new products.

As part of the Group's deleveraging plan, DMPL intends to issue US dollar denominated perpetual preference shares in 2016 in the Philippine capital market, to be listed on the Philippine Stock Exchange (PSE), subject to all regulatory approvals and market conditions. The Company has received pre-effective approval from the Philippine SEC earlier and is awaiting the approval of its listing application and the offering from the PSE and the Bangko Sentral ng Pilipinas (Central

Bank), respectively. As this is the first ever US$-denominated preference share to be issued and listed on the PSE, the platform is being set up. The PSE has approved and endorsed its amended Dollar Denominated Securities rules to the SEC for its concurrence. The proposed issue will be up to US$360 million (with an initial tranche of up to US$250 million and the balance issuable within three years) that will result in a further improvement of the Group's leverage ratios.

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

The FY 2016 Audited Financial Statements of the Company is attached hereto as Annex

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

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

Item 8. Independent Public Accountant and Audit Related Fees

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

(b) Mr Alvin Phua Chun Yen is the partner-in-charge from EY Singapore for the audited financial statements of the Company and the Group for the fiscal year ended 30 April 2016.

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

	FY2016 U.S.$	FY2015 U.S.$	SY2014 U.S.$
1. Audit, other Assurance and Related Fees	339,393	322,000	246,000
2. Tax Fees	-	3,968	-
3. All Other Fees*	-	218,032	546,000

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

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

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

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

(e) Ernst and Young LLP ("EY Singapore") has been appointed as the new auditors of the Group at the AGM of the Company held last 28 August 2015. Sycip Gorres Velayo & Co. ("EY Philippines") was also appointed at the said AGM as the Group's auditors in the Philippines.

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

Part III - CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

<u>Board of Directors and Senior Management</u>

The following comprises the Company's Board of Directors:

Name	Age	Citizenship	Position
Rolando C. Gapud	74	Filipino	Executive Chairman and Executive Director[1]
Joselito D. Campos, Jr.	65	Filipino	Executive Director
Edgardo M. Cruz, Jr.	60	Filipino	Executive Director
Benedict Kwek Gim Song	69	Singaporean	Lead Independent Director
Yvonne Goh	63	Singaporean	Independent Director
Dr. Emil Q. Javier	75	Filipino	Independent Director[2]
Godfrey E. Scotchbrook	70	British	Independent Director

The following comprises the Group's Senior Management:

Name	Age	Citizenship	Position
Joselito D. Campos, Jr.	65	Filipino	Managing Director and CEO
Luis F. Alejandro	62	Filipino	Chief Operating Officer
Ignacio C. O. Sison	52	Filipino	Chief Corporate Officer
Parag Sachdeva	46	Indian	Chief Financial Officer
Antonio E.S. Ungson	44	Filipino	Company Secretary, Chief Legal Counsel and Chief Compliance Officer
Ma. Bella B. Javier	56	Filipino	Chief Scientific Officer

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

Rolando C Gapud – 74, Filipino
Executive Chairman and Executive Director

Appointed on 20 January 2006 and last elected on 15 April 2014

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

Joselito D Campos, Jr – 65, Filipino
Executive Director

[1] Mr. Rolando C. Gapud had been re-designated from Non-Executive Chairman to Executive Chairman of the Board with effect from 1 July 2015.
[2] Dr. Emil Q. Javier is an Independent Director, pursuant to Sec. 2.3 of the Monetary Authority of Singapore.

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

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

Edgardo M Cruz, Jr – 60, Filipino
Executive Director

Appointed on 02 May 2006 and last elected on 30 April 2012

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

Benedict Kwek Gim Song – 69, Singaporean
Lead Independent Director

Appointed on 30 April 2007 and last elected on 15 April 2014

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

Yvonne Goh – 63, Singaporean
Independent Director

Appointed on 4 September 2015

Mrs Yvonne Goh is a Director of UNLV Singapore Limited, the Singapore campus of the University of Nevada Las Vegas (UNLV), a state university of the State of Nevada, U.S.A. UNLV offers hospitality management programmes. She is also an Independent Director of DMFI, the Company's U.S. subsidiary. She was a Managing Director of Boardroom Limited, a company listed on the SGX-ST and recently retired as Managing Director from the KCS Group in Singapore, a professional services organisation. Mrs Goh had served on the Board of WWF Singapore Limited, a registered charity and the Singapore chapter of WWF International, a leading global NGO. She was also a Director of the Accounting and Corporate Regulatory Authority ("ACRA"). Mrs Goh is a Fellow of the Singapore Institute of Directors and was 2nd

Vice Chairman and Chairman of its Professional Development Committee. She is also a Fellow of the Institute of Chartered Secretaries and Administrators, U.K. and a past Chairman of the Singapore Association of Chartered Secretaries and Administrators.

Dr Emil Q Javier – 75, Filipino
Independent Director

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

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

Godfrey E Scotchbrook – 70, British
Independent Director

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

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

Luis F Alejandro – 62, Filipino
Chief Operating Officer

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

Ignacio C O Sison – 52, Filipino
Chief Corporate Officer

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

Philippines; and an International Baccalaureate at the Lester B. Pearson United World College of the Pacific in Canada.

Parag Sachdeva – 46, Indian
Chief Financial Officer

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

Antonio E S Ungson – 44, Filipino
Chief Legal Counsel and Chief Compliance Officer; Company Secretary

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

Ma Bella B Javier – 56, Filipino
Chief Scientific Officer

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

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

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

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

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

Significant Employees

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

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

Family Relationships

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

Ms. Jeanette B. Naughton is Vice President for Strategic Planning of the Company's principal subsidiary, Del Monte Foods, Inc. ("DMFI"). Ms. Naughton is the daughter of Mr. Joselito D Campos, Jr, the Company's Managing Director and CEO, and a Director and Vice Chairman of DMFI.

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

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

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

Item 10. Executive Compensation

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

Name and principal position	Year	Salary (in PhP)	Other Income (in PhP)
A. Chief Executive Officer and most highly compensated executive officers*	FY 2017 (Est)	179,244,892	120,283,679
	FY 2016	172,861,030	105,222,626
	FY 2015	156,429,716	14,977,825
B. All other officers and directors as a group unnamed	FY 2017 (Est)	151,810,993	56,477,964
	FY 2016	145,059,434	37,110,951
	FY 2015	113,461,784	25,389,958

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

Standard Arrangement

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

Other Arrangements

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

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

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

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

Share Option

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

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

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

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

i. Up to 60% exercisable from 07 March 2010 to 06 March 2012;
ii. Up to 40% exercisable from 07 March 2012 to 06 March 2018.

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

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

<u>Share Awards</u>

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

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

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

Compensation Plans

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

Item 11. Security Ownership of Certain Beneficial Owners and Management

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

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

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

1) Security Ownership of Management

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

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Citizenship	Percent of Class

Ordinary	Joselito D Campos, Jr	7,621,466	Direct	Filipino	0.39%
Ordinary	Rolando C Gapud	2,063,140	Direct	Filipino	0.11%
Ordinary	Edgardo M Cruz, Jr	2,881,635	Direct	Filipino	0.15%
Ordinary	Dr Emil Q Javier	534,851	Direct	Filipino	0.03%
Ordinary	Luis F Alejandro	3,681,000	Direct	Filipino	0.19%
Ordinary	Ignacio C O Sison	1,079,736	Direct	Filipino	0.06%
Ordinary	Antonio E S Ungson	597,864	Direct	Filipino	0.03%
Ordinary	Ma Bella B Javier	392,359	Direct	Filipino	0.02%
Total Security Ownership		**18,852,051**			**0.98%**

a) Voting Trust Holders of 5% or More

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

b) Changes in Control

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

Item 12. Certain Relationships and Related Transactions

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

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

Related Party	Relationship	Nature	FY 2016 US$'000	FY 2015 US$'000	SY 2014 US$'000
Transaction					
Del Monte Philippines, Inc. (DMPI Retirement Fund)	**Retirement fund of the Company's subsidiary**	**Rental to DMPI**	**1,395**	**1,519**	**169**
		Retirement Fund			
		Purchases of Services to DMPI Retirement Fund	**-**	**-**	**8**
		Management fees from DMPI Retirement Fund	**-4**	**-5**	**-2**
Del Monte	**Retirement fund of the Company's subsidiary**	**Rental to DMPI Provident Fund**	**5**	**-**	**5**
Philippines, Inc.					
(DMPI Provident Fund)					

Related Party	Relationship	Nature	FY 2016 US$'000	FY 2015 US$'000	SY 2014 US$'000
Transaction					
NutriAsia Inc. (NAI)	Affiliate of the Company	Rental to NAI	529	582	-
		Retirement Fund			
		Purchases of Production Materials	743	392	43
		Toll Pack Fees	551	472	169
		Utilities	83		
		Recharge of Inventory Count Shortage	-25	-363	-
		Shared IT Services	-215	-419	-27
		from NAI			
		Sale of other raw materials			
		with NAI	-13		
		Sale of tomato sauce	-1,098	-1,627	-641
		with NAI			
TOTAL			1,951	551	-276

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

Part IV - CORPORATE GOVERNANCE

Item 13. Annual Corporate Governance

The information required by Item 11 may be found on Annex "B" attached hereto.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of **Del Monte Pacific Limited and Subsidiaries** is responsible for the preparation and fair presentation of the consolidated financial statements for the years ended April 30, 2016 and 2015, and for the four months period ended April 30, 2014, including additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the consolidated financial statements and submits the same to the Stockholders.

SyCip Gorres Velayo & Co., the independent auditors appointed by the stockholders, has examined the consolidated financial statements of the company for the year ended April 30, 2016 (R.G. Manabat & Co. for the year ended April 30, 2015 and four months period ended April 30, 2014) in accordance with Philippine Standards on Auditing, and in its reports to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

Signature____
Rolando C. Gapud, Executive Chairman

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

Signature____
Parag Sachdeva, Chief Financial Officer

Signed as of the 25th day of July 2016

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

Before me, a Notary Public in and for Makati City, personally appeared on this 1st day of August, 2016, Mr. Parag Sachdeva with Passport No. Z3084975 issued on 24 December 2014 in Shanghai, who was identified by me through competent evidence of identity to be the same person described in the foregoing instrument, who acknowledged before me that his signature on the instrument was voluntarily affixed by him for the purposes stated therein, and who declared to me that he has executed the instrument as his free and voluntary act and deed.

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

Doc. No. 191;
Page No. 39;
Book No. 30
Series of 2016.

JUANITO H. VINCULADO
NOTARY PUBLIC
APPT. NO. M-194 UNTIL DEC. 31, 2017
PTR 11000419J / LAS PIÑAS
IBP 1010174 / 10/27/15 PPLM
Roll No. 41092 / MCLE IV-0008817

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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Signature____
Rolando C. Gapud, Executive Chairman

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

Signature____
Parag Sachdeva, Chief Financial Officer

Signed as of the 25th day of July 2016

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

Before me, a Notary Public in and for Makati City, personally appeared on this 25th day of July, 2016, Mr. Joselito D. Campos, Jr. with Passport No. EB7219075 issued on 23 Jan 2013 at DFA-Manila, who was identified by me through competent evidence of identity to be the same person described in the foregoing instrument, who acknowledged before me that his signature on the instrument was voluntarily affixed by him for the purposes stated therein, and who declared to me that he has executed the instrument as his free and voluntary act and deed.

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

Doc. No. 181;
Page No. 37;
Book No. 30;
Series of 2016.

JUANITO H. VINCULADO
NOTARY PUBLIC
APPT. NO. M-194 UNTIL DEC. 31, 2017
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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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The Board of Directors reviews and approves the consolidated financial statements and submits the same to the Stockholders.

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Signature____
Rolando C. Gapud, Executive Chairman

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

Signature____
Parag Sachdeva, Chief Financial Officer

Signed as of the 25th day of July 2016

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

Before me, a Notary Public in and for Makati City, personally appeared on this 28th day of July, 2016, Mr. Rolando C. Gapud with Passport No. EB7643069 issued on 14 Mar 2013 at PCG-Hong Kong, who was identified by me through competent evidence of identity to be the same person described in the foregoing instrument, who acknowledged before me that his signature on the instrument was voluntarily affixed by him for the purposes stated therein, and who declared to me that he has executed the instrument as his free and voluntary act and deed.

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

Doc. No. 182;
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JUANITO H. VINCULADO
NOTARY PUBLIC
APPT. NO. M-194 UNTIL DEC. 31, 2017
PTR 11000419J / LAS PIÑAS
IBP 1010174 / 10/27/15 PPLM
Roll No. 41092 / MCLE IV-0008817

Del Monte Pacific Limited and its Subsidiaries

Financial Statements
30 April 2016

and

Independent Auditors' Report

SGV

Building a better working world

A member firm of Ernst & Young Global Limited

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 AUDITORS' REPORT

The Stockholders and the Board of Directors
Del Monte Pacific Limited

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 2016, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Other Matter

The financial statements of the Group and of the Company as at 30 April 2015 and 2014 and for the year ended 30 April 2015 and four months ended 30 April 2014 were audited by another auditor who expressed an unmodified opinion on those statements on 28 July 2015.

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. 5321648, 4 January 2016, Makati City

25 July 2016

Del Monte Pacific Limited and its Subsidiaries

Statements of financial position
As at 30 April 2016, 2015 and 1 May 2014
(In US$'000)

	Note	Group 30 April 2016	Group 30 April 2015 (As restated*)	Group 1 May 2014 (As restated*)	Company 30 April 2016	Company 30 April 2015 (As restated*)	Company 1 May 2014 (As restated*)
Noncurrent assets							
Property, plant and equipment - net	6	563,614	578,359	504,953	–	–	–
Investments in subsidiaries	7	–	–	–	749,133	765,798	800,325
Investments in joint ventures	8	22,820	22,590	21,008	2,551	2,551	–
Intangible assets and goodwill	9	750,373	759,700	742,763	–	–	–
Deferred tax assets - net	10	100,899	86,303	47,157	–	–	–
Biological assets	12	37,468	41,606	37,462	–	–	–
Employee benefits	22	–	–	10,673	–	–	–
Other noncurrent assets	11	25,941	28,985	23,688	–	–	–
		1,501,115	1,517,543	1,387,704	751,684	768,349	800,325
Current assets							
Biological assets	12	87,994	87,034	82,461	–	–	–
Inventories	13	845,233	749,549	808,671	–	–	–
Trade and other receivables	14	175,532	184,402	158,868	145,240	105,723	104,512
Prepaid expenses and other current assets	15	35,597	39,870	57,388	257	137	43
Cash and cash equivalents	16	47,203	35,618	28,401	361	6,126	232
		1,191,559	1,096,473	1,135,789	145,858	111,986	104,787
Noncurrent assets held for sale	17	1,950	8,113	–	–	–	–
		1,193,509	1,104,586	1,135,789	145,858	111,986	104,787
Total assets		2,694,624	2,622,129	2,523,493	897,542	880,335	905,112
Equity							
Share capital	18	19,449	19,449	12,975	19,449	19,449	12,975
Retained earnings	19	148,866	97,332	140,515	148,866	97,332	140,515
Reserves	19	134,926	148,750	26,597	135,065	148,889	26,736
Equity attributable to owners of the Company	39	303,241	265,531	180,087	303,380	265,670	180,226
Non-controlling interests	39	61,971	58,644	67,255	–	–	–
Total equity		365,212	324,175	247,342	303,380	265,670	180,226
Noncurrent liabilities							
Loans and borrowings	20	1,116,422	1,272,945	934,385	129,234	348,250	–
Employee benefits	22	97,118	129,199	99,060	–	–	–
Environmental remediation liabilities	23	6,313	4,580	4,241	–	–	–
Deferred tax liabilities - net	10	1,092	1,092	1,092	–	–	–
Other noncurrent liabilities	21	62,586	61,163	46,880	–	–	–
		1,283,531	1,468,979	1,085,658	129,234	348,250	–
Current liabilities							
Loans and borrowings	20	727,360	445,542	919,579	348,630	102,630	602,491
Employee benefits	22	33,651	43,080	33,621	–	–	–
Trade and other payables	24	281,043	339,054	237,167	116,298	163,785	122,395
Current tax liabilities		3,827	1,299	126	–	–	–
		1,045,881	828,975	1,190,493	464,928	266,415	724,886
Total liabilities		2,329,412	2,297,954	2,276,151	594,162	614,665	724,886
Total equity and liabilities		2,694,624	2,622,129	2,523,493	897,542	880,335	905,112

** 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/period ended 30 April 2016, 2015 and 2014
(In US$'000)

	Note	Group: Year ended 30 April 2016	Group: Year ended 30 April 2015 (As restated*)	Group: Four months ended 30 April 2014 (As restated*)	Company: Year ended 30 April 2016	Company: Year ended 30 April 2015 (As restated*)	Company: Four months ended 30 April 2014 (As restated*)
Revenue	25	2,267,837	2,186,689	386,128	–	–	–
Cost of sales		(1,785,985)	(1,778,531)	(348,291)	–	–	–
Gross profit		481,852	408,158	37,837	–	–	–
Distribution and selling expenses		(201,031)	(199,160)	(39,630)	–	–	–
General and administrative expenses		(150,121)	(190,892)	(47,455)	(13,968)	(6,417)	(2,024)
Other income (expenses) - net		31,038	16,896	(5,971)	67	(582)	(190)
Results from operating activities		161,738	35,002	(55,219)	(13,901)	(6,999)	(2,214)
Finance income		2,231	400	391	2	8	21
Finance expense		(99,581)	(99,861)	(18,247)	(21,703)	(25,294)	(5,574)
Net finance expense	27	(97,350)	(99,461)	(17,856)	(21,701)	(25,286)	(5,553)
Share in (loss) profit of investments in joint ventures and subsidiaries, net of tax	30	(1,717)	(2,453)	(1,154)	87,141	(10,898)	(37,007)
Profit (loss) before taxation	26	62,671	(66,912)	(74,229)	51,539	(43,183)	(44,774)
Tax (expense) credit – net	28	(8,139)	17,917	24,382	(5)	–	–
Profit (loss) for the year/period		54,532	(48,995)	(49,847)	51,534	(43,183)	(44,774)
Profit (loss) attributable to:							
Non-controlling interests		2,998	(5,812)	(5,073)	–	–	–
Owners of the Company		51,534	(43,183)	(44,774)	51,534	(43,183)	(44,774)
		54,532	(48,995)	(49,847)	51,534	(43,183)	(44,774)
Earnings per share							
Basic earnings (loss) per share (US cents)	29	2.65	(3.10)	(3.45)			
Diluted earnings (loss) per share (US cents)	29	2.65	(3.10)	(3.45)			

** 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/period ended 30 April 2016, 2015 and 2014
(In US$'000)

	Note	Year ended 30 April 2016	Year ended 30 April 2015 (As restated*)	Four months ended 30 April 2014 (As restated*)
Group				
Profit (loss) for the year/period		54,532	(48,995)	(49,847)
Other comprehensive income				
Items that will or may be reclassified subsequently to profit or loss:				
Currency translation differences		(13,476)	(1,655)	695
Effective portion of changes in fair value of cash flow hedges		(10,553)	(16,643)	(4,368)
Income tax effect on cash flow hedges	10	4,090	6,244	1,660
		(19,939)	(12,054)	(2,013)
Items that will not be reclassified to profit or loss:				
Remeasurement of retirement plans		(428)	(23,184)	(4,743)
Income tax effect on remeasurement of retirement plans	10	7,647	8,806	1,192
Tax impact on revaluation reserve	10	(1,504)	–	–
		5,715	(14,378)	(3,551)
Other comprehensive loss for the year/period, net of tax		(14,224)	(26,432)	(5,564)
Total comprehensive income (loss) for the year/period		40,308	(75,427)	(55,411)
Total comprehensive income (loss) attributable to:				
Non-controlling interests		3,138	(8,615)	(4,972)
Owners of the Company		37,170	(66,812)	(50,439)
		40,308	(75,427)	(55,411)

** 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/period ended 30 April 2016, 2015 and 2014
(In US$'000)

	Year ended 30 April 2016	Year ended 30 April 2015 (As restated*)	Four months ended 30 April 2014 (As restated*)
Company			
Profit (loss) for the year/period	51,534	(43,183)	(44,774)
Other comprehensive income			
Items that will or may be reclassified subsequently to profit or loss:			
Share in currency translation differences of subsidiaries	(13,478)	(1,468)	498
Share in effective portion of changes in fair value of cash flow hedges of a subsidiary	(9,323)	(15,000)	(3,906)
Income tax effect on cash flow hedges	3,543	5,700	1,484
	(19,258)	(10,768)	(1,924)
Items that will not be reclassified to profit or loss:			
Share in remeasurement of retirement plans of subsidiaries	6,398	(12,861)	(3,741)
Share in the income tax effect on revaluation reserve of a subsidiary	(1,504)	–	–
	4,894	(12,861)	(3,741)
Other comprehensive loss for the year/period, net of tax	(14,364)	(23,629)	(5,665)
Total comprehensive income (loss) for the year/period	37,170	(66,812)	(50,439)

** 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/period ended 30 April 2016, 2015 and 2014
(In US$'000)

	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure -ment of retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		<--- Attributable to owners of the Company --->											
Group													
2016													
At 30 April 2015, as previously reported		19,449	214,843	(46,342)	9,506	(17,231)	(11,722)	318	(629)	105,664	273,856	59,590	333,446
Impact of change in accounting policy	3.6	–	–	7	–	–	–	–	–	(8,332)	(8,325)	(946)	(9,271)
At 30 April 2015, as restated		19,449	214,843	(46,335)	9,506	(17,231)	(11,722)	318	(629)	97,332	265,531	58,644	324,175
Total comprehensive income for the year													
Profit for the year		–	–	–	–	–	–	–	–	51,534	51,534	2,998	54,532
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	22	–	–	–	–	6,398	–	–	–	–	6,398	821	7,219
Effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	(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)	–	–	51,534	37,170	3,138	40,308
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)	148,866	303,241	61,971	365,212

Del Monte Pacific Limited and its Subsidiaries
Statements of changes in equity (cont'd)
Years/period ended 30 April 2016, 2015 and 2014
(In US$'000)

Group	*Note*	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure-ment of retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		<------ Attributable to owners of the Company ------>											
2015													
At 1 May 2014, as previously reported		12,975	69,205	(44,874)	9,506	(4,370)	(2,422)	174	(629)	143,711	183,276	67,603	250,879
Impact of change in accounting policy	3.6	–	–	7	–	–	–	–	–	(3,196)	(3,189)	(348)	(3,537)
At 1 May 2014, as restated		12,975	69,205	(44,867)	9,506	(4,370)	(2,422)	174	(629)	140,515	180,087	67,255	247,342
Total comprehensive income for the year													
Loss for the year		–	–	–	–	–	–	–	–	(43,183)	(43,183)	(5,812)	(48,995)
Other comprehensive income													
Currency translation differences		–	–	(1,468)	–	–	–	–	–	–	(1,468)	(187)	(1,655)
Remeasurement of retirement plans	22	–	–	–	–	(12,861)	–	–	–	–	(12,861)	(1,517)	(14,378)
Effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	(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)	–	–	(43,183)	(66,812)	(8,615)	(75,427)
Transactions with owners of the Company recognised directly in equity													
Contributions by and distributions to owners of the Company													
Proceeds from issue 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)	97,332	265,531	58,644	324,175

Del Monte Pacific Limited and its Subsidiaries
Statements of changes in equity (cont'd)
Years/period ended 30 April 2016, 2015 and 2014
(In US$'000)

	Note	Share capital	Share premium	Translation reserve	Revaluation reserve	Remeasure -ment of retirement plans	Hedging reserve	Share option reserve	Reserve for own shares	Retained earnings	Total	Non-controlling interests	Total equity
		<------ Attributable to owners of the Company ------>											
Group													
2014													
At 1 January 2014, as previously reported		12,975	69,205	(45,373)	9,506	(629)	–	126	(629)	185,475	230,656	(2,273)	228,383
Impact of change in accounting policy	3.6	–	–	8	–	–	–	–	–	(186)	(178)	–	(178)
At 1 January 2014, as restated		12,975	69,205	(45,365)	9,506	(629)	–	126	(629)	185,289	230,478	(2,273)	228,205
Total comprehensive income for the period													
Loss for the period		–	–	–	–	–	–	–	–	(44,774)	(44,774)	(5,073)	(49,847)
Other comprehensive income													
Currency translation differences		–	–	498	–	–	–	–	–	–	498	197	695
Remeasurement of retirement plans	22	–	–	–	–	(3,741)	–	–	–	–	(3,741)	190	(3,551)
Effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	(2,422)	–	–	–	(2,422)	(286)	(2,708)
Total other comprehensive income (loss)		–	–	498	–	(3,741)	(2,422)	–	–	–	(5,665)	101	(5,564)
Total comprehensive income (loss) for the period		–	–	498	–	(3,741)	(2,422)	–	–	(44,774)	(50,439)	(4,972)	(55,411)
Transactions with owners of the Company recognised directly in equity													
Contributions by and distributions to owners of the Company													
Capital injection by non-controlling interests		–	–	–	–	–	–	–	–	–	–	74,500	74,500
Value of employee services received for issue of share options	26	–	–	–	–	–	–	48	–	–	48	–	48
Total contributions by and distributions to owners		–	–	–	–	–	–	48	–	–	48	74,500	74,548
At 30 April 2014, as restated	19	12,975	69,205	(44,867)	9,506	(4,370)	(2,422)	174	(629)	140,515	180,087	67,255	247,342

Del Monte Pacific Limited and its Subsidiaries

Statements of changes in equity (cont'd)
Years/period ended 30 April 2016, 2015 and 2014
(In US$'000)

	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
Company											
2016											
At 30 April 2015, as previously reported		19,449	214,982	(46,342)	9,506	(17,231)	(11,722)	318	(629)	105,664	273,995
Impact of change in accounting policy	3.6	–	–	7	–	–	–	–	–	(8,332)	(8,325)
At 30 April 2015, as restated		19,449	214,982	(46,335)	9,506	(17,231)	(11,722)	318	(629)	97,332	265,670
Total comprehensive income for the year											
Profit for the year		–	–	–	–	–	–	–	–	51,534	51,534
Other comprehensive income											
Currency translation differences		–	–	(13,478)	–	–	–	–	–	–	(13,478)
Tax impact on revaluation reserve		–	–	–	(1,504)	–	–	–	–	–	(1,504)
Remeasurement of retirement plans	22	–	–	–	–	6,398	–	–	–	–	6,398
Effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	(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)	–	–	51,534	37,170
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)	148,866	303,380

(In US$'000)

	Note	Share capital	Share premium	Share in translation reserve of subsidiaries	Share in revaluation reserve of subsidiaries	Share in remeasure-ment of retirement plans of subsidiaries	Share in hedging reserve of a subsidiary	Share option reserve	Reserve for own shares	Retained earnings	Total equity
Company											
2015											
At 1 May 2014, as previously reported		12,975	69,344	(44,874)	9,506	(4,370)	(2,422)	174	(629)	143,711	183,415
Impact of change in accounting policy	3.6	–	–	7	–	–	–	–	–	(3,196)	(3,189)
At 1 May 2014, as restated		12,975	69,344	(44,867)	9,506	(4,370)	(2,422)	174	(629)	140,515	180,226
Total comprehensive income for the year											
Loss for the year		–	–	–	–	–	–	–	–	(43,183)	(43,183)
Other comprehensive income											
Currency translation differences		–	–	(1,468)	–	–	–	–	–	–	(1,468)
Remeasurement of retirement plans	22	–	–	–	–	(12,861)	–	–	–	–	(12,861)
Effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	(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)	–	–	(43,183)	(66,812)
Transactions with owners of the Company recognised directly in equity											
Contributions by and distributions to owners of the Company											
Proceeds from issue 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, as restated	19	19,449	214,982	(46,335)	9,506	(17,231)	(11,722)	318	(629)	97,332	265,670

Del Monte Pacific Limited and its Subsidiaries

Statements of changes in equity (cont'd)
Years/period ended 30 April 2016, 2015 and 2014
(In US$'000)

	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
Company											
2014											
At 1 January 2014, as previously stated		12,975	69,344	(45,373)	9,506	(629)	–	126	(629)	185,475	230,795
Impact of change in accounting policy	3.6	–	–	8	–	–	–	–	–	(186)	(178)
At 1 January 2014, restated		12,975	69,344	(45,365)	9,506	(629)	–	126	(629)	185,289	230,617
Total comprehensive income for the period											
Loss for the period		–	–	–	–	–	–	–	–	(44,774)	(44,774)
Other comprehensive income											
Currency translation differences		–	–	498	–	–	–	–	–	–	498
Remeasurement of retirement plans	22	–	–	–	–	(3,741)	–	–	–	–	(3,741)
Effective portion of changes in fair value of cash flow hedges		–	–	–	–	–	(2,422)	–	–	–	(2,422)
Total other comprehensive income (loss)		–	–	498	–	(3,741)	(2,422)	–	–	–	(5,665)
Total comprehensive income (loss) for the period		–	–	498	–	(3,741)	(2,422)	–	–	(44,774)	(50,439)
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	26	–	–	–	–	–	–	48	–	–	48
Total contributions by and distributions to owners		–	–	–	–	–	–	48	–	–	48
At 30 April 2014, as restated	19	12,975	69,344	(44,867)	9,506	(4,370)	(2,422)	174	(629)	140,515	180,226

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/period ended 30 April 2016, 2015 and 2014
(In US$'000)

	Note	Group: Year ended 30 April 2016	Group: Year ended 30 April 2015 (As restated*)	Group: Four months ended 30 April 2014 (As restated*)	Company: Year ended 30 April 2016	Company: Year ended 30 April 2015 (As restated*)	Company: Four months ended 30 April 2014 (As restated*)
Cash flows from operating activities							
Profit (loss) for the year/period		54,532	(48,995)	(49,847)	51,534	(43,183)	(44,774)
Adjustments for:							
Amortisation of intangible assets	9	9,327	7,560	1,434	–	–	–
Depreciation of property, plant and equipment	6	64,823	51,423	13,803	–	–	–
Impairment loss (reversal of impairment) of property, plant and equipment	6	4,928	(508)	(172)	–	–	–
Loss on disposal of property, plant and equipment		1,052	1,278	41	–	–	–
Equity-settled share-based payment transactions	26	713	144	48	161	144	48
Share in loss (profit) of investments in joint ventures and subsidiaries, net of tax	30	1,717	2,453	1,154	(87,141)	10,898	37,007
Finance income	27	(2,231)	(400)	(391)	(2)	(8)	(21)
Finance expense	27	99,581	99,861	18,247	21,703	25,294	5,574
Tax expense – current	28	12,729	7,189	820	–	–	–
Tax credit – deferred	28	(4,590)	(25,106)	(25,202)	5	–	–
Ineffective portion of cash flow hedges		5,193	319	–	–	–	–
Bargain purchase on acquisition of Sager Creek	5	–	(26,568)	–	–	–	–
Defined benefit plan amendment	22	(39,422)	–	–	–	–	–
Impairment losses on assets held for sale	26	1,659	–	–	–	–	–
Deconsolidation of a subsidiary	26	–	5,186	–	–	–	–
		210,011	73,836	(40,065)	(13,740)	(6,855)	(2,166)
Changes in:							
Other assets		(13,277)	10,951	(6,867)	–	–	–
Inventories		(103,705)	128,225	92,655	–	–	–
Biological assets		(3,932)	(9,040)	(6,750)	–	–	–
Trade and other receivables		22,851	(42,480)	59,997	(2)	(6,013)	–
Prepaid expenses and other current assets		(2,787)	(18,001)	(35,519)	(83)	(90)	(40)
Trade and other payables		(97,072)	98,580	(4,119)	2,834	860	4,390
Amounts due from subsidiaries (non-trade)		–	–	–	–	–	6,412
Employee benefits		18,989	10,180	1,323	–	–	–
Operating cash flows		31,078	252,251	60,655	(10,991)	(12,098)	8,596
Taxes paid		(38)	(12,623)	(5,982)	–	–	–
Net cash flows provided by (used in) operating activities		31,040	239,628	54,673	(10,991)	(12,098)	8,596

** see Note 3.6*

Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows (cont'd)
Years/period ended 30 April 2016, 2015 and 2014
(In US$'000)

	Note	<------------ Group		------------>	<------------ Company		------------>
		Year ended 30 April 2016	Year ended 30 April 2015 (As restated*)	Four months ended 30 April 2014 (As restated*)	Year ended 30 April 2016	Year ended 30 April 2015 (As restated*)	Four months ended 30 April 2014 (As restated*)
Cash flows from investing activities							
Interest received		357	353	111	–	–	21
Proceeds from disposal of property, plant and equipment and assets held for sale		3,775	353	63	–	–	–
Purchase of property, plant and equipment		(60,309)	(75,179)	(17,980)	–	–	–
Investments in joint ventures		(1,947)	(4,249)	(2,271)	–	(2,551)	–
Acquisition of Consumer Food Business, net of cash acquired	5	–	–	(1,783,497)	–	–	(630,500)
Purchase of Sager Creek	5	–	(75,000)	–	–	–	–
Deconsolidation of a subsidiary		–	(1,258)	–	–	–	–
Withdrawal to escrow account related to the Acquisition of Consumer Food Business		–	–	100,000	–	–	100,000
Net cash flows used in investing activities		(58,124)	(154,980)	(1,703,574)	–	(2,551)	(530,479)
Cash flows from financing activities							
Interest paid		(85,682)	(88,111)	(7,650)	(19,907)	(27,087)	(5,574)
Proceeds from borrowings		1,113,193	1,270,084	2,133,766	233,000	16,000	602,491
Repayment of borrowings		(986,800)	(1,411,388)	(558,176)	(207,000)	(167,000)	–
Proceeds from issue of share capital		–	155,036	–	–	155,036	–
Payment of transactions costs related to issuance of share capital		–	(2,924)	–	–	(2,924)	–
Repayment of loans to subsidiaries		–	–	–	–	–	(75,095)
Capital injection by non-controlling interests of subsidiaries		189	4	74,500	–	–	–
Acquisition of treasury shares		(173)	–	–	(173)	–	–
Payment of amounts due to subsidiaries (non-trade)		–	–	–	(6,170)	41,716	–
Decrease (increase) in due from subsidiaries (non-trade)		–	–	–	5,485	4,802	–
Net cash flows provided by (used in) financing activities		40,727	(77,299)	1,642,440	5,235	20,543	521,822

** see Note 3.6*

Del Monte Pacific Limited and its Subsidiaries

Statements of cash flows (cont'd)
Years/period ended 30 April 2016, 2015 and 2014
(In US$'000)

	Note	Group: Year ended 30 April 2016	Group: Year ended 30 April 2015 (As restated*)	Group: Four months ended 30 April 2014 (As restated*)	Company: Year ended 30 April 2016	Company: Year ended 30 April 2015 (As restated*)	Company: Four months ended 30 April 2014 (As restated*)
Net increase (decrease) in cash and cash equivalents		13,643	7,349	(6,461)	(5,756)	5,894	(61)
Effect of exchange rate changes held in foreign currency and translation adjustments on cash and cash equivalents		(2,058)	(132)	1,941	(9)	–	–
Cash and cash equivalents at beginning of year/period		35,618	28,401	32,921	6,126	232	293
Cash and cash equivalents at end of year/period	16	47,203	35,618	28,401	361	6,126	232

** 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 (BOD) on 25 July 2016.

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 and Well Grounded Limited, which at 30 April 2016 and 2015, and 1 May 2014 held 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 year ended 30 April 2016 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$319.1 million compared to current assets as at 30 April 2016 (30 April 2015: US$154.4 million, 30 April 2014: US$620.1 million). Management believes that the Company will be able to pay its liabilities as and when they fall due. Accordingly, the use of going concern assumption is appropriate taking into account the following:

- the Group's net current assets position of US$147.6 million as at 30 April 2016 and the Group's expected positive cash flows from its operations;
- The ability of the Company to raise additional equity through issuance of subordinated perpetual securities to the shareholders in the next twelve months; and
- The ability of the Company 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, International Accounting Standards (IAS), International Financial Reporting and Interpretations Committee and Standing Interpretations Committee Interpretations issued by the International Accounting Standards Board (IASB).

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 is included in the following notes:

Note 7 – Determination of control over subsidiaries
Note 8 – Classification of the joint arrangement
Note 36 – Leases: whether an arrangement contains a lease
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
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 – Cost of growing crops and fair value of livestock and harvested crops
Note 13 – Allowance for inventory obsolescence and net realisable value
Note 14 – Impairment of trade receivables
Note 22 – Measurement of employee benefit obligations
Note 28 – Measurement of tax
Note 35 – Determination of fair values
Note 37 – Provisions

3.5 Measurement of fair value

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

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

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

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

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

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

3. Basis of preparation (cont'd)

3.5 Measurement of fair value (cont'd)

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 Change in accounting policy

In fiscal year 2016, the Group elected to change the method of valuing inventory to the first-in first-out (FIFO) method. Previously, the cost of finished goods inventory was based on the weighted average method. The FIFO method assumes that the items of inventory that were produced first are sold first, and consequently the items remaining in inventory at the end of the period are those most recently purchased or produced. The Group believes that the change results in the financial statements providing more reliable and relevant information and results in a fairer and more reasonable valuation of inventory as it more closely reflects the actual physical flows of the finished goods. The Group also reclassified certain of its costs, expenses and sales deductions, based on their nature, for the year/period ended 30 April 2015 and 2014 to align with presentation for the year ended 30 April 2016.

The change in inventory costing and reclassification of accounts were applied on a retrospective basis and comparative statements for fiscal years 2015 and 2014 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:

<u>Statements of financial position</u>

	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 2015						
Investments in subsidiaries	–	–	–	774,123	(8,325)	765,798
Deferred tax assets - net	80,773	5,530	86,303	–	–	–
Inventories	764,350	(14,801)	749,549	–	–	–
Total assets	845,123	(9,271)	835,852	774,123	(8,325)	765,798
Retained earnings	105,664	(8,332)	97,332	105,664	(8,332)	97,332
Reserves	148,743	7	148,750	148,882	7	148,889
Non-controlling interests	59,590	(946)	58,644	–	–	–
Total equity	313,997	(9,271)	304,726	254,546	(8,325)	246,221
At 1 May 2014						
Investments in subsidiaries	–	–	–	803,514	(3,189)	800,325
Deferred tax assets - net	45,108	2,049	47,157	–	–	–
Inventories	814,257	(5,586)	808,671	–	–	–
Total assets	859,365	(3,537)	855,828	803,514	(3,189)	800,325
Retained earnings	143,711	(3,196)	140,515	143,711	(3,196)	140,515
Reserves	26,590	7	26,597	26,729	7	26,736
Non-controlling interests	67,603	(348)	67,255	–	–	–
Total equity	237,904	(3,537)	234,367	170,440	(3,189)	167,251

3. Basis of preparation (cont'd)

3.6 Change in accounting policy (cont'd)

Income statements

	Group: As previously reported	Group: Adjustments	Group: As restated	Company: As previously reported	Company: Adjustments	Company: As restated
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
For the year ended 30 April 2015						
Revenue	2,159,375	27,314	2,186,689	–	–	–
Cost of sales	(1,769,516)	(9,015)	(1,778,531)	–	–	–
Distribution and selling expenses	(145,877)	(53,283)	(199,160)	–	–	–
General and administrative expenses	(216,289)	25,397	(190,892)	–	–	–
Other income (expenses) - net	16,520	376	16,896	–	–	–
Share of loss in investments in subsidiaries and joint ventures, net of tax	–	–	–	(5,762)	(5,136)	(10,898)
Tax (expense) credit – net	14,440	3,477	17,917	–	–	–
Loss for the year	(43,261)	(5,734)	(48,995)	(38,047)	(5,136)	(43,183)
Non-controlling interests	(5,214)	(598)	(5,812)	–	–	–
Owners of the Company	(38,047)	(5,136)	(43,183)	(38,047)	(5,136)	(43,183)
For the four months ended 30 April 2014						
Revenue	378,799	7,329	386,128	–	–	–
Cost of sales	(342,698)	(5,593)	(348,291)	–	–	–
Distribution and selling expenses	(32,541)	(7,089)	(39,630)	–	–	–
Other income (expenses) - net	(5,923)	(48)	(5,971)	–	–	–
Share of loss in investments in joint ventures and subsidiaries, net of tax	–	–	–	(33,997)	(3,010)	(37,007)
Tax (expense) credit – net	22,339	2,043	24,382	–	–	–
Loss for the period	(46,489)	(3,358)	(49,847)	(41,764)	(3,010)	(44,774)
Non-controlling interests	(4,725)	(348)	(5,073)	–	–	–
Owners of the Company	(41,764)	(3,010)	(44,774)	(41,764)	(3,010)	(44,774)

Earnings per share

	Group: As previously reported	Group: Adjustments	Group: As restated
For the year ended 30 April 2015			
Basic loss per share (US cents)	(2.74)	(0.36)	(3.10)
Diluted loss per share (US cents)	(2.74)	(0.36)	(3.10)
For the four months ended 30 April 2014			
Basic loss per share (US cents)	(3.22)	(0.23)	(3.45)
Diluted loss per share (US cents)	(3.22)	(0.23)	(3.45)

3. Basis of preparation (cont'd)

3.6 Change in accounting policy (cont'd)

The change in accounting policy has no significant impact in the statements of cash flows for the year/period ended 30 April 2015 and 2014.

3.7 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 2015. The adoption of these new standards, amendments to standards, interpretations has no significant impact to the Group.

Defined Benefit Plans: Employee Contributions (Amendments to IAS 19). The amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Annual Improvements to IFRSs: 2010 – 2012 and 2011 - 2013 Cycles – Amendments were made to a total of nine standards, with changes made to the standards on business combinations and fair value measurement in both cycles. Earlier application is permitted, in which case the related consequential amendments to other IFRSs would also apply. Special transitional requirements have been set for amendments to the following standards: IFRS 2, IAS 16, IAS 38 and IAS 40. The following are the said improvements or amendments to IFRSs, none of which has a significant effect on the financial statements of the Group:

(i) *Meaning of 'vesting condition'* (*Amendment to IFRS 2*). IFRS 2 has been amended to clarify the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition.' The amendment also clarifies both: how to distinguish between a market and a non-market performance condition; and the basis on which a performance condition can be differentiated from a non-vesting condition.

(ii) *Classification and measurement of contingent consideration* (*Amendments to IFRS 3*). The amendments clarify the classification and measurement of contingent consideration in a business combination. When contingent consideration is a financial instrument, its classification as a liability or equity is determined by reference to *IAS 32 Financial Instruments: Presentation*, rather than to any other IFRSs. Contingent consideration that is classified as an asset or a liability is always subsequently measured at fair value, with changes in fair value recognised in profit or loss.

Consequential amendments are also made to *IAS 39 Financial Instruments: Recognition and Measurement* and *IFRS 9 Financial Instruments* to prohibit contingent consideration from subsequently being measured at amortised cost. In addition, *IAS 37 Provisions, Contingent Liabilities and Contingent Assets* is amended to exclude provisions related to contingent consideration.

(iii) *Scope exclusion for the formation of joint arrangements (Amendment to IFRS 3*). IFRS 3 has been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements in *IFRS 11 Joint Arrangements* – i.e. including joint operations – in the financial statements of the joint arrangements themselves.

3. Basis of preparation (cont'd)

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

(iv) *Disclosures on the aggregation of operating segments* (*Amendment to IFRS 8*). IFRS 8 has been amended to explicitly require the disclosure of judgements made by management in applying the aggregation criteria. The disclosures include: a brief description of the operating segments that have been aggregated; and the economic indicators that have been assessed in determining that the operating segments share similar economic characteristics. In addition, this amendment clarifies that a reconciliation of the total of the reportable segments' assets to the entity's assets is required only if this information is regularly provided to the entity's chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities.

(v) *Restatement of accumulated depreciation (amortisation) on revaluation* (*Amendments to IAS 16 and IAS 38*). The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognising that the restatement of accumulated depreciation (amortisation) is not always proportionate to the change in the gross carrying amount of the asset. IAS 16 and IAS 38 have been amended to clarify that, at the date of revaluation: the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset – e.g. restated in proportion to the change in the carrying amount or by reference to observable market data; and the accumulated depreciation (amortisation) is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or the accumulated depreciation (amortisation) is eliminated against the gross carrying amount of the asset.

(vi) *Definition of 'related party' (Amendment to IAS 24).* The definition of a 'related party' is extended to include a management entity that provides key management personnel (KMP) services to the reporting entity, either directly or through a group entity. For related party transactions that arise when KMP services are provided to a reporting entity, the reporting entity is required to separately disclose the amounts that it has recognised as an expense for those services that are provided by a management entity; however, it is not required to 'look through' the management entity and disclose compensation paid by the management entity to the individuals providing the KMP services. The reporting entity will also need to disclose other transactions with the management entity under the existing disclosure requirements of IAS 24 – e.g. loans.

(vii) *Inter-relationship of IFRS 3 and IAS 40 (Amendment to IAS 40)*. IAS 40 has been amended to clarify that an entity should assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination. Entities will still need to use judgement to determine whether the acquisition of an investment property is an acquisition of a business under IFRS 3.

(viii) *Scope of portfolio exception (Amendment to IFRS 13).* IFRS 13 has been amended to clarify that the portfolio exception can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39.

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 change in accounting policy.

4.1 Basis of consolidation

(i) Business combination

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

The Group measures goodwill at the acquisition date as:

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

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

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

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

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

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

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 statement of income 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 losses 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 of 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.

(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.

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 consolidated 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 consolidated financial statements. Unrealised gains arising from transactions with joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(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. 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 at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and presented in the foreign currency translation reserve (translation reserve) in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, 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 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.

(iii) Foreign operation in hyperinflationary economy

Financial statements of a foreign entity with a functional currency of a country that has a highly inflationary economy, are restated to reflect changes in the general price level or index in that country before translation into US Dollars.

In adjusting for hyperinflation, a general price index is applied to all non-monetary items in the financial statements (including equity) and the resulting gain or loss, which is the gain or loss on the entity's net monetary position, is recognised in the income statement. Monetary items in the closing statement of financial position, which are defined as money held and items to be received or paid in money, are not adjusted.

In 2015, the Group deconsolidated its subsidiary which has operations in Venezuela. Venezuela is a hyperinflationary economy. The Venezuelan exchange control regulations have resulted in other-than-temporary lack of exchangeability between the Venezuelan Bolivar and US Dollars. This has restricted the Venezuelan entity's ability to pay dividends and obligations denominated in US Dollar. 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 (Note 7).

4. Significant accounting policies (cont'd)

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 Company classifies all other liabilities as noncurrent.

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

4.4 Intangible assets

(i) Indefinite 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.

4. Significant accounting policies (cont'd)

4.4 Intangible assets (cont'd)

(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, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill 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.

4.5 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 2016 and 2015, and 1 May 2014.

(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.

4. Significant accounting policies (cont'd)

4.5 Financial instruments (cont'd)

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

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.

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, and cash and cash equivalents. Cash and cash equivalents comprise bank balances and cash on hand.

(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.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has an enforceable 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.

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.

4. Significant accounting policies (cont'd)

4.5 Financial instruments (cont'd)

(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 not underlying exposures. All derivative instruments are recorded in the statement of financial position at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether the instrument has been designated and qualifies as part of a hedging relationship and further, on the type of hedging relationship. For those derivative instruments that are designated and qualify as hedging instruments, the Group designates the hedging instrument based upon the exposure being hedged, as a fair value hedge, cash flow hedge, or a hedge of a net investment in a foreign operation.

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

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

Cash flow hedges

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

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

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

4. Significant accounting policies (cont'd)

4.6 Property, plant and equipment

(i) Recognition and measurement

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

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

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.

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.

4. Significant accounting policies (cont'd)

4.6 Property, plant and equipment (cont'd)

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

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

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

Buildings, land improvements and leasehold improvements	-	3 to 50 years or lease term, whichever is shorter
Machineries and equipment	-	3 to 30 years
Dairy and breeding herd	-	3½ years to 6 years

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) growing crops consisting of pineapple and papaya; (b) breeding and dairy herd; (c) growing herd; and (d) cattle for slaughter. Agricultural produce include: (a) pineapple and papaya fruits harvested from the Group are growing crops and (b) cut meat from the cattle for slaughter.

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

Growing Crops

Growing crops are measured at cost reduced by the estimated costs of harvests. Costs to grow include purchase costs, land preparation expenses, and direct expenses during the cultivation of the primary, ratoon and, if needed, re-ratoon crops. The accumulated costs are deferred and are amortised as raw product costs upon harvest. Raw product cost is the estimated cost of the actual volume of harvest in a given period.

4. Significant accounting policies (cont'd)

4.7 Biological assets (cont'd)

The cost method of valuation is used since fair value cannot be measured reliably. The growing crops have no active markets and no similar assets are available in the relevant markets. In addition, existing sector benchmarks are irrelevant and estimates necessary to compute for the present value of expected net cash flows comprise a wide range of data which will not result in a reliable basis for determining the fair value. Growing crops that are expected to be harvested within 12 months are classified as current assets in the statement of financial position.

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 under property, plant and equipment 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 assets 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 agricultural produce, at the point of harvest, is measured at their fair value less estimated point-of-sale costs on initial recognition. Point-of-sale costs include expenses such as commissions to brokers and dealers, as applicable. The fair value less the estimated point-of-sale costs of the agricultural produce is the deemed cost of the raw product which forms part of the cased goods.

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. Significant accounting policies (cont'd)

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 method. Cost of processed inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

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

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

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

4. Significant accounting policies (cont'd)

4.10 Impairment

(i) Non-derivative financial assets

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

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

Loans and receivables

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

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

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the income statement and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the income statement.

4. Significant accounting policies (cont'd)

4.10 Impairment (cont'd)

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

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 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.

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.

4. Significant accounting policies (cont'd)

4.10 Impairment (cont'd)

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

Joint ventures (cont'd)

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 Group has one CGU. 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 value in use 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 value in use, 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 is not reversed.

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

4.11 Noncurrent assets held for sale

Noncurrent assets held for sale are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in the income statement.

Once classified as held for sale, property, plant and equipment are no longer depreciated.

4. Significant accounting policies (cont'd)

4.12 Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit pension plan

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

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

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

Remeasurements of the net defined benefit liability comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all expenses related to defined benefit plans in staff cost in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss.

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.

4. Significant accounting policies (cont'd)

4.12 Employee benefits (cont'd)

(ii) Defined benefit pension plan (cont'd)

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, except when sufficient information is not available to use defined benefit accounting, in such which case the Group accounts for a plan as if it was a defined contribution plan.

(iii) Other plans

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

(iv) Other long-term employee benefits

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

(v) Termination benefits

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

(vi) Short-term employee benefits

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

4. Significant accounting policies (cont'd)

4.12 Employee benefits (cont'd)

(vii) Share-based payment transactions

The Group grants share awards and share options for the shares of the Group 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.

4.13 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. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

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

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

Share premium

Share premium represents the excess of consideration received over the par value of common stock.

4. Significant accounting policies (cont'd)

4.13 Share Capital and Retained earnings (cont'd)

(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.

4.14 Provisions

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

(i) Environment remediation liabilities

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

(ii) Retained insurance liabilities

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

4. Significant accounting policies (cont'd)

4.15 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.

4.16 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.

4.17 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.

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

4. Significant accounting policies (cont'd)

4.18 Tax

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

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

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

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

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

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

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

4.19 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)

4.20 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.

4.21 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 balance sheet 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.

4.22. 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 2016. 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.

- *Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11).* The amendments require business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business. Business combination accounting also applies to the acquisition of additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value. The previously held interests in the joint operation will not be remeasured.

  The amendments place the focus firmly on the definition of a business, because this is key to determining whether the acquisition is accounted for as a business combination or as the acquisition of a collection of assets. As a result, this places pressure on the judgement applied in making this determination.

  The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted. The Group is currently assessing the impact of these amendments to *IAS 16 Property, Plant and Equipment* and *IAS 41 Agriculture* on its financial position and financial performance.

- *Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41).* Bearer plants are now in the scope of *IAS 16 Property, Plant and Equipment* for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41. A bearer plant is a plant that: is used in the 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. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.

  Although the amendments withdraw mandatory fair value measurement, a company will still need information about future cash flows to determine the recoverable amount of a bearer plant when an indicator of impairment exists.

  The amendments are effective for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

  The Group is currently assessing the impact of these amendments to IAS 16 and IAS 41 on its financial position and financial performance.

4. Significant accounting policies (cont'd)

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

- *Annual Improvements to IFRSs 2012 – 2014 Cycle.* This cycle of improvements contains amendments to four standards, none of which are expected to have significant impact on the Group's financial statements. The amendments are effective for annual periods beginning on or after 1 January 2016. Earlier application is permitted.

  - *Changes in method for disposal (Amendment to IFRS 5).* IFRS 5 is amended to clarify that:

    - if an entity changes the method of disposal of an asset (or disposal group) – i.e. reclassifies an asset (or disposal group) from held-for-distribution to owners to held-for-sale (or vice versa) without any time lag – then the change in classification is considered a continuation of the original plan of disposal and the entity continues to apply held-for-distribution or held-for-sale accounting. At the time of the change in method, the entity measures the carrying amount of the asset (or disposal group) and recognises any write-down (impairment loss) or subsequent increase in the fair value less costs to sell/distribute of the asset (or disposal group); and

    - if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held-for-distribution, then it ceases held-for-distribution accounting in the same way as it would cease held-for-sale accounting.

    Any change in method of disposal or distribution does not, in itself, extend the period in which a sale has to be completed.

    The amendment to IFRS 5 is applied prospectively in accordance with IAS 8 to changes in methods of disposal that occur on or after 1 January 2016.

  - *Offsetting disclosures in condensed interim financial statements (Amendment to IFRS 7).* IFRS 7 is also amended to clarify that the additional disclosures required by *Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)* are not specifically required for inclusion in condensed interim financial statements for all interim periods; however, they are required if the general requirements of *IAS 34 Interim Financial Reporting* require their inclusion.

    The amendment to IFRS 7 is applied retrospectively, in accordance with *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.*

  - *Disclosure of information "elsewhere in the interim financial report' (Amendment to IAS 34).* IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements, may be disclosed "elsewhere in the interim financial report" – i.e. incorporated by cross-reference from the interim financial statements to another part of the interim financial report (e.g. management commentary or risk report). The interim financial report is incomplete if the interim financial statements and any disclosure incorporated by cross‑reference are not made available to users of the interim financial statements on the same terms and at the same time.

    The amendment to IAS 34 is applied retrospectively, in accordance with *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.*

4. Significant accounting policies (cont'd)

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

- *Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)* clarifies that:

  - A subsidiary that provides investment–related services should not be consolidated if the subsidiary itself is an investment entity.

  - The exemption from preparing consolidated financial statements for an intermediate held by an investment entity, even though the investment entity does not consolidate the intermediate.

  - When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.

  The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

- *Disclosure Initiative (Amendments to IAS 1)* addresses some concerns expressed about existing presentation and disclosure requirements and to ensure that entities are able to use judgement when applying IAS 1. The amendments clarify that:

  - Information should not be obscured by aggregating or by providing immaterial information.

  - Materiality considerations apply to all parts of the financial statements, even when a standard requires a specific disclosure.

  - The list of line items to be presented in the statement of financial position and statement of profit or loss and other comprehensive income can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements.

  - An entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

  The amendments are to be applied retrospectively for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

<u>Effective 1 May 2018</u>

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

4. Significant accounting policies (cont'd)

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

Effective 1 May 2018 (cont'd)

The new standard is to be applied retrospectively for annual periods beginning on or after 1 January 2018, with early adoption permitted. The Group is assessing the potential impact on its financial statements resulting from the application of IFRS 9.

- *IFRS 15 Revenue from Contract 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.

  IFRS 15 is effective for annual periods beginning on or after 1 January 2018. 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* supersedes IAS 17 *Leases* and the related Philippine 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.

  IFRS 16 is effective for annual periods beginning on or after 1 January 2019. 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

(i) 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 consolidated 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 consolidated income statement.

5. Acquisition of business (cont'd)

(i) 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)

(i) 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.

(ii) Acquisition of Consumer Food Business

On 10 October 2013, the Company and the Group's wholly owned subsidiary, DMFI entered into a purchase agreement with Del Monte Corporation, now known as The J.M. Smucker Company or "Smucker's" (also formerly known as "Big Heart Pet Brands") ("the Seller"), to acquire all of the shares of certain subsidiaries of the Seller and acquire certain assets and assume certain liabilities related to the Seller's consumer food business ("Consumer Food Business") for a purchase price of US$1,675.0 million subject to a post-closing working capital adjustment (the "Acquisition"). The transaction was completed on 18 February 2014.

The Consumer Food Business sells products under the Del Monte, Contadina, College Inn, S&W and other brand names, as well as private label products, to key customers. The Consumer Food Business is one of the largest marketers of processed fruit, vegetables and tomatoes in the United States, with the leading market share for branded products in both fruit and vegetable.

As a result of the acquisition, the Group gained access to a well-established, attractive and profitable branded consumer business in the US. The Group generated significant value creation opportunities in the US market through the expansion of the Consumer Food Business' current product offering to include beverage and culinary products. Furthermore, with greater access for its products, the Group realised synergies by leveraging its vertical integration, benefiting from economies of scale and value-added expansion and optimising operations over time.

5. Acquisition of business (cont'd)

(ii) Acquisition of Consumer Food Business (cont'd)

In order to support the continued and uninterrupted operation of the Consumer Food Business following the close date, a transition services agreement, dated 18 February 2014 was made by and between the Seller, DMFI and the Company. Beginning on the close date, the Seller provided transition services relating to warehousing, transportation, customer financial services, IT services/use of system and administration (accounting/finance).

From the date of acquisition on 18 February 2014 to 30 April 2014, the Consumer Food Business contributed revenue of US$293.0 million and loss of US$43.3 million to the Group's results. If the acquisition had occurred on 1 January 2014, management estimates that contribution to consolidated revenue would have been US$525.0 million, and consolidated loss for the period would have been US$58.0 million. In determining these amounts, management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2014.

(a) Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

	US$'000
Original purchase price	1,675,000
Working capital adjustments	110,981
Total cash consideration	1,785,981
Settlement of pre-existing relationship	(1,160)
Total consideration transferred	1,784,821

The cash consideration includes the post-closing working capital adjustments of US$111.0 million which was calculated based on the difference between the target working capital stipulated in the purchase agreement and the Seller's good faith estimate of working capital and was paid upon the completion of the acquisition on 18 February 2014.

Based on the Seller's calculation of working capital, the Seller requested an additional upward adjustment to the post-closing working capital adjustment of US$16.4 million plus interest accrued from 18 February 2014 through to the date of payment. DMFI served its Notice of Disagreement asserting that the Sellers' statement setting forth its calculation of closing working capital is in breach of several provisions of the Agreement and that the Seller is not entitled to any adjustment to the purchase price on account of working capital, including the additional post-closing working capital adjustment of US$16.4 million plus interest accrued, and the post-closing adjustment amount must be returned.

5. Acquisition of business (cont'd)

(ii) Acquisition of Consumer Food Business (cont'd)

(a) Consideration transferred (cont'd)

In March 2015, the parties submitted this dispute to an independent certified public accounting firm for resolution pursuant to the Purchase Agreement. On 25 April 2016, the parties entered into a settlement agreement, under which the Seller paid/refunded to DMFI US$38.0 million in full satisfaction of the post-closing working capital amount adjustment under the Purchase Agreement. The resulting settlement gain is included as part of "Other income (expenses) - net" account in the consolidated income statement for the financial year ended 30 April 2016.

Settlement of pre-existing relationship

The Group and the Seller were parties to a long-term supply contract in respect of processed foods (three-year notice of termination was served by the Group in November 2011) in North America (except Canada), Mexico and the Caribbean.

On the completion of the acquisition on 18 February 2014, the Seller's rights and obligations under the supply contract were transferred to DMFI. The loss of US$1.2 million on settlement of the pre-existing relationship is included as part of "Other income (expenses) - net" account in the consolidated income statements. This amount is the lower of the termination amount and the value of the off-market element of the contract. The fair value of the agreement at the date of acquisition was approximately US$1.2 million, which relates to the unfavourable aspect of the contract to the Group relative to market prices.

(b) Acquisition-related costs

The Group incurred a total of US$2.2 million for the year ended 30 April 2015 (four months ended 30 April 2014: US$33.4 million) of acquisition-related costs in respect of the Acquisition. These costs, which include external legal fees and due diligence costs, are included as part of "General and administrative expenses" account in the consolidated income statements.

5. Acquisition of business (cont'd)

(ii) Acquisition of Consumer Food Business (cont'd)

(c) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised fair values of identifiable assets acquired and liabilities assumed at the date of acquisition.

	Note	Fair values recognised on acquisition (provisional) 18 February 2014 US$'000	Adjustments during window period US$'000	Fair values recognised on acquisition (final) 30 April 2015 US$'000
Property, plant and equipment	*6*	395,268	3,546	398,814
Intangible assets	*9*	529,000	(4,000)	525,000
Other assets		22,619	(359)	22,260
Deferred tax assets	*10*	8,534	45	8,579
Inventories		797,459	–	797,459
Cash and cash equivalents		2,484	–	2,484
Trade and other receivables		124,698	805	125,503
Trade and other payables		(144,335)	–	(144,335)
Current employee benefits		(4,563)	172	(4,391)
Other liabilities		(46,277)	(697)	(46,974)
Deferred tax liabilities		–	(1,092)	(1,092)
Non-current employee benefits		(105,465)	2,644	(102,821)
Total identifiable net assets acquired		1,579,422	1,064	1,580,486
Goodwill	*9*	205,399	(1,064)	204,335
Total consideration transferred		1,784,821	–	1,784,821
Less: Cash and cash equivalents acquired		(2,484)	–	(2,484)
Acquisition of Consumer Food Business, net of cash acquired		1,782,337	–	1,782,337

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)

(ii) Acquisition of Consumer Food Business (cont'd)

(c) Identifiable assets acquired and liabilities assumed (cont'd)

Trade and other receivables comprised gross contractual amounts due of US$126.1 million, of which, US$0.6 million was expected to be uncollectible at the date of acquisition. Of the US$525.0 million of acquired intangible assets, US$107.0 million was assigned to customer relationships and US$418.0 million was assigned to trademarks. Customer relationships and amortisable trademarks will be amortised over 10 - 20 years.

Retrospective adjustment

During the fiscal year 2015, the Group retrospectively adjusted the provisional amounts recognised at the acquisition date to reflect new information about facts and circumstances that existed as of the acquisition date that affected the measurement of the amounts initially recognised or would have resulted in the recognition of other assets or liabilities with a corresponding adjustment to goodwill. In the same year, the Group also revised comparative information for prior periods presented in the financial statements as needed, including making changes to depreciation, amortisation, or other income as a result of changes made to provisional amounts recognised as of 30 April 2014.

(d) Goodwill

Goodwill arising from the acquisition has been recognised as follows.

	Note	US$'000
Total consideration transferred		1,784,821
Fair value of identifiable net assets		1,580,486
Goodwill	*9*	204,335

The goodwill is attributable mainly to the significant value creation opportunities in the US market through the expansion of the Consumer Food Business' current product offering to include beverage and culinary products as well as synergies between the Consumer Food Business and the different subsidiaries under the Group. Furthermore, with greater access for its products, the Group expects to realise synergies by leveraging its vertical integration, benefiting from economies of scale and value-added expansion and optimising operations over time.

6. Property, plant and equipment - net

	<--- At cost			--->	Valuation	
	Buildings, land improvements and leasehold improvements US$'000	Machineries and equipment US$'000	Dairy and breeding herd US$'000	Construction -in-progress US$'000	Freehold land US$'000	Total US$'000
Group						
Cost/Valuation						
At 1 May 2015	203,068	465,657	228	29,781	72,068	770,802
Additions	2,895	8,255	–	50,860	–	62,010
Disposals	(727)	(4,180)	–	–	–	(4,907)
Reclassifications	9,173	38,489	–	(41,877)	(5,785)	–
Currency realignment	(2,098)	(9,008)	(11)	(473)	(521)	(12,111)
At 30 April 2016	212,311	499,213	217	38,291	65,762	815,794
At 1 May 2014	181,123	369,478	229	33,100	57,608	641,538
Additions through business combinations	14,603	10,462	–	–	14,446	39,511
Additions	3,998	14,367	–	77,075	9	95,449
Disposals	(140)	(5,615)	–	–	–	(5,755)
Reclassifications	3,481	76,921	–	(80,402)	–	–
Currency realignment	3	44	(1)	8	5	59
At 30 April 2015	203,068	465,657	228	29,781	72,068	770,802

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

	<------ At cost			------>	Valuation	
	Buildings, land improvements and leasehold improvements US$'000	Machineries and equipment US$'000	Dairy and breeding herd US$'000	Construction -in-progress US$'000	Freehold land US$'000	Total US$'000
Group						
Cost/Valuation						
At 1 January 2014	34,234	156,765	230	16,522	15,382	223,133
Additions through business combinations	145,613	199,750	–	11,283	38,622	395,268
Finalisation of purchase price allocation	(696)	579	–	38	3,625	3,546
Additions	25	368	–	19,380	–	19,773
Disposals	–	(373)	–	–	–	(373)
Reclassifications	2,058	12,014	–	(14,072)	–	–
Currency realignment	(111)	375	(1)	(51)	(21)	191
At 30 April 2014	181,123	369,478	229	33,100	57,608	641,538
Accumulated depreciation and impairment losses						
At 1 May 2015	25,940	166,275	228	–	–	192,443
Charge for the year	11,692	53,131	–	–	–	64,823
Impairment loss	2,159	2,379	–	–	390	4,928
Disposals	(334)	(2,310)	–	–	–	(2,644)
Currency realignment	(819)	(6,540)	(11)	–	–	(7,370)
At 30 April 2016	38,638	212,935	217	–	390	252,180

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

	At cost				Valuation	
Group	**Buildings, land improvements and leasehold improvements US$'000**	**Machineries and equipment US$'000**	**Dairy and breeding herd US$'000**	**Construction -in-progress US$'000**	**Freehold land US$'000**	**Total US$'000**
Accumulated depreciation and impairment losses						
At 1 May 2014	15,914	120,442	229	–	–	136,585
Charge for the year	10,316	50,355	–	–	–	60,671
Reversal of impairment loss	(205)	(303)	–	–	–	(508)
Disposals	(6)	(4,145)	–	–	–	(4,151)
Currency realignment	(79)	(74)	(1)	–	–	(154)
At 30 April 2015	25,940	166,275	228	–	–	192,443
At 1 January 2014	13,740	109,698	230	–	–	123,668
Charge for the period	2,285	11,518	–	–	–	13,803
Reversal of impairment loss	(67)	(105)	–	–	–	(172)
Disposals	–	(371)	–	–	–	(371)
Currency realignment	(44)	(298)	(1)	–	–	(343)
At 30 April 2014	15,914	120,442	229	–	–	136,585
Carrying amounts						
At 30 April 2016	173,673	286,278	–	38,291	65,372	563,614
At 30 April 2015	177,128	299,382	–	29,781	72,068	578,359
At 1 May 2014	165,209	249,036	–	33,100	57,608	504,953

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

As at 30 April 2016 and 2015 and 1 May 2014, 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.

The table below summarises the valuation of freehold land held by the Group as at 30 April 2016 in various locations:

Located in	**Valuation US$'000**	**Date of valuation**
The Philippines	6,853	31 December 2013
United States of America (Consumer Foods Business)	42,264	17 February 2014
United States of America (Sager Creek)	14,446	30 April 2015
Singapore	8,505	31 December 2013
	72,068	

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 2016 would be US$58.7 million (30 April 2015: US$59.1 million, 30 April 2014: US$44.7 million) had the freehold land been carried at cost less impairment losses.

Plant closure

In April 2016, the Group announced its intention to close Sager Creek's plant in Turkey, North Carolina and has started implementation of its termination plan following the approval by the Board of Directors after the plant continued to experience sub-optimal production activities despite efforts to improve operations. The Group closed the plant's canning facilities and the remainder of the production lines are in the process of being redeployed to other production locations as at period end.

In connection with the plant closure, the Group recognised impairment loss on related property, plant and equipment amounting to US$4.9 million (Note 26) (presented under "general and administrative expenses"). Further, the plant closure resulted in the recognition of inventory writedown amounting to US$5.5 million and additional environmental remediation liabilities amounting to US$1.8 million (Note 23).

Under the termination plan, approximately 300 employees are expected to be terminated in fiscal year 2017. The Group recognised provisions for employee severance benefits amounting to US$1.4 million, with US$1.2 million outstanding as at 30 April 2016 (presented under "Employee benefits"). Related equipment removal costs amounting to US$2.3 million, together with other related costs, were recognised and included under "Trade and other payables". These expenditures are expected to be incurred in 2017.

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

Source of estimation uncertainty

The Group estimates the useful lives of its property, plant 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.

7. Investments in subsidiaries

	30 April 2016 US$'000	30 April 2015 US$'000 (As restated*)	1 May 2014 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 of profit of subsidiaries, net of dividend declaration and tax	113,337	115,638	126,536
Accumulated share of other comprehensive loss of subsidiaries, net of tax	(80,146)	(65,782)	(42,153)
Interests in subsidiaries	749,133	765,798	800,325

**see Note 3.6*

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

7. Investments in subsidiaries (cont'd)

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2016 %	30 April 2015 %	1 May 2014 %
Held by the Company					
Del Monte Pacific Resources Limited ("DMPRL") [5]	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 ("DMPL Mgt Svcs") [2]	Providing administrative support and liaison services to the Group	Singapore	100.00	100.00	100.00
GTL Limited ("GTL Ltd")[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 2016 %	30 April 2015 %	1 May 2014 %
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 [7]	Inactive	State of Delaware, U.S.A.	100.00	100.00	100.00
South Bukidnon Fresh Trading Inc ("SBFTI") [c] [1]	Production, packing, sale and export of food products	Philippines	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	94.45	94.20	93.90
Held by DMPI					
Philippines Packing Management Services Corporation ("PPMSC") [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	–
Held by Dewey					
Dewey Sdn. Bhd. [3]	Owner of various trademarks	Malaysia	100.00	100.00	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	–

7. Investments in subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2016 %	30 April 2015 %	1 May 2014 %
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	–
Del Monte Andina C.A. [5]	Manufacturing, processing and distributing food, beverages and other related products	Venezuela	–	–	89.43
Del Monte Colombiana S.A. [3]	Manufacturing, processing and distributing food, beverages and other related products	Colombia	81.97	81.97	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.[4]	Distribution food, beverages and other related products	Peru	89.43	89.43	89.43
Del Monte Ecuador DME C.A. [4]	Distribution food, beverages and other related products	Ecuador	89.43	89.43	89.43
Hi-Continental Corp. [4]	Lessee of real property	State of California, U.S.A.	89.43	89.43	89.43
College Inn Foods [4]	Inactive	State of California, U.S.A.	89.43	89.43	89.43
Contadina Foods, Inc.[4]	Inactive	State of Delaware, U.S.A.	89.43	89.43	89.43
S&W Fine Foods, Inc.[4]	Inactive	State of Delaware, U.S.A.	89.43	89.43	89.43

7. Investments in subsidiaries (cont'd)

Name of subsidiary	Principal activities	Place of incorporation and business	Effective equity held by the Group 30 April 2016 %	30 April 2015 %	1 May 2014 %
Held by Del Monte Andina C.A.					
Del Monte Argentina S.A. [3]	Inactive	Argentina	–	–	89.43

(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.

(c) The Group has agreement with the shareholders of SBFTI where the Group is to receive substantially all the returns related to its operations and its net assets. The Group is able to direct the entity's activities and operations and is deemed to have 100% control over SBFTI. Effective 1 May 2015, SBFTI is held by CARI.

[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 of 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 (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 2016		
			30 April 2016 %	**30 April 2015** %	**1 May 2014** %
FieldFresh Foods Private Limited ("FFPL") *	Production and sale of fresh and processed fruits and vegetable food products	India	47.23	47.08	46.95
Nice Fruit Hong Kong Limited (NFHKL) #	Production and sale of frozen fruits and vegetable food products	Hong Kong	35.00	35.00	–

* Audited by Deloitte Haskins & Sells, Gurgaon, India.
# Audited by Ernst and Young Hong Kong. Not material to the Group as at 30 April 2016.

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 2016 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000
Revenue	65,838	62,285	18,966
Loss from continuing operations [a]	(3,398)	(4,564)	(2,307)
Other comprehensive income	(3)	(369)	(794)
Total comprehensive income	(3,401)	(4,933)	(3,101)
[a] Includes:			
- depreciation	168	264	28
- interest expense	2,605	2,876	275
Non-current assets	17,110	18,365	20,319
Current assets [b]	23,842	19,292	19,906
Non-current liabilities [c]	(25,271)	(25,821)	(29,277)
Current liabilities [d]	(14,283)	(10,807)	(8,720)
Net assets	1,398	1,029	2,228
Includes			
[b] Cash and cash equivalents	96	70	40
[c] Non-current financial liabilities (excluding trade and other payables)	13,548	25,821	29,277
[d] Current financial liabilities (excluding trade and other payables)	11,727	–	5,151

	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000
Group's interest in net assets of FFPL at beginning of the year/period	20,419	21,008	20,193
Capital injection during the year	1,950	1,694	2,271
Group's share of:			
- loss from continuing operations	(1,705)	(2,149)	(1,083)
- other comprehensive income	(3)	(134)	(373)
- total comprehensive income	(1,708)	(2,283)	(1,456)
Carrying amount of interest at end of the year/period	20,661	20,419	21,008

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

Determination of the type of joint arrangement

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

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

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

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

Source of estimation uncertainty

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

Since its acquisition, the Indian sub-continent trademark (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.

8. Investments in joint ventures (cont'd)

Key assumptions used in discounted cash flow projection calculations

Key assumptions used in the calculation of recoverable amounts are discount rates, revenue growth rates 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 2016 %	30 April 2015 %	1 May 2014 %
Discount rate	22.5	17.1	14.3
Revenue growth rate	19.0 – 21.0	16.0 – 21.0	22.0 – 40.0
Terminal growth rate	5.0	5.0	5.0

The fiscal year 2016 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 32.6% (2015: 57%) at a market interest rate of 10.0% (2015: 12.2%).

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 19% (2015:16%) 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.

Sensitivity to changes in assumptions

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

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

	Change required for carrying amount to equal the recoverable amount		
	30 April 2016 %	30 April 2015 %	1 May 2014 %
Group			
Discount rate	0.1	0.7	2.1
Revenue growth rate	(0.2)	(0.3)	(1.6)

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 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
At 1 January 2014	–	–	22,310	–	22,310
Additions through business combinations	205,399	394,000	24,000	111,000	734,399
Purchase price adjustment	(1,064)	–	–	(4,000)	(5,064)
At 30 April 2014	204,335	394,000	46,310	107,000	751,645
Accumulated amortisation					
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
At 1 January 2014	–	–	7,448	–	7,448
Amortisation	–	–	430	1,004	1,434
At 30 April 2014	–	–	7,878	1,004	8,882
Carrying amounts					
At 30 April 2016	203,432	408,043	31,984	106,914	750,373
At 30 April 2015	203,432	394,000	48,303	113,965	759,700
At 1 May 2014	204,335	394,000	38,432	105,996	742,763

9. Intangible assets and goodwill (cont'd)

Goodwill

Goodwill arising from the acquisition of Consumer Food Business (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 (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 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.

Impairment Test

Management has performed impairment testing for all indefinite life trademarks and concluded that no impairment exist at the reporting date. The "Del Monte" and "College Inn" trademarks in the United States are included in the DMFI CGU containing goodwill for the impairment assessment as described above. 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)

During the period ended 27 April 2014, no impairment test was performed on goodwill and America trademarks with indefinite useful life given the recent acquisition of Consumer Food Business (Note 5). In 2016 and 2015, the recoverable amount of the CGU was based on fair value less costs of disposal, being greater than the Value-in-use (VIU):

	30 April 2016 US$'000	30 April 2015 US$'000
Value-in-use	1,950,000	1,840,000
Fair value less costs of disposal	2,110,000	2,060,000
Recoverable amount	2,110,000	2,060,000

As of valuation date in January 2016 and 2015, the estimated recoverable amount of the CGU exceeded its carrying amount by approximately US$275.8 million and US$313.2 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.

	2016 %	2015 %
Discount rate	8.0	8.0
Terminal value growth rate	2.0	2.0
Budgeted EBITDA growth rate (average of next five years)	7.9	21.6

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 2015: 41%) at a risk free interest rate of 4% (30 April 2015: 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 the Company. 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 the Company, 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 the Company 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 Company's financial results in the analysis were as follows:

	2016		2015	
	Selected multiple	Assigned weight	Selected multiple	Assigned weight
MVIC/Revenue – Last twelve months	1.1x	25%	1.0x	33%
MVIC/Revenue – Projected	0.9x	25%	0.9x	33%
MVIC/EBITDA – Last twelve months	15.7x	25%	15.2x	0%
MVIC/EBITDA – Projected	11.9x	25%	12.3x	33%

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
MVIC/Revenue – Last twelve months	0.9x
MVIC/Revenue – Projected	0.8x
MVIC/EBITDA – Last twelve months	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 value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and apply an appropriate 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 2016	**30 April 2015**	**1 May 2014**	**2016**	**2015**	**2014**
	US$'000	**US$'000**	**US$'000**			
Indian sub-continent trademark	–	4,111	4,301	–	21.7	22.7
The Philippines trademarks	–	1,773	1,887	–	15.7	16.7
Asia S&W trademark	39	8,216	8,484	2.2	32.7	33.7
America S&W trademark	1,563	1,763	1,963	7.8	8.8	9.8
America Contadina trademark	19,597	20,697	21,797	17.8	18.8	19.8
Sager Creek trademarks	10,785	11,743	–	10.9	11.9	–
	31,984	48,303	38,432			

In 2016, "Del Monte" trademark in the Philippines and India and "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.

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 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**	**2016**	**2015**	**2014**
DMFI customer relationships	95,313	100,663	105,996	17.8	18.8	19.8
Sager Creek customer relationships	11,601	13,302	–	6.9	7.9	–
	106,914	113,965	105,996			

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 recognized 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 2016 US$'000	30 April 2015 US$'000 (As restated*)	1 May 2014 US$'000 (As restated*)	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Group						
Provisions	6,675	4,162	3,784	–	–	–
Employee benefits	43,485	32,013	9,086	–	–	–
Property, plant and equipment – net	–	–	–	(34,667)	(29,025)	(5,596)
Intangible assets and goodwill	–	–	–	(44,794)	(20,394)	(4,393)
Effective portion of changes in fair value of cash flow hedges	13,403	7,324	1,660	–	–	–
Tax loss carry-forwards	103,643	78,618	39,641	–	–	–
Inventories	3,256	5,170	–	–	–	(1,634)
Biological assets	–	–	–	(1)	(314)	(749)
Others	8,807	7,657	4,266	–	–	–
Deferred tax assets/(liabilities)	179,269	134,944	58,437	(79,462)	(49,733)	(12,372)
Set off of tax	(78,370)	(48,641)	(11,280)	78,370	48,641	11,280
Deferred Taxes	100,899	86,303	47,157	(1,092)	(1,092)	(1,092)

**see Note 3.6*

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

	At 1 May 2015 US$'000 (As restated*)	Recognised in profit or loss US$'000 (Note 28)	Recognised in other comprehensive income US$'000	Currency realignment US$'000	At 30 April 2016 US$'000
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	(314)	230	–	83	(1)
Others	7,657	1,169	–	(19)	8,807
	85,211	4,590	10,233	(227)	99,807

**see Note 3.6*

10. Deferred tax (cont'd)

	At 1 May 2014 US$'000 (As restated*)	Recognised in profit or loss US$'000 (Note 28) (As restated*)	Recognised in other com-prehensive income US$'000	Deconsolida-tion of a subsidiary US$'000	Currency realignment US$'000	At 30 April 2015 US$'000
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	(749)	431	–	–	4	(314)
Others	4,266	3,629	–	(194)	(44)	7,657
	46,065	25,106	15,050	(1,024)	14	85,211

**see Note 3.6*

	At 1 January 2014 US$'000	Acquisi-tion of the Business US$'000 (Note 5)	Re-cognised in profit or loss US$'000 (Note 28) (As restated*)	Re-cognised in other com-prehensive income US$'000	Finalisa-tion of Purchase Price Allocation US$'000 (Note 5)	Currency re-alignment US$'000	At 30 April 2014 US$'000 (As restated*)
30 April 2014							
Deferred tax assets							
Provisions	11,369	–	(7,572)	–	–	(13)	3,784
Employee benefits	562	5,092	2,242	1,192	–	(2)	9,086
Property, plant and equipment - net	(2,360)	784	(2,988)	–	(1,048)	16	(5,596)
Intangible assets and goodwill	–	–	(4,393)	–	–	–	(4,393)
Effective portion of changes in fair value of cash flow hedges	–	–	–	1,660	–	–	1,660
Tax loss carry-forwards	–	–	39,641	–	–	–	39,641
Inventories	1,110	–	(2,744)	–	–	–	(1,634)
Biological assets	(1,006)	–	253	–	–	4	(749)
Others	886	2,658	763	–	–	(41)	4,266
	10,561	8,534	25,202	2,852	(1,048)	(36)	46,065

**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 2016, is approximately US$6.8 million (30 April 2015: US$8.9 million, 30 April 2014: US$6.0 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.

Sources of estimation uncertainty

As at 30 April 2016, deferred tax assets amounting to US$103.7 million (30 April 2015: US$78.6 million, 1 May 2014: US$39.6 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. DMFI incurred operating loss in the 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$170.3 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 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Advances to growers	10,342	9,333	7,691
Advance rentals and deposits	6,628	7,424	5,271
Excess insurance	4,500	7,083	5,843
Land expansion (development costs of acquired leased areas)	2,171	2,404	2,229
Prepayments	1,273	2,423	1,621
Others	1,027	318	1,033
	25,941	28,985	23,688

Excess insurance relate mainly to reimbursements from insurers to cover the workers' compensation (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.

Others comprise land development costs incurred on leased land used for the cultivation of growing crops. These costs are amortised over a period of 10 years or remaining life of leasehold improvements, whichever is shorter.

12. Biological assets

	Group 30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Livestock (at cost)			
At beginning of the year/period	1,446	1,613	1,685
Purchases of livestock	525	568	191
Sales of livestock	(451)	(736)	(257)
Currency realignment	(73)	1	(6)
At end of the year/period	1,447	1,446	1,613
Growing crops (at cost)			
At beginning of the year /period	127,194	118,310	111,489
Additions	86,327	90,891	27,370
Harvested	(83,092)	(82,107)	(20,202)
Currency realignment	(6,414)	100	(347)
At end of the year /period	124,015	127,194	118,310

	Group 30 April 2016 US$'000	30 April 2015 US$'000 (As restated)	1 May 2014 US$'000 (As restated)
Current	87,994	87,034	82,461
Noncurrent	37,468	41,606	37,462
Totals	125,462	128,640	119,923

	Note	Group 30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Fair value of agricultural produce harvested recognised under inventories	35	98,412	94,600	21,800

Growing crops

	Group 30 April 2016	30 April 2015	1 May 2014
Hectares planted with growing crops			
− Pineapples	15,822	15,227	14,922
− Papaya	205	194	211
Fruits harvested from the growing crops: (in metric tons)			
− Pineapples	622,842	675,584	170,561
− Papaya	4,903	8,187	1,613

12. Biological assets (cont'd)

Growing crops

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

Livestock

Livestock comprises growing herd and cattle for slaughter and is stated at fair value. The fair value is determined based on the actual selling prices approximating those at year end less estimated point-of-sale costs.

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.

12. Biological assets (cont'd)

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 at the point of harvest, 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 harvested crops. The Group reviews and monitors these estimates regularly and for the financial year 2016, the non-current portion of Expenditure Future Crop was reclassified as non-current asset. The reclassification was applied retrospectively.

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 2016 US$'000	**30 April 2015 US$'000 (As restated*)**	**1 May 2014 US$'000 (As restated*)**
Finished goods			
- at cost	644,667	534,709	596,298
- at net realisable value	12,843	10,372	20,579
Semi-finished goods			
- at cost	327	759	866
- at net realisable value	11,292	10,682	10,354
Raw materials and packaging supplies			
- at net realisable value	176,104	193,027	180,574
	845,233	749,549	808,671

**see Note 3.6*

Inventories recognised as an expense in cost of sales amounted to US$1,316.5 million for the year ended 30 April 2016 (30 April 2015: US$1,267.9 million, four months ended 30 April 2014: US$199.1 million) (Note26).

Inventories are stated after allowance for inventory obsolescence. Movements in the allowance for inventory obsolescence during the year/period are as follows:

			Group	
	Note	**30 April 2016 US$'000**	**30 April 2015 US$'000**	**1 May 2014 US$'000**
At beginning of the year/period		11,701	7,982	7,868
Allowance for the year/period	26	2,926	5,992	2,650
Write-off against allowance		(1,508)	(2,279)	(2,516)
Currency realignment		(404)	6	(20)
At end of the year/period		12,715	11,701	7,982

13. Inventories (cont'd)

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 operating expenses and decrease current assets.

14. Trade and other receivables

	Group			Company		
	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Trade receivables	152,936	177,677	156,149	–	–	–
Non trade receivables	22,677	9,495	16,371	2	–	–
Amounts due from joint venture (non-trade)	6,013	6,013	–	6,013	6,013	–
Amounts due from subsidiaries (non-trade)	–	–	–	139,225	99,710	104,512
Allowance for doubtful accounts – trade	(1,640)	(2,643)	(7,428)	–	–	–
Allowance for doubtful accounts - nontrade	(4,454)	(6,140)	(6,224)	–	–	–
Trade and other receivables	175,532	184,402	158,868	145,240	105,723	104,512

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 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 30 April 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)

	Group			
	Gross		Impairment losses	
	Trade	Non trade	Trade	Non trade
At 1 May 2014	US$'000	US$'000	US$'000	US$'000
Not past due	114,736	9,133	–	(459)
Past due 0 - 60 days	27,814	181	(197)	–
Past due 61 - 90 days	1,421	122	–	–
Past due 91 - 120 days	271	55	(3)	–
More than 120 days	11,907	6,880	(7,228)	(5,765)
	156,149	16,371	(7,428)	(6,224)

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.

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

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

14. Trade and other receivables (cont'd)

	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

	Note	Trade US$'000	Group Nontrade US$'000	Total US$'000
At 1 January 2014		6,511	5,515	12,026
Allowance recognised	26	1,220	714	1,934
Write-off against allowance		(282)	–	(282)
Currency realignment		(21)	(5)	(26)
At 30 April 2014		7,428	6,224	13,652

Allowance for doubtful accounts are based on specific and collective assessment by the Company.

Source of estimation uncertainty

The Group maintains allowance for impairment of accounts receivables at a level considered adequate to provide for potential uncollectible receivables. The level of this allowance is evaluated by the Group on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, the length of the Group's relationship with debtors, their payment behaviour and known market factors. The Group reviews the age and status of receivables, and identifies accounts that are to be provided with allowance on a continuous basis. The amount and timing of recorded expenses for any period would differ if the Group made different judgement or utilised different estimates. An increase in the Group's allowance for impairment would increase the Group's recorded operating expenses and decrease current assets.

15. Prepaid expense and other current assets

	Note	Group 30 April 2016 US$'000	Group 30 April 2015 US$'000	Group 1 May 2014 US$'000	Company 30 April 2016 US$'000	Company 30 April 2015 US$'000	Company 1 May 2014 US$'000
Prepaid expenses		24,397	23,375	40,046	257	137	43
Downpayment to contractors and suppliers		9,025	15,677	17,342	–	–	–
Derivative asset	34	1,473	818	–	–	–	–
Others		702	–	–	–	–	–
		35,597	39,870	57,388	257	137	43

15. Prepaid expense and other current assets (cont'd)

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

16. Cash and cash equivalents

	Group			Company		
	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Cash on hand	50	47	50	–	–	–
Cash in bank	47,153	34,223	28,351	361	6,126	232
Marketable security	–	1,348	–	–	–	–
Cash and cash equivalents	47,203	35,618	28,401	361	6,126	232

Certain of the cash and bank balances earn interest at floating rates based on daily bank deposit rates ranging from 0.01% to 0.45% 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.

The Group recognised impairment loss on assets held for sale amounting to US$1.7 million in 2016 (Note 26). There is no cumulative income or expense included in other comprehensive income relating to the assets held for sale.

18. Share capital

	Company					
	30 April 2016		30 April 2015		1 May 2014	
	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	1,297,500	12,975

18. Share capital (cont'd)

Reconciliation of number of outstanding ordinary shares in issue:

	Company		
	Year ended 30 April 2016 ('000)	Year ended 30 April 2015 ('000)	Four months ending 1 May 2014 ('000)
At beginning of the year/period	1,944,035	1,296,600	1,296,600
Acquisition of own shares	(821)	–	–
Issued for cash	–	647,435	–
At end of the year/period	1,943,214	1,944,035	1,296,600

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

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 may designate. The terms and conditions of the authorised preference share will be finalised upon issuance.

On 30 October 2014, the Company had additional ordinary shares listed and traded on the Philippine Stock Exchange. The Company had offered and sold by way of primary offer, 5,500,000 shares at an offer price of 17.00 Philippine pesos (Php) per share.

In March 2015, the Company issued 641,935,335 shares at an exercise price of S$0.325 or Php10.60 for each share in Singapore and the Philippines, respectively.

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

Appropriated

On 12 December 2013, the BOD of DMPI approved the appropriation of US$6.0 million to fund various long planned capital expenditures, specifically for the construction of facilities, line expansion, acquisition of spare parts and vehicles, and recondition and overhaul of equipment commencing on various dates in 2013.

On 18 March 2016, the BOD of DMPI approved appropriation of retained earnings amounting to US$41.8 million to fund long-range plan capital expenditure requirements, provided, that the specific projects will be subject to prior approval of DMPI's BOD.

As at 30 April 2016, the total appropriation of retained earnings amounted to US$181.3 million (30 April 2015: US$147.1 million). This is intended to fund the Company's various long range plan capital expenditure requirements majority of which can be completed by year 2021, provided that, the specific projects for which the appropriation will be expended is still subject to prior approval of the Board.

Unappropriated

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.

Reserves

	<------------ Group ----------->			<--------- Company --------->		
	30 April 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**	**30 April 2016 US$'000**	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Share premium	214,843	214,843	69,205	214,982	214,982	69,344
Translation reserve	(59,813)	(46,335)	(44,867)	(59,813)	(46,335)	(44,867)
Revaluation reserve	8,002	9,506	9,506	8,002	9,506	9,506
Remeasurement of retirement plan	(10,833)	(17,231)	(4,370)	(10,833)	(17,231)	(4,370)
Hedging reserve	(17,502)	(11,722)	(2,422)	(17,502)	(11,722)	(2,422)
Share option reserve	1,031	318	174	1,031	318	174
Reserve for own shares	(802)	(629)	(629)	(802)	(629)	(629)
	134,926	148,750	26,597	135,065	148,889	26,736

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, Del Monte Pacific Resources Limited, under common control in 1999.

19. Retained Earnings and Reserves (cont'd)

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 remeasurement of retirement plan relates to the actuarial gains and losses for the defined benefit plans.

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 profit or loss (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 2016, the Group held 1,721,000 (30 April 2015: 900,000, 1 May 2014: 900,000) of the Company's shares.

20. Loans and borrowings

	<------------- Group ------------->			<----------- Company ----------->		
	30 April 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**	**30 April 2016 US$'000**	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Current liabilities						
Unsecured bank loans	501,481	347,180	807,271	348,630	102,630	602,491
Secured bank loans	225,879	98,362	112,308	–	–	–
	727,360	445,542	919,579	348,630	102,630	602,491
Non-current liabilities						
Unsecured bank loans	193,224	348,250	11,225	129,234	348,250	–
Secured bank loans	923,198	924,695	923,160	–	–	–
	1,116,422	1,272,945	934,385	129,234	348,250	–
	1,843,782	1,718,487	1,853,964	477,864	450,880	602,491

20. Loans and borrowings (cont'd)

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate % p. a.	Year of maturity	30 April 2016 Face value US$'000	30 April 2016 Carrying amount US$'000	30 April 2015 Face value US$'000	30 April 2015 Carrying amount US$'000	1 May 2014 Face value US$'000	1 May 2014 Carrying amount US$'000
Group									
Unsecured bank loans	PHP	2.30-4.50	2016-2020	97,697	97,697	110,984	110,984	80,473	80,473
Unsecured bank loans	BSF	9.00	2015	–	–	–	–	1,400	1,709
Unsecured bank loans	USD	1.15-2.50	2016	119,145	119,145	133,566	133,566	122,597	122,597
Unsecured bridging loans	USD	2.13-4.50	2020	130,000	129,234	104,000	102,630	605,000	602,492
Unsecured bank loan	PHP	3-Mos PDSTF + 1/95 (GRT)	2015	–	–	–	–	11,225	11,225
Unsecured bank loan	USD	90 days libor + 3.25	2017	350,000	348,630	350,000	348,249	–	–
Secured bank loan under ABL Credit Agreement	USD	Libor rate + 2% to 4.25%	2016	225,442	221,971	99,000	94,488	109,000	103,693
Secured First lien term loan	USD	Higher of Libor +3.25% or 4.25%	2016-2021	694,025	677,220	701,125	680,588	710,000	685,602
Secured Second lien term Loan	USD	Higher of Libor + 7.25% or 8.25%	2021	260,000	249,885	260,000	247,982	260,000	246,173
				1,876,309	1,843,782	1,758,675	1,718,487	1,899,695	1,853,964

	Currency	Nominal interest rate % p.a.	Year of maturity	30 April 2016 Face value US$'000	30 April 2016 Carrying amount US$'000	30 April 2015 Face value US$'000	30 April 2015 Carrying amount US$'000	1 May 2014 Face value US$'000	1 May 2014 Carrying amount US$'000
Company									
Unsecured bridging loans	USD	1.50-4.00	2017 to 2020	480,000	477,864	454,000	450,880	605,000	602,491

PDSTF – Philippine Dealing System Treasury Fixing Rate
GRT – Gross Receipt Tax

The unsecured bridging loans of US$454.0 million as at 30 April 2015 (1 May 2014: US$605.0 million) were obtained by the Company to finance the Acquisition (Note 5) and its related costs.

20. Loans and borrowings (cont'd)

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 2016 (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.	USD 30,167
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.	USD 21,748
BDO bridging facility	USD 350,000	90d Libor + 3.5% margin	2017	Quarterly interest payment and principal on maturity date.	USD 13,145
BDO Long-Term Loan	USD 30,000	4.50%	2020	Quarterly interest payment and principal on maturity date.	USD 949
BDO Long-Term Loan	USD 100,000	4.50%	2020	Quarterly interest payment and principal on maturity date.	USD 3,425
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 91,219

The balance of unamortised debt issuance cost follows:

		<------------- Group	------------->		<----------- Company	----------->	
	Note	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000
Beginning of year/period		40,188	45,731	44,780	3,120	2,509	–
Additions		1,114	4,767	2,897	900	4,387	3,205
Amortisation	27	(8,775)	(10,310)	(1,946)	(1,884)	(3,776)	(696)
End of year/period		32,527	40,188	45,731	2,136	3,120	2,509

Secured Term Loan Credit Agreements

The Group 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.

20. Loans and borrowings (cont'd)

Secured Term Loan Credit Agreements (cont'd)

Interest Rates. Loans under the First and Second Lien Term Loans bear interest at a rate equal to an applicable margin, plus, at the Group's option, either (i) a LIBOR rate (with a floor of 1.00%) or (ii) a base rate (with a floor of 2.00%) equal to the highest of (a) the federal funds rate plus 0.50%, (b) CitiBank, N.A.'s "prime commercial rate" and (c) the one-month LIBOR Quoted Rate plus 1.00%. As of 30 April 2016, the interest rate for First Lien Term Loans is 4.25% (30 April 2015: 4.25%) and the interest rate for Second Lien Term Loans is 8.25% (30 April 2015: 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 the Group 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 the Group'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. The Group 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

The Group 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.

20. Loans and borrowings (cont'd)

ABL Credit Agreement (cont'd)

Interest Rates. Borrowings under the ABL Credit Agreement bear interest at an initial interest rate equal to an applicable margin, plus, at the Group's option, either (i) a LIBOR rate, or (ii) a base rate equal to the highest of (a) the federal funds rate plus 0.50%, (b) Citibank, N.A.'s "prime commercial rate" and (c) the one-month LIBOR rate plus 1.00%. The applicable margin with respect to LIBOR borrowings is currently 2.0% (and may increase to 2.25% depending on average excess availability) and with respect to base rate borrowings is currently 1.00% (and may increase to 1.25% depending on average excess availability).

Commitment Fees. In addition to paying interest on outstanding principal under the ABL Credit Agreement, the Group is required to pay a commitment fee that was initially 0.375% per annum in respect of the unutilised commitments thereunder. The commitment fee rate 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. The Group 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 the Group 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 2016, there were US$225.4 million (30 April 2015: US$99.0 million) of loans outstanding under the ABL Credit Agreement, the amount of letters of credit issued under the ABL Credit Agreement was US$11.4 million (30 April 2015: US$14.1 million) and the Group's net availability under the ABL Credit Agreement was US$201.8 million (30 April 2015: US$264.7 million). The interest rate on the ABL Credit Agreement was approximately 3.15% on 30 April 2016 (30 April 2015: 2.79%).

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, the Group's ability to borrow under the facility will remain limited at all times by the borrowing base (to the extent the borrowing base is less than the commitments).

Guarantee of Obligations under the Term Loan Credit Agreements and the ABL Credit Agreement

All obligations of the Group under the *Term Loan Credit Agreements and the ABL Credit Agreement* are unconditionally guaranteed by the Company and by substantially all existing and future, direct and indirect, wholly owned material restricted domestic subsidiaries of the Group, subject to certain exceptions.

20. Loans and borrowings (cont'd)

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 the Group, (ii) a second priority lien on all ABL Priority Collateral of the Group and (iii) a first priority lien on substantially all other properties and assets of the Group. The Second Lien Term Loan is generally secured by (i) a second priority pledge of all of the equity interests of the Group, (ii) a third priority lien on all ABL Priority Collateral of the Group and (iii) a second priority lien on substantially all other properties and assets of the Group. The ABL Credit Agreement is generally secured by a first priority lien on the Group's inventories and accounts receivable and by a third priority lien on substantially all other assets.

Restrictive and Financial Covenants

The Term Loan Credit Agreements and the ABL Credit Agreement contain restrictive covenants that limit the Group'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 the Group's ability, and the ability of the Group's restricted subsidiaries, to incur additional indebtedness, create liens, engage in mergers or consolidations, sell or transfer assets, pay dividends and distributions or repurchase the Group'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 the Group's lines of business.

Financial Maintenance Covenants. The Term Loan Credit Agreements and ABL Credit Agreement generally do not require that the Group comply with financial maintenance covenants. The ABL Credit Agreement, however, contains a financial covenant that applies if availability under the ABL Credit Agreement (US$201.8 million at 30 April 2016; US$264.7 million at 30 April 2015) falls below a certain level. As of 30 April 2016, 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 the Group'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. 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 2016 and 2015.

21. Other noncurrent liabilities

	Group 30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Workers' compensation	30,969	32,101	30,921
Derivative liabilities	21,527	20,090	4,368
Deferred rental liabilities	5,173	5,823	7,466
Accrued lease liabilities	4,440	2,352	968
Other payables	477	797	3,157
	62,586	61,163	46,880

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, transportation 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 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:

	Note	Group 30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Interest rate swap valuation	33	(35,115)	(20,090)	(4,368)
Peso FX contracts	33	1,473	(1,003)	–
Commodity contracts	33	(1,630)	818	–
Total		(35,272)	(20,275)	(4,368)
Included in :				
Prepaid expense and other current assets	15	1,473	818	–
Trade and other payables	24	(15,218)	(1,003)	–
Other noncurrent liabilities		(21,527)	(20,090)	(4,368)
		(35,272)	(20,275)	(4,368)

22. Employee benefits

	Group 30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Net defined benefit asset	–	–	10,673
Total employee benefit asset (non-current)	–	–	10,673
Post-retirement benefit obligation	41,908	94,643	88,506
Executive Retirement Plan	9,758	11,147	10,971
Cash incentive award	1,773	–	–
Short-term employee benefits	19,389	35,360	20,582
Other plans	7,732	4,280	3,124
Net defined benefit liability	50,209	26,849	9,498
Total net defined benefit liability	130,769	172,279	132,681
Current	33,651	43,080	33,621
Non-Current	97,118	129,199	99,060
	130,769	172,279	132,681

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 contribute 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$3.1 million in contributions to the pension plan in fiscal year 2017.

22. Employee benefits (cont'd)

The DMFI Plan

The Company 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.

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 expects to contribute US$8.0 million in 2017.

Changes in Assumptions and Methods since Last Actuarial Valuation

The mortality assumption was changed from RP-2014 non-annuitant tables projected with MP-2014 generational improvements in mortality, distinguished by sex, to "RP-2015" (2006 rates of the RP-2014 table with generational projection of improvements in mortality from 2006 to 2015 based on MP-2015) non-annuitant tables projected with MP-2015 generation improvements in mortality, distinguished by sex.

The termination and retirement rate assumptions were updated based on an experience study reflecting actual experience from 2010 to 2014 for the Legacy DMRPHE.

The discount rate of 3.50% was developed using Willis Towers Watson's BOND:Link and using the plans projected cash flows.

The compensation increase assumption was reduced from 4.00% to 3.00% based on future expectations.

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 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Group									
Balance, Beginning	515,041	482,221	42,275	(393,549)	(394,890)	(40,399)	121,492	87,331	1,876
Included in profit or loss									
Current service cost	10,120	10,444	2,266	–	–	–	10,120	10,444	2,266
Plan administration cost	–	–	–	–	514	–	–	514	–
Interest cost/ (income)	20,876	21,192	4,752	(15,773)	(17,226)	(3,923)	5,103	3,966	829
Past service cost (plan amendments)	(40,470)	–	–	–	–	–	(40,470)	–	–
Curtailment gain	(3,814)	–	–	–	–	–	(3,814)	–	–
Settlement loss	–	–	–	5,669	–	–	5,669	–	–
	501,753	513,857	49,293	(403,653)	(411,602)	(44,322)	98,100	102,255	4,971
Included in OCI									
Remeasurements loss/(gain)									
- Actuarial loss/(gain) arising from:									
- financial assumptions	(2,061)	11,973	4,532	–	–	–	(2,061)	11,973	4,532
- demographic assumptions	(6,183)	33,046	765	–	–	–	(6,183)	33,046	765
- experience adjustment	(4,486)	(7,657)	(2,755)	–	–	–	(4,486)	(7,657)	(2,755)
- Return on plan assets excluding interest income	–	–	–	16,227	(14,026)	2,138	16,227	(14,026)	2,138
- Effect of movements in exchange rates	(2,210)	12	(111)	1,693	(3)	149	(517)	9	38
	(14,940)	37,374	2,431	17,920	(14,029)	2,287	2,980	23,345	4,718
Others									
Additions through business combinations	–	–	435,127	–	–	(356,163)	–	–	78,964
Contributions paid into the plan	–	–	(465)	(5,979)	(4,108)	(1,322)	(5,979)	(4,108)	(1,787)
Benefits paid	(48,116)	(36,189)	(4,165)	45,132	36,189	4,630	(2,984)	–	465
	(48,116)	(36,189)	430,497	39,153	32,081	(352,855)	(8,963)	(4,108)	77,642
Balance at 30 April	438,697	515,042	482,221	(346,580)	(393,550)	(394,890)	92,117	121,492	87,331

22. Employee benefits (cont'd)

Represented by:

	Net defined benefit liability/(asset)		
	30 April 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Net defined benefit asset	–	–	(10,673)
Post-retirement benefit obligation	41,908	94,643	88,506
Net defined benefit liability	50,209	26,849	9,498
	92,117	121,492	87,331

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$39.4 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 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Interest-bearing cash/bank deposits	3,622	7,495	4,971
Real estate	12,852	12,514	9,659
Common collective trust funds			
Fixed income	85,663	12,286	13,471
Equity fund	115,634	134,951	114,738
Mutual funds			
Equity fund	8,926	250	19,291
Debt instruments			
Corporate	40,238	47,373	50,265
Government	53,649	62,045	61,212
Others	6,388	10,519	9,030
Equity securities			
Quoted	3,237	87,302	54,206
Unquoted	–	426	441
Others	16,372	18,389	17,152
Total investments	346,581	393,550	354,436
Add: Residual fair value of plan assets to be transferred	–	–	40,454
Fair value of plan assets	346,581	393,550	394,890

22. Employee benefits (cont'd)

In accordance with the Purchase Agreement with the seller (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 2016 wherein the results of these valuations form the basis of the fair value of the funded obligations and plan assets as at 30 April 2016.

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

	<------------- DMFI ------------>			<------------- DMPI ------------>		
	30 April 2016	**30 April 2015**	**30 April 2014**	**30 April 2016**	**30 April 2015**	**30 April 2014**
Discount rate (per annum)	4.10% - 4.35%	4.50% - 4.75%	4.60% - 4.75%	5.23%	5.18%	5.27%
Future salary increases (per annum)	3.00% - 4.00%	3.00% - 4.00%	3.63% - 4.00%	6.80%	6.00%	6.00%
Current health care cost trend rate	7.60%/7.90%	7.80%/8.30 %	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 postretirement benefits.

22. Employee benefits (cont'd)

The discount rate used to determine the defined benefit plans and for the postretirement 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 postretirement 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 2016 and 2015, the weighted average duration of DMPI's defined benefit retirement obligation is 19.30 years and 18.26 years, respectively.

The projected future benefit payments for the DMPI plan are as follows:

	Normal Retirement	Other than Normal Retirement	Total
Less than one year	2,835	1,948	4,783
More than one year to five years	10,471	9,717	20,188
More than five years	89,146	79,345	168,761

The weighted average duration of DMFI's defined benefit retirement obligation for each year are as follows.

	Duration (years)		
	30 April 2016	30 April 2015	1 May 2014
Qualified retirement plan	9.8	9.0	8.3
Post-retirement benefits plan	12.3	14.0	12.6
Executive retirement plans	7.3 - 9.6	7.9 - 9.0	4.9 – 6.7

The projected future benefit payments for the DMFI plan are as follows:

	Normal Retirement	Other than Normal Retirement	Total
Less than one year	28,290	2,449	30,739
More than one year to five years	113,038	10,644	123,682
More than five years	130,627	13,445	144,072

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 2016	Target Allocation Range
Equity securities	37%	31-51%
Debt securities	54%	42-64%
Other	9%	2-19%
Total	100%	

22. Employee benefits (cont'd)

	30 April 2015	Target Allocation Range
Equity securities	43%	31-51%
Debt securities	52%	42-64%
Other	5%	2-19%
Total	100%	

	1 May 2014	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---------------------------->					
	2016		**2015**		**2014**	
	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)	($16,802)	$18,411	($16,070)	$17,498	($13,672)	$14,781
Future salary increases (per annum)	$1,610	($1,569)	$1,426	($1,381)	$1,289	($1,246)

22. Employee benefits (cont'd)

Defined benefit obligation	DMPI					
	2016		2015		2014	
	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)	(2,687)	2,967	(2,478)	2,892	(2,484)	2,871
Future salary increases (per annum)	1,371	(1,340)	2,663	(2,321)	2,579	(2,269)

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 2016 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

	2016		2015		2014	
	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)	4,278	(3,525)	12,441	(10,128)	$10,359	($8,560)

Accumulated Postretirement Benefit Obligation

The Accumulated Postretirement Benefit Obligation is computed in accordance with IAS 19 Employee Benefits. This quantity is the actuarial present value of all benefits attributed under the Cost Method to service rendered prior to a particular date. Prior to an employee's full eligibility date, the accumulated postretirement benefit obligation as of a particular date for an employee is the portion of the expected postretirement benefit obligation attributed to that employee's service rendered to that date; on and after the full eligibility date, the accumulated and expected postretirement benefit obligations for an employee are the same.

Source of estimation uncertainty

Accumulated postretirement 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 postretirement 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 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 2016 was US$3.8 million (30 April 2015: US$3.7 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. Remeasurements on retirement reserve related to certain of these plans are recognised as other comprehensive income.

23. Environmental remediation liabilities

		Group		
	Note	**30 April 2016 US$'000**	**30 April 2015 US$'000**	**1 May 2014 US$'000**
At beginning of the year/period		4,580	4,241	–
Assumed through business combination	5	–	–	4,236
Provision made during the period	6	1,815	339	5
Provisions used during the period		(82)	–	–
At end of the year/period		6,313	4,580	4,241

Provision for environmental remediation relates to legal or constructive obligation of a subsidiary to make good and restore plant sites.

24. Trade and other payables

	Note	Group 30 April 2016 US$'000	Group 30 April 2015 US$'000	Group 1 May 2014 US$'000	Company 30 April 2016 US$'000	Company 30 April 2015 US$'000	Company 1 May 2014 US$'000
Trade payables		167,197	191,085	126,948	–	–	–
Accrued operating expenses							
Advertising		23,405	16,566	33,191			
Professional fees		7,620	9,072	6,232	4,587	4,388	4,941
Taxes and insurance		6,146	1,213	505	–	–	–
Miscellaneous		44,438	70,578	53,749	–	–	–
Derivative liabilities	21	15,218	1,003	–	–	–	–
Accrued payroll expenses		6,875	38,122	3,178	3,359	–	–
Advances from customers		2,465	3,189	2,513	–	–	–
Withheld from employees (taxes and social security cost)		1,527	6,214	7,300	–	–	–
Other payables		6,152	2,012	3,551	351	226	–
Amounts due to subsidiaries (non-trade)		–	–	–	108,001	159,171	117,454
		281,043	339,054	237,167	116,298	163,785	122,395

The amounts due to subsidiaries are unsecured, interest-free and repayable on demand.

Accrued miscellaneous include interest, freight and warehousing and customs and other importation incidental costs.

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 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):

	Note	Group: Year ended 30 April 2016 US$'000	Group: Year ended 30 April 2015 US$'000	Group: Four months ended 30 April 2014 US$'000	Company: Year ended 30 April 2016 US$'000	Company: Year ended 30 April 2015 US$'000	Company: Four months ended 30 April 2014 US$'000
Allowance for inventory obsolescence	13	2,926	5,992	2,650	–	–	–
Impairment of (reversal of allowance for) trade and nontrade receivables	14	(1,355)	(4,733)	1,934	–	–	–
Amortisation of intangible assets	9	9,327	7,560	1,434	–	–	–
Audit fees							
- paid to the auditors of the Company*		339	322	246	339	302	246
- paid to other auditors		2,374	2,658	200	354	37	–
Changes in fair value of agricultural produce harvested and sold		22,060	15,456	3,161	–	–	–
Depreciation of property, plant and equipment	6	64,823	60,671	13,803	–	–	–
Loss on deconsolidation of a subsidiary	7	–	5,186	–	–	–	–
Loss on disposal of property, plant and equipment		1,052	1,278	41	–	–	–
Impairment loss (reversal of impairment) on property, plant and equipment	6	4,928	(508)	(172)	–	–	–
Inventories recognised as cost of sales	13	1,316,517	1,267,927	199,089	–	–	–
Professional expenses related to the Acquisition							
- paid to the auditors of the Company		–	–	546		–	–
Non-audit fees							
- paid to the auditors of the Company*		–	222	–	–	218	–
- paid to other auditors		579	590	8	99	–	–
Operating lease rentals	36	52,141	52,444	10,310	–	–	–
Impairment loss on noncurrent assets held for sale	17	1,659	–	–	–	–	–
Research and development expenses		12,615	13,077	2,886	–	–	–
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	33,400	–	–	–

**excludes professional expenses related to the Acquisition of Consumer Food Business*

26. Profit (loss) before taxation (cont'd)

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

	Note	Group: Year ended 30 April 2016 US$'000	Group: Year ended 30 April 2015 US$'000	Group: Four months ended 30 April 2014 US$'000	Company: Year ended 30 April 2016 US$'000	Company: Year ended 30 April 2015 US$'000	Company: Four months ended 30 April 2014 US$'000
Staff costs							
Pension costs – defined benefit pension plan**		(23,392)	14,924	3,095	–	–	–
Pension costs – provident fund		5,131	5,114	404	–	–	–
Social security costs		20,471	16,853	2,231	–	–	–
Equity-settled share-based payment transactions	32	713	144	48	161	144	48
Wages and salaries		375,982	364,079	45,365	8,768	3,076	815

***includes effect of post-retirement medical plan amendment and enhanced early retirement program*

Other expenses not included above are advertising and marketing costs, freight, warehousing costs and others.

27. Net finance expense

	Note	Group: Year ended 30 April 2016 US$'000	Group: Year ended 30 April 2015 US$'000	Group: Four months ended 30 April 2014 US$'000	Company: Year ended 30 April 2016 US$'000	Company: Year ended 30 April 2015 US$'000	Company: Four months ended 30 April 2014 US$'000
Finance income							
Interest income from bank deposits		365	400	112	2	4	21
Foreign exchange gain		1,866	–	279	–	4	–
		2,231	400	391	2	8	21
Finance expense							
Interest expenses on bank loans		(89,843)	(84,347)	(16,284)	(19,809)	(21,518)	(4,878)
Amortisation of debt issue cost, discount	20	(8,775)	(10,310)	(1,946)	(1,884)	(3,776)	(696)
Foreign exchange loss		(963)	(5,204)	(17)	(10)	–	–
		(99,581)	(99,861)	(18,247)	(21,703)	(25,294)	(5,574)
Net finance expense		(97,350)	(99,461)	(17,856)	(21,701)	(25,286)	(5,553)

28. Tax expense (credit) - net

	Note	Group Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000 (As restated*)	Four months ended 30 April 2014 US$'000 (As restated*)
Current tax expense				
- current year		12,729	7,189	820
Deferred tax credit				
- origination and reversal of temporary differences	10	(4,590)	(25,106)	(25,202)
		8,139	(17,917)	(24,382)
Reconciliation of effective tax rate				
Profit (loss) before taxation		62,671	(66,912)	(74,229)
Taxation on profit at weighted average of the applicable tax rates		18,600	(23,452)	(25,025)
Non-deductible expenses		(10,461)	5,535	643
		8,139	(17,917)	(24,382)

** see Note 3.6*

	Group Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000
Applicable tax rates			
- Philippines (non-PEZA)	30%	30%	30%
- Philippines (PEZA)*	5%	5%	5%
- India	31%	31%	31%
- Singapore	17%	17%	17%
- United States of America	38%	38%	38%
- Mexico	30%	30%	30%
- Venezuela	#	#	34%

* based on gross profit for the year/period
\# not applicable

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% (2015 and 2014: 5%) tax on gross profit in lieu of the statutory 30% (2015 and 2014: 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 2017.

28. Tax expense (credit) – net (cont'd)

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.

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/period.

	Group		
	Year ended 30 April 2016	**Year ended 30 April 2015 (As restated*)**	**Four months ended 30 April 2014 (As restated*)**
Profit (loss) attributable to owners of the Company (US$'000)	51,534	(43,183)	(44,774)
Weighted average number of ordinary shares ('000):			
Issued ordinary shares at 1 May/1 January	1,944,035	1,297,500	1,297,500
Effect of own shares held	(426)	(900)	(900)
Effects of shares issued	–	94,211	–
Weighted average number of ordinary shares during the year/period	1,943,609	1,390,811	1,296,600
Basic earnings (loss) per share (in US cents)	2.65	(3.10)	(3.45)

* *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 2016	Year ended 30 April 2015 (As restated*)	Four months ended 30 April 2014 (As restated*)
Profit/(Loss) attributable to owners of the Company (US$'000)	51,534	(43,183)	(44,774)
Diluted weighted average number of shares ('000):			
Weighted average number of ordinary shares at end of year/period (basic)	1,943,609	1,390,811	1,296,600
Potential ordinary shares issuable under share options	736	–	–
Weighted average number of ordinary shares issued (diluted)	1,944,345	1,390,811	1,296,600
Diluted earnings (loss) per share (in US cents)	2.65	(3.10)	(3.45)

** 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 2015 and four months ended 30 April 2014 because their effect would decrease the loss per share and have an anti-dilutive effect.

30. Operating segments

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; 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 2016 US$'000	Year ended 30 April 2015 US$'000 (As restated*)	Four months ended 30 April 2014 US$'000 (As restated*)	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000 (As restated*)	Four months ended 30 April 2014 US$'000 (As restated*)	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000 (As restated*)	Four months ended 30 April 2014 US$'000 (As restated*)	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000 (As restated*)	Four months ended 30 April 2014 US$'000 (As restated*)
Revenue												
Packaged/processed fruit and vegetable	1,446,602	1,326,855	225,135	116,100	109,374	16,610	19,039	23,489	6,944	1,581,741	1,459,718	248,689
Beverage	28,691	27,512	6,423	132,268	124,215	25,614	14,755	10,173	3,176	175,714	161,900	35,213
Culinary	294,486	310,852	53,033	122,063	117,984	16,115	–	–	–	416,549	428,836	69,148
Fresh fruit and others	90	52,266	11,952	93,743	83,969	21,126	–	–	–	93,833	136,235	33,078
Total	**1,769,869**	**1,717,485**	**296,543**	**464,174**	**435,542**	**79,465**	**33,794**	**33,662**	**10,120**	**2,267,837**	**2,186,689**	**386,128**
Gross profit												
Packaged/processed fruit and vegetable	268,307	206,744	13,033	31,444	28,225	1,656	5,510	3,570	651	305,261	238,539	15,340
Beverage	4,033	1,159	8	39,188	35,021	3,887	6,022	870	(76)	49,243	37,050	3,819
Culinary	56,409	51,990	4,189	46,212	45,643	4,780	–	–	–	102,621	97,633	8,969
Fresh fruit and others	12	12,987	3,676	24,715	21,949	6,033	–	–	–	24,727	34,936	9,709
Total	**328,761**	**272,880**	**20,906**	**141,559**	**130,838**	**16,356**	**11,532**	**4,440**	**575**	**481,852**	**408,158**	**37,837**
Share of loss in investments in joint ventures, net of tax												
Packaged/processed fruit and vegetable	–	–	–	(523)	(746)	(150)	–	–	–	(523)	(746)	(150)
Beverage	–	–	–	(123)	(156)	(115)	–	–	–	(123)	(156)	(115)
Culinary	–	–	–	(1,001)	(1,367)	(623)	–	–	–	(1,001)	(1,367)	(623)
Fresh fruit and others	–	–	–	(70)	(184)	(266)	–	–	–	(70)	(184)	(266)
Total	–	–	–	**(1,717)**	**(2,453)**	**(1,154)**	–	–	–	**(1,717)**	**(2,453)**	**(1,154)**

* *see Note 3.6*

30. Operating segments (cont'd)

Information about reportable segments

	<------------------Americas------------------>			<------------------Asia Pacific--------------->			<--------------------Europe ------------------>			<------------------Total------------------>		
	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000 (As restated*)	Four months ended 30 April 2014 US$'000 (As restated*)	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000 (As restated*)	Four months ended 30 April 2014 US$'000 (As restated*)	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000 (As restated*)	Four months ended 30 April 2014 US$'000 (As restated*)	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000 (As restated*)	Four months ended 30 April 2014 US$'000 (As restated*)
Profit (loss) before taxation												
Packaged/processed fruit and vegetable	9,501	(69,383)	(33,640)	10,828	8,737	(5,095)	3,020	9	(1,259)	23,349	(60,637)	(39,994)
Beverage	(1,795)	(4,757)	(1,935)	11,577	10,103	(5,322)	4,347	(635)	(914)	14,129	4,711	(8,171)
Culinary	2,233	(26,256)	(8,422)	19,171	20,345	(6,192)	–	–	–	21,404	(5,911)	(14,614)
Fresh fruit and others	(5,440)	(8,803)	259	9,229	6,736	481	–	–	–	3,789	(2,067)	740
Total	**4,499**	**(109,199)**	**(43,738)**	**50,805**	**45,921**	**(16,128)**	**7,367**	**(626)**	**(2,173)**	**62,671**	**(63,904)**	**(62,039)**
Other Material Non-Cash Items												
Depreciation and amortisation	56,971	40,588	9,245	17,179	18,395	5,992	–	–	–	74,150	58,983	15,237
Capital expenditure	42,823	57,334	9,640	17,486	17,845	8,340	–	–	–	60,309	75,179	17,980
Segment assets	2,243,508	2,137,740	2,066,014	432,429	452,487	419,015	18,687	31,902	38,464	2,694,624	2,622,129	2,523,493
Segment liabilities	1,556,300	1,520,878	1,392,325	750,369	765,527	868,939	22,743	11,549	14,887	2,329,412	2,297,954	2,276,151

** 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 2016 US$'000	**Year ended 30 April 2015 US$'000**	**Four months ended 30 April 2014 US$'000**
		(As restated*)	**(As restated*)**
Profit (loss) before taxation per operating segment	62,671	(63,904)	(62,039)
Unallocated amounts:			
- acquisition related costs	–	(3,008)	(11,030)
- settlement of pre-existing relationship	–	–	(1,160)
Profit (loss) before taxation as reported	62,671	(66,912)	(74,229)

** see Note 3.6*

Major customer

Revenues from a major customer of the Americas segment for the year ended 30 April 2016 amounted to approximately US$585.0 million or 26% (year ended 30 April 2015: US$496.7 million or 23%, four months ended 30 April 2014: US$56.5 million or 15%) of the Group's total revenue. The customer accounted for approximately 16% of trade and other receivables at 30 April 2016 (30 April 2015: 15%, 1 May 2014: 14%).

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 16 production facilities (30 April 2015: 17 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 ESOP of the Company was approved and amended by its members at general meetings held on 30 July 1999 and 21 February 2002 respectively. No further options could be granted pursuant to the ESOP as it had expired on 24 July 2009. Those options granted by the Company prior to 24 July 2009 are valid for a period of 10 years from the date of the grant of options.

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

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, 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 ESOP and the share plans.

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

ESOP

Date of grant of options	Exercise period	Exercise price	Options outstanding		
		S$	30 April 2016	30 April 2015	30 April 2014
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	–	–
			975,765	900,000	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

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 was adopted by the Board of Directors of DMFHI effective 24 September 2014. The 2014 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 plan.

During 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 Plan are subject to service-based and performance-based vesting and vest annually over seven years and have a term of 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
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:

	2016		2015	
	Number of options	**Weighted-average exercise price**	**Number of options**	**Weighted-average exercise price**
Outstanding at beginning of year	6,735,000	5.00	–	–
Cancelled	(6,735,000)	5.00	–	–
Granted	7,405,000	5.39	7,065,000	5.00
Forfeited	(785,000)	5.39	(330,000)	5.00
Exercised	–	–	–	–
Outstanding at end of year	6,620,000	5.39	6,735,000	5.00
Exercisable at end of year	–	–	–	–

The expense recognised in profit or loss for equity-settled share based payments amounted to US$0.7 million in the current year and was 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
- market risk
- foreign exchange risk
- commodity price risk

Risk management framework

The Board of Directors 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 loans and receivables, excluding cash on hand, by geographic region was:

			Group	
	Note	**30 April 2016 US$'000**	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Americas		133,729	124,739	121,335
Europe		8,558	10,210	6,469
Asia Pacific		80,398	85,024	59,415
	14,16	222,685	219,973	187,219

At 30 April 2016, the Group's most significant customer accounted for 16% of the trade and other receivables carrying amount (30 April 2015: 15%, 1 May 2014: 14%).

33. Financial risk management (cont'd)

Credit risk (cont'd)

Impairment losses

The ageing of loans and receivables excluding cash on hand that were not impaired at the reporting date was:

Group	Note	30 April 2016 US$'000	30 April 2015 US$'000	1 May 2014 US$'000
Not past due		164,476	167,629	151,761
Past due 0 - 60 days		36,681	31,854	27,798
Past due 61 - 90 days		4,624	4,197	1,543
Past due 91 - 120 days		3,810	7,342	323
More than 120 days		13,094	8,951	5,794
	14,16	222,685	219,973	187,219

As at 30 April 2016 and 2015 and 1 May 2014, the Company's loans and receivables were all not past due.

The table below shows the credit quality of the Group's financial assets based on their historical experience with the corresponding third parties:

		30 April 2016			
	Note	Grade A	Grade B	Grade C	Total
		US$'000	US$'000	US$'000	US$'000
Cash in banks	16	47,153	–	–	47,153
Trade and other receivables	14	–	175,532	6,094	181,626
		47,153	175,532	6,094	228,779

		30 April 2015			
	Note	Grade A	Grade B	Grade C	Total
		US$'000	US$'000	US$'000	US$'000
Cash in banks and cash equivalents	16	35,571	–	–	35,571
Trade and other receivables	14	–	184,402	8,783	193,185
		35,571	184,402	8,783	228,756

		1 May 2014			
	Note	Grade A	Grade B	Grade C	Total
		US$'000	US$'000	US$'000	US$'000
Cash in banks	16	28,351	–	–	28,351
Trade and other receivables	14	–	158,868	13,652	172,520
		28,351	158,868	13,652	200,871

As at 30 April 2016, 30 April 2015 and 1 May 2014, the Company's cash in banks and trade and other receivables 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, while receivables which are collected on their due dates provided that the Group made a persistent effort to collect them are included under Grade C receivables.

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.

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 2016 %	30 April 2015 %	1 May 2014 %
Group			
United States of America	63	2	66
Philippines	11	70	21
Hong Kong	25	26	13
Singapore	1	2	–
Company			
United States of America	–	–	4
Philippines	78	20	88
Hong Kong	22	80	8

Apart from the information stated above, the Group and Company have no significant concentration of credit risk with any single counterparty or group counterparties.

33. Financial risk management (cont'd)

Credit risk (cont'd)

Derivatives

The derivatives are entered into with banks and financial institutions which are regulated.

Interest rate risk

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 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**	**30 April 2016 US$'000**	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Fixed rate instruments						
Loans and borrowings	565,960	789,960	910,964	129,234	102,630	602,492
Variable rate instruments						
Loans and borrowings	1,277,822	928,527	943,000	348,630	348,250	–
Interest rate swaps	35,115	20,090	4,368	–	–	–
	1,312,937	948,617	947,368	348,630	348,250	–

33. Financial risk management (cont'd)

Interest rate risk (cont'd)

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 and equity would have been affected as follows:

	Profit/loss before tax in the next 12 months		Equity	
	100 bp increase US$'000	100 bp decrease US$'000	100 bp increase US$'000	100 bp decrease US$'000
Group				
30 April 2016				
Variable rate instruments	(5,681)	5,681	–	–
Interest rate swaps	–	–	(15,806)	6,606
Cash flow sensitivity (net)	(5,681)	5,681	(15,806)	6,606
30 April 2015				
Variable rate instruments	(9,611)	9,611	–	–
Interest rate swaps	–	–	(15,432)	12,181
Cash flow sensitivity (net)	(9,611)	9,611	(15,432)	12,181
30 April 2014				
Variable rate instruments	(9,812)	9,812	–	–
Interest rate swaps	–	–	(18,915)	19,937
Cash flow sensitivity (net)	(9,812)	9,812	(18,915)	19,937

As at 30 April 2016, 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.

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$991.0 million (30 April 2015: US$928.0 million, 1 May 2014: US$1,043.0 million) in credit lines, of which 29% (30 April 2015: 22%, 1 May 2014: 22%) remain available. The lines are mostly for short term financing requirements, with US$194.0 million (30 April 2015: US$11.0 million, 1 May 2014: 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.

33. Financial risk management (cont'd)

Liquidity risk (cont'd)

The Group is able to increase the commitments under the ABL Facility, subject only to the consent of the new or existing lenders providing such increases, such that the aggregate principal amount of commitments does not exceed US$450.0 million. The lenders under this facility are under no obligation to provide any such additional commitments, and any increase in commitments will be subject to customary conditions precedent. Notwithstanding any such increase in the facility size, the Group's ability to borrow under the facility will remain limited at all times by the borrowing base (to the extent the borrowing base is less than the commitments).

The Group has the right to request an additional US$100.0 million plus an additional amount of secured indebtedness under the First Lien Term Loan and the Second Lien Term Loan. Lenders under this facility are under no obligation to provide any such additional loans, and any such borrowings will be subject to customary conditions precedent, including satisfaction of a prescribed leverage ratio, subject to the identification of willing lenders and other customary conditions precedent.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

Group	Note	Carrying amount US$'000	Contractual cash flows US$'000	Less than 1 year US$'000	1-5 years US$'000	More than 5 years US$'000
30 April 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	–
Trade and other payables*		263,354	263,354	263,354	–	–
		2,107,136	2,459,968	1,078,799	1,381,169	–

**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
1 May 2014						
Derivative financial liabilities						
Interest rate swaps used for hedging, net-settled	21	4,368	8,460	–	9,994	(1,534)
Non-derivative financial liabilities						
Unsecured bank loans						
- Short-term		807,271	811,522	811,522	–	–
- Long-term		11,225	11,297	72	11,225	–
Secured bank loans						
- Short-term		112,308	117,875	117,875	–	–
- Long-term		923,160	1,361,181	51,418	327,125	982,638
Other noncurrent liabilities						
- Other payables		3,157	3,157	–	3,157	–
Trade and other payables*		234,654	234,654	234,654	–	–
		2,091,775	2,539,686	1,215,541	341,507	982,638

**excludes derivative liabilities and advances from customers*

33. Financial risk management (cont'd)

Liquidity risk (cont'd)

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 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	–
1 May 2014					
Non-derivative financial liabilities					
Unsecured short-term bridging loan	602,491	609,949	609,949	–	–
Trade and other payables	122,395	122,395	122,395	–	–
	724,886	732,344	732,344	–	–

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.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and commodity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

33. Financial risk management (cont'd)

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.

At the reporting date, the Group's exposure to foreign currencies is as follows:

	US Dollar US$'000	Mexican Peso US$'000	Venezuela Bolivar US$'000
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)	–
1 May 2014			
Trade and other receivables	72,632	460	11,983
Cash and cash equivalents	1,652	872	2,154
Other non-current assets	2,136	(3,988)	(1,400)
Loans and borrowings	(72,600)	–	–
Trade and other payables	(3,810)	–	(11,337)
	10	(2,656)	1,400

The Company has no significant exposure to foreign currencies as at 30 April 2016 and 2015, and 1 May 2014.

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		Venezuelan Bolivar	
	Profit (loss) before taxation US$'000	Equity US$'000	Profit (loss) before taxation US$'000	Equity US$'000	Profit (loss) before taxation US$'000	Equity US$'000
30 April 2016						
10% strengthening	6,101	–	(123)	2,222	–	–
10% weakening	(6,101)	–	123	(2,222)	–	–
30 April 2015						
10% strengthening	(4,419)	–	(332)	1,933	–	–
10% weakening	4,419	–	332	(931)	–	–
30 April 2014						
10% strengthening	(1)	–	(266)	–	140	–
10% weakening	1	–	266	–	(140)	–

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 2016		
10% increase in commodity price	(281)	(494)
10% decrease in commodity price	281	494

At 30 April 2015 and 1 May 2014, there were no outstanding commodity contracts.

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 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	263,354	278,572	278,572
Derivative liabilities	21	–	21,527	–	21,527	21,527
		–	36,745	2,107,136	2,143,881	2,122,967

**excludes advances from customers*

34. Accounting classification and fair values

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 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
1 May 2014						
Cash and cash equivalents	16	28,401	–	–	28,401	28,401
Trade and other receivables	14	158,868	–	–	158,868	158,868
		187,269	–	–	187,269	187,269
Loans and borrowings	20	–	–	1,853,964	1,853,964	1,853,964
Trade and other payables*	24	–	–	234,654	234,654	234,654
Derivative liabilities	21	–	4,368	–	4,368	4,368
		–	4,368	2,088,618	2,092,986	2,092,986

**excludes advances from customers*

34. Accounting classification and fair values (cont'd)

Fair values versus carrying amounts (cont'd)

	Note	Loans and receivables US$'000	Derivatives US$'000	Other financial liabilities US$'000	Total carrying amount US$'000	Fair value US$'000
Company						
30 April 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
30 April 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
1 May 2014						
Cash and cash equivalents	16	232	–	–	232	232
Trade and other receivables	14	104,512	–	–	104,512	104,512
		104,744	–	–	104,744	104,744
Loans and borrowings	20	–	–	602,491	602,491	605,000
Trade and other payables	24	–	–	122,395	122,395	122,395
		–	–	724,886	724,886	727,395

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 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	12	–	–	98,412	98,412
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

		30 April 2015			
	Note	**Level 1**	**Level 2**	**Level 3**	**Totals**
Financial assets					
Derivative assets	15	–	818	–	818
Non-financial assets					
Fair value of agricultural produce harvested	12	–	–	94,600	94,600
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

35. Determination of fair values (cont'd)

Fair value hierarchy (cont'd)

		1 May 2014			
	Note	**Level 1**	**Level 2**	**Level 3**	**Totals**
Non-financial assets					
Fair value of agricultural produce harvested	12	–	–	21,800	21,800
Freehold land	6	–	–	57,608	57,608
Financial liabilities					
Derivative liabilities	21	–	4,368	–	4,368

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.
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.

Non-financial assets

The valuation techniques used for measuring the fair value of material assets acquired in both Sager Creek acquisition and DMFI were as follows:

Assets	Valuation technique
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.
Trademarks	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.
Customer relationship	Multi-Period Excess Earnings Method: Multi-Period Excess Earnings Method considers the present value of the incremental after-tax cash flows specific to the intangible asset after deducting contributory asset charges.
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.

35. Determination of fair values (cont'd)

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 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.
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.
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 inputs are estimated future pineapple gross margin per ton specific for fresh products, estimated pineapple yield per hectare, estimated pineapple fruit recovery.
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 inputs are estimated future pineapple gross margin per ton specific for processed products, estimated pineapple yield per hectare, estimated pineapple fruit recovery.

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 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Within one year	51,299	47,790	48,754
Between one to five years	134,973	115,888	129,363
More than five years	55,077	51,341	54,301
	241,349	215,019	232,418

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 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Within one year	387,548	542,227	387,605
After one year but within five years	284,728	296,530	199,691
After five years	340,724	339,052	77,033
	1,013,000	1,177,809	664,329

36. Commitments (cont'd)

Future capital expenditure

	Group		
	30 April 2016 US$'000	**30 April 2015 US$'000**	**1 May 2014 US$'000**
Capital expenditure not provided for in the financial statements			
- approved by Directors and contracted for	15,266	53,478	7,440
- approved by Directors but not contracted for	65,950	29,249	121,560
	81,216	82,727	129,000

The Group is also committed to incur capital expenditure of US$1.8 million (30 April 2015: US$2.0 million, 1 May 2014: US$0.9 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 2016, a subsidiary, DMPL India Limited has a contingent liability amounting to US$6.8 million (30 April 2015: US$8.9 million, 1 May 2014: US$9.9 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. In connection with the acquisition of the Consumer Food Business, the Group assumed the legal matters described below from the Seller.

Kosta Misbranding Class Action

On 5 April 2012, Plaintiff (Kosta) filed a complaint against Seller 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 Seller made a variety of false and misleading labeling and advertising claims including, but not limited to lycopene and antioxidant claims for tomato products and claims that Seller misled consumers with respect to its refrigerated fruit products. The complaint sought certification as a class action. On 30 July 2015 the Court denied Plaintiff's motion for class certification. Plaintiff has appealed this ruling to the U.S. Ninth Circuit Court of Appeal. 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.

37. Contingencies (cont'd)

Fresh Del Monte Produce Inc. vs. Seller

On 19 December 2013, Fresh Del Monte Produce Inc. ("FDP") filed a complaint against Seller in the U.S. District Court for the Southern District of New York for breach of a 1989 License Agreement ("License"). FDP asserts that Seller committed a breach by denying FDP's requests for additional rights under the License. DMFI denies these claims and counterclaimed for breach of contract, trademark infringement, and unfair competition on 31 March 2014. Among other things, DMFI asserts that FDP committed a breach and trademark infringement by marketing under the Del Monte trademark pasteurised juice products, processed avocado and guacamole products, and combination products that combine fresh and non-fresh ingredients. Both parties seek declaratory, monetary, and injunctive relief from the other. Discovery is proceeding in the cases, and no trial date has been set. The Group cannot at this time reasonably estimate a range of exposure, if any, of the potential liability.

In a separate matter, DMFI initiated an arbitration action against an affiliate of FDP for breach of another license agreement by using the Del Monte brand on cafes and a delivery service in the Middle East. The arbitration panel issued its ruling in July 2016, finding that the FDP affiliate's activities are permitted under the license agreement but that the affiliate breached the terms of the license agreement in the manner in which it used the Del Monte trademarks. The arbitration panel is expected to rule on the appropriate cure for these breaches in Summer 2016.

Resolved Dispute with Smucker's

On 18 February 2014, DMFI consummated the acquisition of the Consumer Food Business of Smucker's. The purchase price to be paid by DMFI at closing was adjusted upward in the amount of US$111.0 million (the "Closing Adjustment Amount") based on the difference between the target working capital agreed by the parties in the Purchase Agreement and Smucker's' good faith estimate of working capital on the day immediately preceding the closing date. Based on Smucker's' calculation of closing working capital, Smucker's seeks an additional upward adjustment to the purchase price in the amount of US$16.3 million, together with interest accrued from the closing date through the date of payment.

On 18 June 2014, DMFI served its Notice of Disagreement asserting that Smucker's' statement setting forth its calculation of closing working capital is in breach of several provisions of the Purchase Agreement and that Smucker's is not entitled to any adjustment of the purchase price on account of working capital, including the US$16.3 million it now seeks, and the Closing Adjustment Amount must be returned.

In March 2015, the parties have submitted this dispute to an independent certified public accounting firm for resolution pursuant to the Purchase Agreement. An initial ruling on the closing working capital calculation was issued in July 2015. The parties continued discussions and on 25 April 2016, have entered into a settlement agreement, under which Smucker's paid/refunded to DMFI US$38.0 million in full satisfaction of the post-closing working capital amount adjustment under the Purchase Agreement. The resulting settlement gain was recognised in "Other income (expenses) - net" account in the consolidated income statement for the year ended 30 April 2016 (Note 26).

37. Contingencies (cont'd)

Other legal cases

FDP vs. DMPL

On September 29, 2015, FDP filed an action against DMPL with the New York Supreme Court. FDP alleged that DMPL failed to comply with its contractual obligation to use commercially reasonable efforts to curb supply of parallel imports of Del Monte branded products into FDP's territories. Among other things, FDP claims that DMPL violated the settlement agreements by refusing to sell adequate products to FDP to curb parallel imports. DMPL believes that it has complied with its contractual obligations. DMPL cannot at this time reasonably estimate a range of exposure, if any, of the potential liability. The case is in discovery stage during which documents are produced and depositions of witnesses are taken.

Four (4) Labour disputes versus DMPI (Mindanao)

Amount of contention is immaterial. For filing of position papers and appeals to the proper courts.

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.

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.

38. Related parties (cont'd)

Other than those disclosed elsewhere in the financial statements, there are no other significant transactions with related parties.

Group

Category/ Transaction	Year	Amount of the transaction US$'000	Outstanding balance - receivables/ (payables) US$'000	Terms	Conditions
Under Common Control					
▪ Shared IT services	**2016**	**215**	**79**	Due and demandable;	Unsecured;
	2015	419	-	non-interest bearing	no impairment
	2014	27	45		
▪ Sale of tomato paste	**2016**	**1,111**	**-**	Due and demandable;	Unsecured;
	2015	1,627	748	non-interest bearing	no impairment
	2014	641	641		
▪ Inventory count shortage	**2016**	**25**	**-**	Due and demandable;	Unsecured;
	2015	363	57	non-interest bearing	no impairment
	2014	-	-		
▪ Purchases	**2016**	**826**	**-**	Due and demandable;	Unsecured;
	2015	392	-	non-interest bearing	no impairment
	2014	43	-		
▪Tollpack fees	**2016**	**551**	**(63)**	Due and demandable;	Unsecured
	2015	472	-	non-interest bearing	
	2014	169	-		
Other Related Party					
▪Management fees from DMPI retirement fund	**2016**	**4**	**261**	Due and demandable;	Unsecured;
	2015	5	272	non-interest bearing	no impairment
	2014	2	277		
▪ Rental to DMPI Retirement	**2016**	**1,365**	**(3)**	Due and demandable;	Unsecured;
	2015	1,519	5	non-interest bearing	no impairment
	2014	169	(15)		
▪ Rental to NAI Retirement	**2016**	**529**	**(166)**	Due and demandable;	Unsecured
	2015	582	-	non-interest bearing	
	2014	-	-		
▪Rental to DMPI provident fund	**2016**	**5**	**-**	Due and demandable;	Unsecured;
	2015	-	-	non-interest bearing	no impairment
	2014	5	-		
▪Purchase of services to DMPI retirement	**2016**	**30**	**-**	Due and demandable;	Unsecured;
	2015	-	-	non-interest bearing	no impairment
	2014	8	-		
	2016	**4,661**	**108**		
	2015	5,379	1,082		
	2014	1,064	948		

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	**2016**	**90,000**	**183,619**	-	Due and	Unsecured;
	2015	-	99,240	-	demandable;	no
	2014	-	104,082	-	non-interest bearing	impairment
▪ Reimbursement of expenses	**2016**	**5,617**	**475**	**-**	Due and	Unsecured;
	2015	4,891	470	-	demandable;	no
	2014	6,412	431	-	non-interest bearing	impairment
▪ Cash advance	**2016**	**3,350**	**-**	**152,514**	Due and	Unsecured
	2015	40,903	-	155,864	demandable;	
	2014	75,357	-	114,961	non-interest bearing	
▪ Management fees payable to subsidiaries	**2016**	**697**	**-**	**487**	Due and	Unsecured
	2015	813	-	3,307	demandable;	
	2014	263	-	2,493	non-interest bearing	
Joint Venture						
▪ Cash advance	**2016**	**3**	**6,016**	**-**	Due and	Unsecured;
	2015	3,462	6,013	-	demandable; non-interest bearing	no impairment
▪ Investment	**2016**	**-**	**-**	**-**	Due and	Unsecured;
	2015	2,551	-	-	demandable; non-interest bearing	no impairment
	2016		**190,110**	**153,001**		
	2015		105,723	159,171		
	2014		104,513	117,454		

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.

38. Related parties (cont'd)

Key management personnel compensation

Key management personnel of the Group are those persons having authority and responsibility for planning, directing and controlling the activities of the Group. The Directors of the Company and key executive officers (excluding executive directors) are considered as key management personnel of the Group.

The key management personnel compensation is as follows:

	<---------------- Group ---------------->			<------------- Company ------------->		
	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000	Year ended 30 April 2016 US$'000	Year ended 30 April 2015 US$'000	Four months ended 30 April 2014 US$'000
Directors:						
Fees and remuneration	2,778	1,870	563	2,345	1,805	543
Key executive officers (excluding Directors):						
Short-term employee benefits	2,580	2,530	4,828	1,359	1,378	274
Post-employment benefits	129	78	460	–	–	–

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 2016 US$'000	30 April 2015 US$'000 (As restated*)	1 May 2014 US$'000 (As restated*)
DMPLFL			
Ownership interests held by non-controlling interests	10.57%	10.57%	10.57%
Revenue	1,778,002	1,708,937	293,439
Profit (loss)	29,374	(53,106)	(46,985)
Other comprehensive income	1,325	(26,519)	1,980
Total comprehensive income			
Attributable to non-controlling interests:			
- Profit (loss)	3,104	(5,612)	(4,966)
- Other comprehensive income	140	(2,803)	119
Total comprehensive income	3,244	(8,415)	(4,847)
Non-current assets	1,307,257	1,314,243	1,189,387
Current assets	901,776	807,622	856,366
Non-current liabilities	(1,155,181)	(1,108,700)	(1,062,906)
Current liabilities	(443,950)	(434,514)	(323,114)
Net assets	609,902	578,651	659,733
Net assets attributable to non-controlling interests	64,451	61,148	69,791
Cash flows provided by (used in) operating activities	(18,005)	192,394	71,821
Cash flows used in investing activities	(39,104)	(132,160)	(1,793,137)
Cash flows provided by (used in) financing activities, before dividends to non-controlling interests	57,646	(77,775)	1,738,601
Currency realignment	84	(521)	1,341
Net increase (decrease) in cash and cash equivalents	621	(18,062)	18,626

** see Note 3.6*

40. Subsequent events

On 29 June 2016, the Company declared a dividend of 1.33 US cents (US$0.0133) per share, representing a 50% payout of fiscal year 2016 net profit.

At the end of June 2016, the Group announced its intention to implement a cost-reduction program which includes the reduction of the Group's workforce by the end of calendar year 2016 to enable the Group to adapt to current market conditions. However, an estimate of the total cost at the completion of the restructuring cannot be made at this time.

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

INDEPENDENT AUDITORS' 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 year ended 30 April 2016 and have issued our report thereon dated 25 July 2016. Our audit was 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. 5321648, 4 January 2016, Makati City

25 July 2016

Del Monte Pacific Limited and Subsidiaries
Index to the Consolidated Financial Statements and Supplementary Schedules
30 April 2016

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II. Schedule of Effective Standards and Interpretations

III. Map of Relationships of the Companies within the Group

IV. Financial Ratios

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$'000	Value based on market quotations at 30 April 2016 US$'000	Income received and accrued US$'000
Cash	–	47,203	47,203	365
Trade and other receivables	–	175,532	175,532	–
Loans and other receivables	**–**	**222,735**	**222,735**	**365**

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	391	7,515	(7,541)	–	103	262	365
	391	7,515	(7,541)	–	103	262	365

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
Del Monte Philippines, Inc.	132,761	239,722	(182,650)	–	35,204	154,629	189,833
Central American Resources, Inc.	52,467	39,091	–	–	91,559	–	91,559
Dewey Sdn. Bhd.	35,750	14,687	–	–	50,437	–	50,437
Dewey Limited	5,908	(5,908)	–	–	–	–	–
Del Monte Pacific Resources Limited	99,262	39,376	–	–	138,638	–	138,638
GTL Limited	163,820	171,372	(165,278)	–	169,914	–	169,914
S&W Fine Foods International Limited	20,531	5,304	(9,732)	–	16,103	–	16,103
DMPL Management Services Pte Ltd.	8,547	1,019	(6,524)	–	3,042	–	3,042
Del Monte Pacific Limited	99,697	84,648	–	–	184,345	–	184,345
Del Monte Foods Incorporated	6,194	(5,898)	–	–	296	–	296
South Bukidnon Fresh Trading, Inc.	–	336	–	–	336	–	336
	624,937	583,749	(364,184)	–	689,874	154,629	844,503

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	394,000	–	–	14,043	–	–	–	408,043
Amortisable trademarks	48,303	–	–	(14,043)	(2,276)	–	–	31,984
Customer relationships	113,965	–	–	–	(7,051)	–	–	106,914
Total	**759,700**	–	–	–	(9,327)	–	–	**750,373**

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	350,000	350,000	–	90 days libor + 3.5 Margin	2017
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	63,990	63,990	–	63,990	3.5% for the first 60 days; 4.5% for the remaining term + 5% GRT	2020
Secured bank loans						
Secured First lien term loan	710,000	694,025	7,100	686,925	Higher of Libor +3.25% or 4.25%	2016-2021
Secured Second lien term Loan	260,000	260,000	–	260,000	Higher of Libor + 7.25% or 8.25%	2021
Long-term Debt	1,513,990	1,498,015	357,100	1,140,915		
Less: Unamortized debt issue cost	–	–	(4,563)	(24,493)		
			352,537	1,116,422		

Schedule F – Indebtedness to related parties

Description	Name of related party	Balance at beginning of period	Balance at end of period

Not Applicable

Schedule G – Guarantees of securities of other issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee

Not Applicable

Schedule H – Capital stock

						Number of shares held		
Description	**Number of shares authorised ’000**	**Number of shares issued ’000**	**Treasury shares ’000**	**Number of shares issued and outstanding ’000**	**Number of shares reserved for options ’000**	**Related party ’000**	**Directors and officers ’000**	**Others ’000**
Ordinary shares	3,000,000	1,944,936	1,722	1,943,214	1,722	1,303,257	18,852	621,105
Preference shares	600,000	–	–	–	–	–	–	–
	3,600,000	**1,944,936**	**1,722**	**1,943,214**	**1,722**	**1,303,257**	**18,852**	**621,105**

Del Monte Pacific Limited and Subsidiaries
II. SCHEDULE OF EFFECTIVE STANDARDS AND INTERPRETATIONS

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	✓		
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			✓
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓		
	Amendment to IFRS 5: Changes in Methods of Disposal	Not early adopted		
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	✓		

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
	Amendments to IFRS 7: Mandatory Effective Date of IFRS 9 and Transition Disclosures			✓
	Amendments to IFRS 7: Disclosures - Servicing Contracts	Not early adopted		
	Amendments to IFRS 7: Applicability of the Amendments to IFRS 7 to Condensed Interim Financial Statements	Not early adopted		
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	Not early adopted		
IFRS 11	Joint Arrangements	✓		
	Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations	Not early adopted		
IFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to IFRS 12: Investment Entities			✓
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	Not early adopted		
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	Not early adopted		
IAS 2	Inventories	✓		
IAS 7	Statement of Cash Flows	✓		
IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
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			✓
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	Not early adopted		
	Amendment to IAS 16: Agriculture - Bearer Plants	Not early adopted		
IAS 17	Leases	✓		
IAS 18	Revenue	✓		
IAS 19 (Revised)	Employee Benefits	✓		
	Amendments to IAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		
	Amendments to IAS 19: Defined Benefit Plans: Employee Contributions	✓		
	Amendments to IAS 19: Regional Market Issue Regarding Discount Rate	Not early adopted		
IAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
IAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation	✓		
IAS 23 (Revised)	Borrowing Costs	✓		
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	✓		

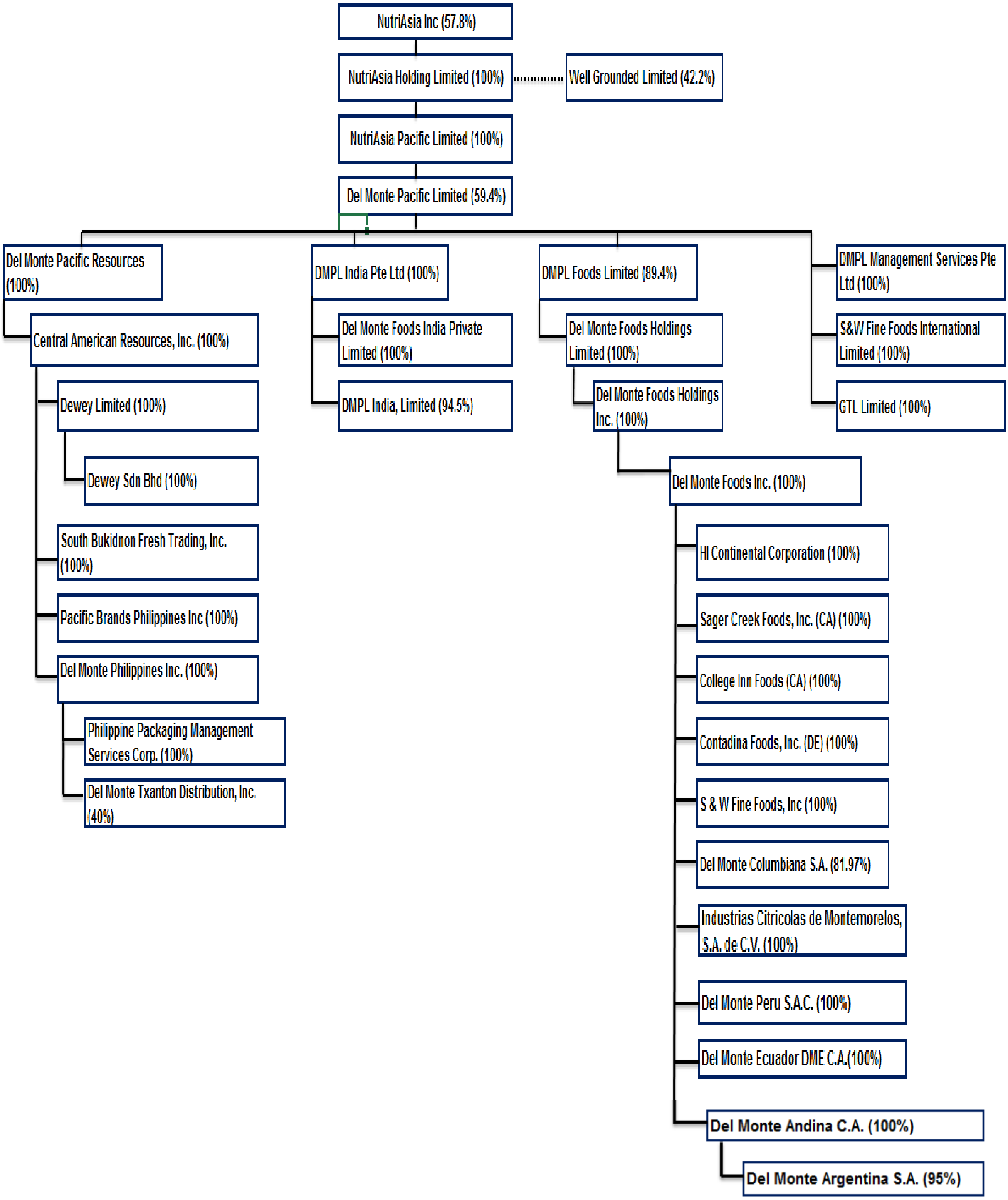
INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
IAS 28 (Amended)	Investments in Associates and Joint Ventures	✓		
	Amendments to IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Not early adopted		
	Amendments to IAS 28: Investment Entities: Applying Consolidation Exception	Not early adopted		
IAS 29	Financial Reporting in Hyperinflationary Economies			✓
IAS 31	Interests in Joint Ventures	✓		
IAS 32	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to IAS 32 and IAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendment to IAS 32: Classification of Rights Issues			✓
	Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
IAS 33	Earnings per Share	✓		
IAS 34	Interim Financial Reporting	✓		
	Amendments to IAS 34: Disclosure of Information ‘Elsewhere in the Interim Financial Report	Not early adopted		
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	✓		
	Amendments to IAS 38: Revaluation Method - Proportionate Restatement of Accumulated Amortization			✓
	Amendments to IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization	Not early adopted		
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			✓

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
IAS 41	Agriculture	✓		
	Amendments to IAS 41: Bearer Plants	Not early adopted		
International Financial Reporting and Interpretations Committee				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies			✓
IFRIC 8	*Scope of IFRS 2*			✓
IFRIC 9	Reassessment of Embedded Derivatives	✓		
	Amendments to IFRIC - 9 and IAS 39: Embedded Derivatives	✓		
IFRIC 10	*Interim Financial Reporting and Impairment*	✓		
IFRIC 11	IFRS 2 - Group and Treasury Share Transactions			✓
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to IFRIC- 14, Prepayments of a Minimum Funding Requirement			✓
IFRIC 15	Agreements for the Construction of Real Estate			✓
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓
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			✓

INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
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 2016.

III. Map of Relationships of the Companies within the Group



IV. Financial Ratios

Ratio	Formula	30 April 2016	30 April 2015	30 April 2014
(i) Liquidity Analysis Ratios:				
Current Ratio or Working Capital Ratio	Current Assets / Current Liabilities	1.1	1.3	1.0
Quick Ratio	(Current Assets - Inventories - Prepaid expenses and other current assets - Biological Assets – Noncurrent assets held for sale) / Current Liabilities	0.2	0.3	0.2
(ii) Solvency Ratio	Total Assets / Total Liabilities	1.2	1.1	1.1
Financial Leverage Ratios:				
Debt Ratio	Total Debt/Total Assets	0.9	0.9	0.9
Debt-to-Equity Ratio	Total Debt/Total Stockholders' Equity	6.4	7.1	9.2
(iii) Asset to Equity Ratio	Total Assets / Total Stockholders' Equity	7.4	8.1	10.2
(iv) Interest Coverage	Earnings Before Interest and Taxes (EBIT) / Interest Charges	1.6	0.3	-3.1
(v) Debt/EBITDA Ratios	Total Debt/ Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	9.9	26.6	-55.8
(vi) Profitability Ratios				
Gross Profit Margin	Revenue - Cost of Sales / Revenue	21.25%	18.67%	9.80%
Net Profit Margin attributable to owners of the company	Net Profit attributable to owners / Revenue	2.27%	-1.97%	-11.60%
Net Profit Margin	Net Profit / Revenue	2.40%	-2.24%	-12.91%
Return on Assets	Net Profit / Total Assets	2.02%	-1.87%	-1.98%
Return on Equity	Net Profit / Total Stockholders' Equity	14.93%	-15.11%	-20.15%

SECURITIES AND EXCHANGE COMMISSION

SEC FORM – ACGR

ANNUAL CORPORATE GOVERNANCE REPORT
(Consolidated Changes for CY2015 with Updates as of 31 July 2016)

1. Report is Filed for the Year **2016**

2. Exact Name of Registrant as Specified in its Charter **Del Monte Pacific Limited**

3. **Craigmuir Chambers, PO Box 71 Road Town, Tortola, British Virgin Islands**
   Address of Principal Office Postal Code

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

5. (SEC Use Only)
   Industry Classification Code

6. BIR Tax Identification Number **N/A**

7. **+65 6324 6822**
   Issuer's Telephone number, including area code

8. **N/A**
   Former name or former address, if changed from the last report

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A. BOARD MATTERS

1) Board of Directors

Number of Directors per Articles of Incorporation	7[1]
Actual Number of Directors for the Year	7

(a) Composition of the Board

Complete the table with information on the Board of Directors (as of 31 Jul 2016):

Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	If nominee, identify the principal	Nominator in the last election (if ID, state the relationship with the nominator)	Date First Appointed	Date Last Elected (if ID, state the number of years served as ID)[2]	Elected when (Annual /Special Meeting)	No. of Years Served as Director
Rolando C. Gapud	ED	N/A	Nominating Committee ("**NC**")	20 Jan 2006	15 Apr 2014	Annual	10
Joselito D. Campos, Jr.	ED	NutriAsia Pacific Ltd	NC	20 Jan 2006	28 Apr 2006	Annual	10
Edgardo M. Cruz, Jr.	ED	N/A	NC	02 May 2006	28 Aug 2015	Annual	10
Benedict Kwek Gim Song	LID (Lead Independent Director)	N/A	NC	30 Apr 2007	15 Apr 2014 (ID: 8)	Annual	9
Godfrey E. Scotchbrook	ID	N/A	NC	28 Dec 2000	28 Aug 2015 (ID: 15)	Annual	15
Dr. Emil Q. Javier	ID	N/A	NC	30 Apr 2007	30 Apr 2013 (ID: 8)	Annual	9
Yvonne Goh[3]	ID	N/A	NC	4 Sep 2015	-	-	-

(b) *Provide a brief summary of the corporate governance policy that the board of directors has adopted. Please emphasize the policy/ies relative to the treatment of all shareholders, respect for the rights of* minority shareholders and of other stakeholders, disclosure duties, and board responsibilities.

Del Monte Pacific Limited (the "**Company**" or "**DMPL**") is committed to the highest standards of corporate governance and supports the principles of openness, integrity and accountability advocated by the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), and similarly upheld by the Philippine Stock Exchange, Inc. (the "**PSE**") and the Securities and Exchange Commission of the Philippines (the "**SEC**").

Board Responsibilities

The Board of Directors (the "**Board**") oversees Management and ensures that the long-term interests of the Company's shareholders are served.

[1] Article 86 of the Company's Articles of Association (the "Articles") states that "the number of directors shall be not less than two. There shall be no maximum number of directors unless otherwise determined from time to time by the members at a general meeting.

[2] Reckoned from the election immediately following 2 January 2015.

[3] Ms. Yvonne Goh was appointed as an Independent Director of the Company, effective 4 September 2015, to replace Mr. Patrick L. Go who resigned on 4 September 2015. Mrs. Goh's appointment was recommended by the NC to the Board after reviewing her professional qualifications and experiences, and giving due consideration to the Board and gender diversity.

The Board provides entrepreneurial leadership and sets the strategic direction for the Company which includes sustainability matters. It is responsible for the overall policies and integrity of the Group to ensure success. The Board, amongst other things, reviews on an annual basis (i) the vision, mission and strategy of the Company; and (ii) Management's performance. The Board has reviewed the vision and strategy of the Company on 29 June 2016.

The Board has adopted a set of internal guidelines specifying matters requiring the Board's approval. These include approval of the Group's strategic plans, appointment of Directors and Key Management Personnel[4], annual budgets, major investment proposals, and review of the financial performance of the Group.

The Board of Directors shapes the long-term viability of the Company, reviews material issues and provides guidance on matters relating to shareholders and their concern, and sustainability.

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

The Board ensures that obligations to shareholders and other stakeholders[5] are understood and complied with. With the Company Secretary's assistance, the Board and Management are kept continually apprised of their compliance obligations and responsibilities arising from regulatory requirements and changes.

The Company has a team that looks after Compliance. There is a "Whistleblower Programme" in place. A separate team evaluates and manages Risks and both Compliance and Risk Issues are reported to the Board of Directors.

Treatment of Shareholders

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

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

The Group also ensures that shareholders have the opportunity to participate effectively in and vote at General Meetings ("**GM**"). Shareholders are informed of the rules, including voting procedures that govern GMs.

Respect for Rights of Minority Shareholders and Stakeholders

The Group is committed to engaging its stakeholders and providing easy and regular access to timely, effective, fair, pertinent and accurate information about the Company, in clear language.

It is also committed to grow its business in a manner that sustains a healthy balance among diverse interests of all our stakeholders – the Group's employees and their families, business partners, customers and host communities. To achieve this, the Company engages its stakeholders to identify key issues affecting them and the company.

In transactions involving interested persons[6], the Company ensures that they are carried out on arm's length commercial terms consistent with the Group's usual business practices and policies and are not be prejudicial to the Company's minority shareholders.

[4] Key management personnel refer to the CEO and other persons having authority and responsibility for planning, directing and controlling activities of the Group.
[5] Stakeholders include shareholders, business partners, suppliers, communities in areas where the Group companies have presence, customers and employees.
[6] Under the SGX-ST Listing Manual, "Interested Person" is defined as: (a) a Director, CEO or Controlling Shareholder of the listed company; or (b) an Associate of any such Director, CEO or Controlling Shareholder. A "Controlling Shareholder" is one who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company; or (b) in fact exercises control over a company.

Disclosure Duties

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

Material information, including but not limited to, the Company's financial position, performance, ownership, strategies, activities and governance, are disclosed to all shareholders and investing community equally via the SGX-ST and PSE portals (i.e., no selective disclosure), and pursuant to the requirements of the Philippine Securities Regulation Code.

(c) *How often does the Board review and approve the vision and mission?*

The Board approves the Company's vision, mission and strategy, and reviews them on an annual basis.

(d) *Directorship in Other Companies*

(i) *Directorship in the Company's Group*[7]

Identify, as and if applicable, the members of the company's Board of Directors who hold the office of director in other companies within its Group:

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
Rolando C. Gapud	NutriAsia Pacific Ltd.	N/A
	FieldFresh Foods Private Ltd	N/A
	Del Monte Foods, Inc.	Chairman
	DMPL India Pte Ltd	N/A
	DMPL India Limited	N/A
	DMPL Foods Limited	N/A
	Del Monte Foods Holdings Limited	N/A
	Del Monte Foods Holdings, Inc.	Chairman
	S&W Fine Foods International Ltd.	Chairman
Joselito D. Campos, Jr.	NutriaAsia Group of Companies	N/A
	FieldFresh Foods Private Ltd.	N/A
	Del Monte Foods, Inc.	Vice Chairman
	DMPL Foods Limited	N/A
	DMPL India Pte Ltd	N/A
	DMPL India Limited	N/A
	Del Monte Foods Holdings Limited	N/A
	Del Monte Foods Holdings, Inc.	N/A
	S&W Fine Foods International Ltd.	N/A
	Del Monte Philippines, Inc.	Chairman
	Philippine Packing Management Service Corporation	Chairman
	South Bukidnon Fresh Trading, Inc.	Chairman
	Del Monte Txanton Distribution, Inc.	Chairman
Edgardo M. Cruz, Jr.	NutriAsia Group of Companies	N/A
	Del Monte Foods, Inc.	N/A
	DMPL Foods Limited	N/A

[7] The Group is composed of the parent, subsidiaries, associates and joint ventures of the Company.

	Del Monte Foods Holdings Limited	N/A
	Del Monte Foods Holdings, Inc.	N/A
	DMPL India Limited	N/A
	Del Monte Philippines, Inc.	N/A
	Philippine Packing Management Service Corporation	N/A
	S&W Fine Foods International Ltd.	N/A
	South Bukidnon Fresh Trading Inc.	N/A
	Del Monte Txanton Distribution, Inc.	N/A
Benedict Kwek Gim Song	Del Monte Foods, Inc.	N/A
Emil Q. Javier	Del Monte Foods, Inc.	N/A
Godfrey E. Scotchbrook	Del Monte Foods, Inc.	N/A
Yvonne Goh	Del Monte Foods, Inc.	N/A

(ii) Directorship in Other Listed Companies

Identify, as and if applicable, the members of the company's Board of Directors who are also directors of publicly-listed companies outside of its Group:

Director's Name	Name of Listed Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman
Joselito D. Campos, Jr.	San Miguel Corporation	Independent
Emil Q. Javier	Centro Escolar University	Independent
Godfrey E. Scotchbrook	Boustead Singapore Ltd. (Singapore-listed)	Independent
	Convenience Retail Asia (Hong Kong-listed)	Non-Executive

(iii) Relationship within the Company and its Group

Provide details, as and if applicable, of any relation among the members of the Board of Directors, which links them to significant shareholders in the company and/or in its group.

As of 31 July 2016:

Director's Name	Name of the Significant Shareholder	Description of the relationship
Joselito D. Campos, Jr.	NutriAsia Pacific Ltd.	Mr. Campos is a director and a shareholder of NutriAsia Pacific Ltd.
	Bluebell Group Holdings Limited	Mr. Campos is a director of, and his family has interests in, Bluebell Group Holdings Limited
Rolando C. Gapud	NutriAsia Pacific Ltd.	Mr. Gapud is a director of NutriAsia Pacific Ltd.
	Bluebell Group Holdings Limited	Mr. Gapud is a director of Bluebell Group Holdings Limited
Edgardo M. Cruz, Jr.	NutriAsia Pacific Ltd.	Mr. Cruz is a director of NutriAsia Pacific Ltd.
	Bluebell Group Holdings Limited	Mr. Cruz is a director of Bluebell Group Holdings Limited

(iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold

simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:

	Guidelines	Maximum Number of Directorships in other companies
Executive Director	In cases where a Director has multiple Board representations, the NC assesses whether such Director has been adequately carrying out his duties as a Director of the Company. The NC takes note of the confirmations from Directors who hold multiple Board representations that their time and effort in carrying out their duties and responsibilities as Directors of the Company would not be compromised. The contributions by Directors to and during meetings of the Board and Board Committees, as well as their attendance at such meetings, are also taken into account.	For Executive Directors, a maximum of four (4) directorships or chairmanship may be held concurrently in other listed companies.
Non-Executive Director		For Independent and Non-Executive Directors, a maximum of five (5) directorships and/or chairmanship has been set.
CEO		

(e) *Shareholding in the Company*

Complete the following table on the members of the company's Board of Directors who directly and indirectly own shares in the company, as of 31 July 2016:

Name of Director	Number of Direct Shares	Number of Indirect Shares / Through (Name of Record Owner)	% of Capital Stock
Rolando C. Gapud	2,063,140	-	0.11
Joselito D. Campos, Jr.	7,621,466	-	0.39
Edgardo M. Cruz, Jr.	2,881,635	-	0.15
Dr. Emil Q. Javier	534,851	-	0.03
TOTAL	13,101,092	**-**	**0.67**

2) Chairman and CEO

(a) *Do different persons assume the role of Chairman of the Board of Directors and CEO? If no, describe the checks and balances laid down to ensure that the Board gets the benefit of independent views.*

Yes [X]   No [ ]

Identify the Chair and CEO:

Chairman of the Board	Rolando C. Gapud
CEO/Managing Director	Joselito D. Campos, Jr.

(b) *Roles, Accountabilities and Deliverables*

Define and clarify the roles, accountabilities and deliverables of the Chairman and CEO.

	Chairman	Chief Executive Officer/ Managing Director
	The Chairman sets the tone of Board meetings to encourage proactive participation and constructive discussions on agenda topics.	The CEO/Managing Director handles the management and administration of the

Role	The Chairman presides at meetings of the Directors and members. During Board and Board Committee meetings, the Chairman ensures that adequate time is available for discussion of all agenda items, in particular, discussion on strategic matters and issues.	Company's business.
Accountabilities	At any meeting of the members, the Chairman shall be responsible for deciding whether any resolution has been carried or not, and the result of his decision shall be announced to the meeting and recorded in the minutes. If in doubt as to the outcome of any resolution put to vote, he shall cause a poll to be taken of all votes cast upon such resolution.	
Deliverables	The Chairman ensures that Directors and shareholders alike receive clear, timely and accurate information from Management, thus maintaining the Company's high standards of corporate governance.	

3) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions.

The NC conducts a review of the succession plan for Board members, CEO and Key Management Personnel of the Company. The Company has in place a succession plan, with a portfolio of well-trained candidates to assume the responsibilities of Key Management Personnel in the event of an immediate vacancy.

In its long term drive towards excellence, the Company recognises the importance of sustainable leadership. To support this, a Succession Planning Programme has been established where a leadership talent bench is developed. The Company is committed to building and sustaining leadership capabilities by strengthening the talent pipeline, rolling out the leadership competencies, identifying high performers, and executing development and retention plans for these high performers.

The Company further drives functional excellence via an integrated employee development programme which includes training, on-the-job learning, coaching and mentoring.

4) Other Executive, Non-Executive and Independent Directors

Does the company have a policy of ensuring diversity of experience and background of directors in the board? Please explain.

Yes. The Board has approved and issued a Board Diversity Policy and the Board also now includes a female Director.

The Board Diversity Policy states that diversity is important to Board effectiveness as it will enhance decision making by harnessing the variety of skills, industry and business experiences, gender, age, ethnicity and culture, geographical background and nationalities, tenure of service, and other distinguishing qualities of the members of the Board. The NC is responsible for administering this policy and for evaluating it annually.

Does it ensure that at least one non-executive director has an experience in the sector or industry the company belongs to? Please explain.

Yes; Dr. Emil Q Javier, one of the Company's non-executive directors, is a Filipino agronomist widely recognized in the international community for his academic leadership and profound understanding of developing country agriculture. His experience and knowledge are extremely helpful to the Company's agro operations.

Define and clarify the roles, accountabilities and deliverables of the Executive, Non-Executive and Independent Directors:

	Executive	Non-Executive	Independent Director
Role	As a working employee of the Company, he is responsible for and involved in its day-to-day affairs.	The Non-Executive Directors contribute to the Board process by monitoring and reviewing Management's performance against pre-determined goals and objectives.	The Independent Director provides a non-executive perspective and contributes a balanced viewpoint to the Board.
Accountabilities		Their views and opinions provide alternative perspectives to the Group's business. The Directors exercise independent judgment and discretion on the Group's business activities and transactions, in particular, in situations involving conflicts of interest and other complexities.	They exercise objective and independent judgment on the Group's corporate affairs.
Deliverables			

Provide the company's definition of "independence" and describe the company's compliance to the definition.

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

The NC, on an annual basis, determines whether or not a director is independent, taking into account the 2012 Code of Corporate Governance of Singapore (the "**2012 Code**"). The 2012 Code states that the independence of any Director who has served on the Board beyond nine (9) years from the date of his first appointment should be subject to particularly rigorous review.

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

Based on the NC's observation, Messrs. Benedict Kwek Gim Song, Emil Q Javier and Godfrey E Scotchbrook have demonstrated independent mindedness and conduct at the Board and Board Committee meetings. The NC is also of the firm view and opinion that they are able to exercise independent judgment in the best interest of the Company in the discharge of their duties as Directors despite their extended tenure in office.

The NC, having reviewed the individual Directors' judgment and conduct in carrying out their duties for the year in review, deems that Messrs Benedict Kwek Gim Song, Emil Q Javier and Godfrey E Scotchbrook, and Mrs Yvonne Goh continue to be independent.

Does the company have a term limit of five consecutive years for independent directors? If after two years, the company wishes to bring back an independent director who had served for five years, does it limit the term for no more than four additional years? Please explain.

The Company does not have a policy on term limits. The Company, however, follows the rules and guidelines of the 2012 Code.

5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors)

(a) Resignation/Death/Removal

Indicate any changes in the composition of the Board of Directors that happened during the period:

Mr. Rolando C. Gapud was re-designated from Non-Executive Chairman to Executive Chairman on

1 July 2015. Also, Mr. Patrick L. Go, one of the Independent Directors of the Company, resigned on 4 September 2015 and was replaced by Ms. Yvonne Goh effective on the same day.

Name	Position	Date of Cessation	Reason
Mr. Patrick L. Go	Independent Director	4 September 2015	Due to increasing commitments from family businesses

(b) *Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension*

Describe the procedures for the selection/appointment, re-election, disqualification, removal, reinstatement and suspension of the members of the Board of Directors. Provide details of the processes adopted (including the frequency of election) and the criteria employed in each procedure:

Procedure	Process Adopted	Criteria
a. Selection/Appointment		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	*Selection / Appointment* The NC is responsible for reviewing the Board's composition and effectiveness, and determining: (i) whether Directors possess the requisite qualifications and expertise; and (ii) whether the independence of Directors is compromised. All appointments and re-appointments of Directors are first reviewed and considered by the NC and then recommended for approval by the Board. The NC has adopted procedures for the selection, appointment and re-appointment of Directors, in order to increase transparency of the nominating process. The NC does not usually engage the services of search consultants to identify prospective candidates and will consider recommendations and referrals provided the prospective candidates meet the qualification criteria established for the particular appointment. The NC determines whether the Directors possess the required qualifications and expertise. It reviews the appointments and then recommends for Board approval. *Appointment / Election and Re-Election* The Directors shall be elected by the members of the Company.[8] All Directors, except the Managing Director, hold office for a maximum period of three (3) years, whereupon they shall retire; a retiring Director, however, shall be eligible for re-election.[9] Newly appointed Directors will be subject to re-election at the Annual General Meeting ("**AGM**") following his appointment. The Directors may appoint any person to be a Director in case of a vacancy, who shall hold office until the next annual AGM and shall be available for re-election at that meeting.[10] Under the Articles, a vacancy occurs	The NC undertakes the process of identifying the quality of directors aligned with the Company's strategic directions. Suitability of the nominee or candidate will be assessed based on his qualification and experience, past business and related experience, ability to commit time and effort in the effective discharge of duties and responsibilities, and track record. The NC also identifies any core competencies that will complement those of current Directors. Board.

[8] Article 85 of the Articles.
[9] Article 88 of the Articles.
[10] Article 92 of the Articles.

	through the death, resignation or removal of a Director.	
b. Re-appointment		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	All directors hold office for a maximum period of three years whereupon they shall retire in accordance with the Company's Articles but are eligible for re-election.[11] The NC is tasked with the review of the performance and contribution of the Board in order to nominate them for re-election or re-appointment.	In general, contributions and performance of each Director are considered, taking into account his attendance and participation in the Board and Board committee meetings, as well as the time and effort accorded to the Company's or the Group's business and affairs.
c. Permanent Disqualification		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	The Group adopts the prescribed rules and procedures in the 2012 Code (and the Revised SEC Code of Corporate Governance) and Article 90 of the Company's Articles which states: (1) A Director may be removed from office, with or without cause, by a special resolution of members. (2) If a Director becomes of unsound mind or becomes bankrupt, he shall be removed from office by an ordinary resolution of members or a resolution of Directors or shall resign. (3) If a Director becomes prohibited by law from acting as a director, he shall be removed from office by an ordinary resolution of members or a resolution of directors or shall resign immediately from the Board.	
d. Temporary Disqualification		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	The Group adopts the prescribed rules and procedures in the 2012 Code (and the Revised SEC Code of Corporate Governance) and Article 90 of the Company's Articles which states: (1) A Director may be removed from office, with or without cause, by a special resolution of members. (2) If a Director becomes of unsound mind or becomes bankrupt, he shall be removed from office by an ordinary resolution of members or a resolution of Directors or shall resign. (3) If a Director becomes prohibited by law from acting as a director, he shall be removed from office by an ordinary resolution of members or a resolution of directors or shall resign immediately from the Board.	
e. Removal		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	The Group adopts the prescribed rules and procedures in the 2012 Code (and the Revised SEC Code of Corporate Governance) and Article 90 of the Company's Articles provides: (1) A Director may be removed from office, with or without cause, by a special resolution of members. (2) If a Director becomes of unsound mind or becomes bankrupt, he shall be removed from office by an ordinary resolution of members or a resolution of Directors or shall resign. (3) If a Director becomes prohibited by law from acting as a director, he shall be removed from office by an ordinary resolution of members or a resolution of Directors or shall resign immediately from the Board.	
f. Re-instatement		
(i) Executive Directors	None.	

[11] Article 88 of the Articles.

(ii) Non-Executive Directors	
(iii) Independent Directors	
g. Suspension	
(i) Executive Directors	None.
(ii) Non-Executive Directors	
(iii) Independent Directors	

Voting Result of the last AGM:

During the Company's last AGM held on 28 August 2015, the following directors were re-elected:

Name of Director	Votes Received (For)
Mr. Godfrey E. Scotchbrook	1,286,666,732
Mr. Edgardo M. Cruz, Jr.	1,286,173,012

6) Orientation and Education Program

(a) Disclose details of the company's orientation program for new directors, if any.

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

Moving forward, timely updates on developments in accounting matters, legislation, jurisprudence, government policies and regulations affecting the Group's business and operations are likewise provided to all Directors.

(b) State any in-house training and external courses, including programs and seminars, attended by Directors and Senior Management[12] for the past three (3) years:

The following are the trainings and seminars attended by the Company's Directors and Senior Management:

For Year 2013:

Date	No. of Hours	Training/Seminar	Organizer	Attendees
Philippines				
18 May 2013	8.0	SEC's Revised Code of Corporate Governance	Center for Global Best Practices	Edgardo M. Cruz, Jr
3-4 Jul 2013	16.0	Board Directors' Guide for Audit Committees	Center for Global Best Practices	Edgardo M. Cruz, Jr.
Singapore				
09 May 2013	3.5	Insights for Directors Forum	Singapore Corporate Governance Centre	Patrick L Go
28 May 2013	8.0	LCD Module 1: Listed	Singapore Institute of	Joselito D Campos, Jr

[12] Senior Management refers to the CEO and other persons having authority and responsibility for planning, directing and controlling the activities of the company.

		Company Director Essentials: Understanding the Regulatory Environment in Singapore –What Every Director Ought to Know	Directors (SID)	Edgardo M Cruz, Jr
18 Jul 2013	2.0	Defamation, Privacy and Reputation Management	SID and RHTLaw Taylor Wessing LLP	Patrick L Go
17 Nov 2013	3.0	Deloitte Independent Non-Executive Directors Series Workshop #8: Accounting & Auditing Update for Smooth Year-End Financial Reporting Process	Deloitte	Patrick L Go
Hong Kong				
07 May 2013	1.0	Board Training on Sustainability – Considerations for Board of Directors	Convenience Retail Asia (CRA)	Godfrey E Scotchbrook
08 Aug 2013	1.0	Board Training on Inside Information Disclosure	CRA, presented by Davis Polk & Wardwell	Godfrey E Scotchbrook
14 Dec 2013	1.5	Board Training on: - Hong Kong Competition Ordinance - Changes to the Trade Description Ordinance	CRA, presented by Mayer Brown JSM	Godfrey E Scotchbrook

For Year 2014:

Date	No. of Hours	Training/Seminar	Organizer	Attendees
19 Sep 2014	3.0	Corporate Governance	SGV	Joselito D Campos, Jr
20-24 Oct 2014	45.0	Execution Programme on Innovation	Singularity University, Silicon Valley	Patrick L Go
21 Oct 2014	8.5	SEC – PSE Corporate Governance Forum	SEC and PSE	Antonio E S Ungson
18 & 20 Nov 2014	8.0	Hong Kong	Investor Relations Update	Godfrey E Scotchbrook
2-4 Dec 2014	24	Health Ingredients Europe and Natural Ingredients 2014	UBMi BV	Ma Bella B Javier

For Year 2015:

Date	No. of Hours	Training/Seminar	Organizer	Attendees
2 Apr 2015	9.5	Leadership Judgment and Succession	WPO/YPO	Patrick L Go
19 May 2015	3.5	EBL 3: Enterprise Risk Management	SID	Benedict Kwek Gim Song
9 Jul 2015	3.5	LCD 4: Nominating Committee Essentials	SID	Edgardo M. Cruz, Jr.
9 Jul 2015	5.0	LCD 5: Remuneration Committee Essentials	SID	Edgardo M. Cruz, Jr.
10 Jul 2015	3.5	LCD 6: Investor and Media Relations	SID	Edgardo M. Cruz, Jr.
28 Aug 2015	2.0	Launch of the Nominating Committee Guide	SID	Yvonne Goh
16 Sep 2015	8.0	SID Directors' Conference 2015 – Boards and Innovation	SID	Benedict Kwek Gim Song and Yvonne Goh
1 Oct 2015	2.5	The Director and CFO	SID	Benedict Kwek Gim

		Forum: Strengthening Financial Governance		Song
11 Nov 2015	8.0	Corporate Governance	Risks, Opportunities, Assessment and Management, Inc.	Joselito D Campos, Jr.
11 Nov 2015	3.0	Global Retailing Trends	Convenience Retail Asia	Godfrey E Scotchbrook
18 Nov 2015	3.0	Corporate Governance Roundup 2015	ACRA, SGX-ST, SID	Yvonne Goh

For Year 2016:

Date	No. of Hours	Training/Seminar	Organizer	Attendees
12 Jan 2016	2.0	ACRA-SGX-SID Audit Committee Seminar Raising the Bar for Financial Reporting and Audit	ACRA, SGX, SID	Benedict Kwek Gim Song
18 Feb 2016	4.0	Workshop by Prof Randel Carlock (INSEAD): Tough Strategy Decisions - The Board, Chair & CEO's Roles and Responsibilities	Diversity Action Committee	Yvonne Goh
24 Feb 2016	2.0	Improving Board Risk Oversight Effectiveness	SID	Benedict Kwek Gim Song
31 Mar 2016	2.0	Launch of the Board Risk Committee Guide and ASEAN Corporate Governance	SID	Yvonne Goh
7 Apr 2016	8.0	Fung Retailing Annual Conference - Global Best Practices for Omni	Fung Retailing	Godfrey E Scotchbrook
17-19 Apr 2016	27.0	Singularity University Program	Fung Retailing	Godfrey E Scotchbrook
6 May 2016	8.5	Board Management Interactions	SID	Benedict Kwek Gim Song
31 May 2016	2.0	Of Enron, Entanglement and Enlightenment	SID	Benedict Kwek Gim Song

(c) Continuing education programs for directors: programs and seminars and roundtables attended during the year.

Please refer to the table in the preceding section.

Name of Director/Officer	Date of Training	Program	Name of Training Institution
same as above	-	-	-

B. CODE OF BUSINESS CONDUCT & ETHICS

1) Discuss briefly the company's policies on the following business conduct or ethics affecting directors, senior management and employees:

To legally and ethically perform its business function and ensure consistency of its behavior, the Company has a Code of Business Ethics which Directors, Management and all employees abide by.

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	Employees have the duty to observe candor, fairness and loyalty in carrying out		

	their duties and responsibilities. Pursuant to the Code of Business Ethics (the "Code", for purposes of this section), all employees are prohibited from engaging in any activity or harboring any personal interests that conflict or even appear to conflict with the Company's interests. All employees are required to disclose any conflict of interest on an annual basis. Directors, on the other hand, have a duty to act in the best interests of the Company and should ensure that this duty is not impaired in any way. The personal interests of a Director or persons associated with the Director must not be allowed to prevail over the interests of the Company or its shareholders. Directors should refrain from placing themselves in a situation where these interests, whether professional or personal, would or would likely to be directly or indirectly in conflict with the interests of the Company.
(b) Conduct of Business and Fair Dealings	The Code prescribes how the Company and its employees should deal with business partners and stakeholders, including customers, suppliers, shareholders, the government and relevant communities. Under the Code, the Company expects from all its officers and employees the highest standards of business and personal ethics, utmost fairness and actions in accordance with the highest moral principles. The Company acknowledges the importance of building a sound relationship with its suppliers. Accordingly, the Group shall conduct business with all customers on the basis of integrity, mutual interest and fairness.
(c) Receipt of gifts from third parties	The Company abhors any form of corruption by its employees and suppliers. The Code strictly prohibits any solicitation or offering of gifts, payments or commissions by Company employees or their families, or by suppliers or their representatives, in exchange for business or for personal gain. Employees should report any such violations or suspected violations.
(d) Compliance with Laws & Regulations	The Code requires that the Company shall endeavor to comply with all laws, rules and regulations that govern its business. The Company shall be guided by the principles of ethical conduct when dealing with the government, its agencies and instrumentalities. The Company shall respect the laws of all countries where it conducts business. The Company shall also promote honesty and integrity in dealing with government agencies and instrumentalities. All employees are prohibited from influencing the government's judgment or conduct through the giving of bribes or other unlawful inducements.
(e) Respect for Trade Secrets/Use of Non-public Information	The Company's Corporate Disclosure Policy sets the guidelines on the disclosure of company information to the investment community, the press, industry consultants and other audiences (the public) to govern the disclosure of material, non-public information in a manner designed to provide broad, non-exclusionary distribution of information so that the public has equal access to the information. The Company's Policy of Trade Secret Confidentiality and Non-Competition sets the guidelines for the handling of confidential company information. As a rule, the employees and officers shall protect company proprietary information from unauthorized disclosure to third parties.
(f) Use of Company Funds, Assets and Information	There are various Company policies covering the use of funds, assets and information. Examples include policies on IT security, revolving funds, approval levels, procurement, etc. Employees and officers are bound to safeguard company assets and facilities at

	all times.
(g) Employment & Labor Laws & Policies	The Code provides that the Company shall promote equal opportunity for employment and career advancement regardless of age, race, gender, ethnicity and religion. It opposes child labor and other forms of exploitation of workers.
(h) Disciplinary action	The Company has a Disciplinary Action Policy with the objective of ensuring that employees will have a better understanding of company rules and regulations that have a direct impact on their rights, welfare and safety and to assist supervisors and managers in handling disciplinary cases in order to guarantee that all employees will be afforded due process and receive fair and constructive treatment.
(i) Whistle Blower	A Whistleblower Protection Policy and Program has been in place since 2004 to promote the highest standards of business and personal ethics in the conduct of the Company's business. To uphold governance, this whistleblower policy encourages officers, employees, contractors, suppliers and business partners to report information about any fraudulent, unlawful, unethical, wasteful, unsafe practices against or involving the Company by protecting the whistleblower from any retaliation, harassment or adverse employment consequence or other discriminatory acts by reason of the reporting. The Board, together with the Chairman of the Audit and Risk Committee ("ARC"), had appointed the Group CFO as the Protection Officer, as well as the Head of Internal Audit as the Investigations Officer, to administer the Company's Whistleblower programme. These are the contact details: For legal compliance: +632 856 2557, +63 917 872 1472, or email legalcompliance@delmonte-phil.com For other matters: +6388 855 2090, +63 917 712 0311, or email othercompliance@delmonte-phil.com
(j) Conflict Resolution	The Company has a Contract Management Policy that actively monitors the relationship of the Company with its counterparties and provides for a forum for issues to be surfaced and resolved at the earliest opportunity. The Company participates in a labor management cooperation council at which the Company and employee unions discuss and resolve issues affecting the employees, their families and the communities. These LMCs pave the way for efficient and expeditious negotiations between the Company and the unions.

2) Has the code of ethics or conduct been disseminated to all directors, senior management and employees?

Yes; the Code of Business Ethics had been disseminated to all directors, senior management and employees of the Company and the Group during the on-boarding process. It is also published in the Group's HR website which is accessible to all employees of the Group.

3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.

The Company's Code of Business Ethics is covered in the on-boarding process with copies provided. Compliance is monitored through daily interactions, management reviews and whistleblowing reports.

4) Related Party Transactions

(a) Policies and Procedures

Describe the company's policies and procedures for the review, approval or ratification, monitoring and recording of related party transactions between and among the company and its parent, joint ventures, subsidiaries, associates, affiliates, substantial stockholders, officers and directors, *including their spouses, children and dependent siblings and parents and of interlocking director relationships of members of the Board.*

Related Party Transactions	Policies and Procedures
(1) Parent Company (2) Joint Ventures (3) Subsidiaries (4) Entities Under Common Control (5) Substantial Stockholders (6) Officers including spouse/ children/ siblings/ parents (7) Directors including spouse/ children/ siblings/ parents	The Company's Interested Person Transactions (IPT) policy and manual set out the definitions, general guidelines, and review and monitoring procedures to be adopted across the Group. The manual presents a comprehensive view of IPT and the procedures that all affected Group personnel, including members of senior management, directors and employees in Purchasing, Treasury, Finance, Sales, Legal and Internal Audit, must follow. *Review* The Company established review procedures to ensure that the IPTs: (1) will be carried out on an arm's length basis and on normal commercial terms; and (2) will not be prejudicial to the interests of the Company and its minority shareholders. In general, the transactions with related parties are carried out based on terms agreed between the parties. Pricing for the sales of products are market driven, less certain allowances. For purchases, the Group's policy is to solicit competitive quotations. Bids from any related party are evaluated on arm's length commercial terms and subject to bidding against third party suppliers. Purchases are normally awarded based on the lowest price. The Audit and Risk Committee ("ARC") reviews the internal audit report on the IPT on a quarterly basis to ascertain that the established review procedures are complied with. If, however, during such periodic reviews, the ARC determines that the review procedures have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Group are conducted, then the Company will revert to its shareholders for a fresh mandate based on a new set of guidelines and review procedures that would ensure compliance with the established standards above. *Approval or Ratification* The following are the categories of IPTs in the Company's manual: 1. Mandated IPT – refers to an IPT between the Group and any Interested Person[13] pursuant to a shareholders' mandate approved on an annual basis by the Company's shareholders, which is subject to renewal each year at the annual general meeting. However, despite the existence of the shareholders' mandate, Mandated IPTs are still subject to auditors and AC's review. 2. Non-Mandated IPT – refers to purchase or sale of fixed assets, undertakings or businesses, as well as transactions not included under the shareholders mandate, which may require announcements, management approval, Board approval and/or shareholders' approval, depending on the amounts involved. *Monitoring and Recording* To facilitate recording of IPTs, each Group subsidiary's Controller shall establish two holding accounts that will be used in recording IPTs – one to record Mandated IPTs and the other to record Non-Mandated IPTs. Transactions recorded under these two holding accounts will then be

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

(8) Interlocking director relationship of Board of Directors	cleared monthly to the proper accounts. The transactions that are recorded under the holding accounts will then be reported on a quarterly basis to the CFO for consolidation which will then be submitted to the ARC for evaluation and review.

(b) *Conflict of Interest*

(i) *Directors/Officers and 5% or more Shareholders*

Identify any actual or probable conflict of interest to which directors/officers/5% or more shareholders may be involved.

	Details of Conflict of Interest (Actual or Probable)
Name of Director/s	-
Name of Officer/s	-
Name of Significant Shareholders	-

There are none.

(ii) *Mechanism*

Describe the mechanism laid down to detect, determine and resolve any possible conflict of interest between the company and/or its group and their directors, officers and significant shareholders.

	Directors/Officers/Significant Shareholders
Company	Annual disclosures
Group	Annual disclosures

5) Family, Commercial and Contractual Relations

(a) *Indicate, if applicable, any relation of a family,*[14] *commercial, contractual or business nature that exists between the holders of significant equity (5% or more), to the extent that they are known to the company:*

Names of Related Significant Shareholders	Type of Relationship	Brief Description of the Relationship
N/A	N/A	N/A

(b) *Indicate, if applicable, any relation of a commercial, contractual or business nature that exists between the holders of significant equity (5% or more) and the company:*

Names of Related Significant Shareholders	Type of Relationship	Brief Description
N/A	N/A	N/A

(c) *Indicate any shareholder agreements that may impact on the control, ownership and strategic direction of the company:*

Name of Shareholders	% of Capital Stock Affected (Parties)	Brief Description of the Transaction
N/A	N/A	N/A

[14] Family relationship up to the fourth civil degree either by consanguinity or affinity.

6) Alternative Dispute Resolution

Describe the alternative dispute resolution system adopted by the company for the last three (3) years in amicably settling conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including regulatory authorities.

	Alternative Dispute Resolution System
Corporation & Stockholders	Stockholders who have concerns may initially elevate such matters or concerns to the Investor Relations Officer, the Company Secretary, Management or the Board of Directors.
Corporation & Third Parties	The Company considers and explores with the other parties involved, mutually acceptable alternative modes of dispute resolution to the extent that such modes are reasonable and will not prejudice the Company's interests.
Corporation & Regulatory Authorities	

C. BOARD MEETINGS & ATTENDANCE

1) Are the Board of Directors' meetings scheduled before or at the beginning of the year?

Yes, the meetings of the Board of Directors are scheduled before the beginning of the fiscal year.

2) Attendance of Directors

The Company's Articles allow for tele-conference and video-conference meetings to facilitate participation by Board members and Management.

The Board held a total of five (5) meetings as of 31 December 2015[15].

Board	Name	Date of Election	No. of Meetings Held during the Year	No. of Meetings Attended	%
Chairman	Mr. Rolando C. Gapud	15 Apr 2014	5	5	100
Member	Mr. Joselito D. Campos, Jr.	28 Apr 2006	5	4	80
Member	Mr. Edgardo M. Cruz, Jr.	28 Aug 2015	5	5	100
Independent	Mr. Benedict Kwek Gim Song	15 Apr 2014	5	5	100
Independent	Mr. Godfrey E. Scotchbrook	28 Aug 2015	5	5	100
Independent	Dr. Emil Q. Javier	30 Apr 2013	5	5	100
Independent	Mr. Patrick L. Go	30 Apr 2013	5	4	100
	Mrs. Yvonne Goh	4 Sep 2015		1	100

As of 31 July 2016, the Board held a total of two (2) meetings[16].

Board	Name	Date of Election	No. of Meetings Held during the Year	No. of Meetings Attended	%
Chairman	Mr. Rolando C. Gapud	15 Apr 2014	2	2	100
Member	Mr. Joselito D. Campos, Jr.	28 Apr 2006	2	2	100
Member	Mr. Edgardo M. Cruz, Jr.	28 Aug 2015	2	2	100
Independent	Mr. Benedict Kwek Gim Song	15 Apr 2014	2	2	100
Independent	Mr. Godfrey E. Scotchbrook	28 Aug 2015	2	2	100
Independent	Dr. Emil Q. Javier	30 Apr 2013	2	2	100

[15] Board meetings for CY2015 (1 January 2015 to 31 December 2015) were held on 10 March, 25 June, 28 July, 3 September and 8 December 2015. The Company's first.

[16] Board meetings for CY2016 (as of 31 July 2016) were held on 11 March and 28 June 2016.

Independent	Mrs. Yvonne Goh	4 Sep 2015	2	2	100

3) Do non-executive directors have a separate meeting during the year without the presence of any executive? If yes, how many times?

No.

4) Is the minimum quorum requirement for Board decisions set at two-thirds of board members? Please explain.

No; under Article 114 of the Company's Articles, a meeting of directors is duly constituted if, at the commencement of the meeting, there are present in person or by alternate, not less than one-half of the total number of directors (or such other number as may be determined by a resolution of directors), unless there are only two (2) directors in which case the quorum shall be two (2), provided that in such a case, the chairman of the meeting shall not have the casting vote.

The Articles also define "resolution of directors" as: (a) a resolution approved at a duly convened and constituted meeting of directors of the Company or of a committee of directors of the Company, by the affirmative vote of a simple majority of the directors present at the meeting who voted and did not abstain; or (b) a resolution consented to in writing by all directors or of all members of the committee, as the case may be. Except that, where a director is given more than one vote, he shall be counted by the number of votes he casts for the purpose of establishing a majority.

5) Access to Information

(a) How many days in advance are board papers[17] for board of directors meetings provided to the board?

The board papers are provided to the board of directors at least five (5) business days before the date of meeting.

(b) Do board members have independent access to Management and the Corporate Secretary?

Yes, the Directors have separate and independent access to Management and the Company Secretary.

(c) State the policy of the role of the Company Secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?

The Company Secretary, with the assistance of the Chairman, is responsible for ensuring that Board procedures are followed and regularly reviewed to ensure the effective functioning of the Board, and that the Company's Memorandum of Association ("**Memorandum**") and Articles of Association ("**Articles**"), and relevant rules and regulations are complied with.

The Company Secretary assists in the preparation of the Agenda for the Board meetings, and attends and prepares minutes of all Board and Board committee meetings.

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

The Company Secretary advises newly-appointed Directors on their duties and obligations as Directors, the Group's governance practices, and relevant statutory and regulatory compliance matters, as part of an orientation program.

(d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.

[17] Board papers consist of complete and adequate information about the matters to be taken in the board meeting. Information includes the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

Yes, the Company Secretary, Mr. Antonio Eugenio S. Ungson, is a lawyer by profession. He had previously served as company secretary in various companies during the course of his career. He also has an understanding of basic financial and accounting matters. As such, he possesses adequate skills necessary for the performance of his duties and responsibilities.

(e) *Committee Procedures*

Disclose whether there is a procedure that Directors can avail of to enable them to get information necessary to be able to prepare in advance for the meetings of different committees:

Yes [X] No [ ]

Committee	Details of the procedures
Executive	N/A
Audit	Management provides the Board with timely and complete information prior to Board committee meetings and on an ongoing basis. These include relevant materials, information and explanatory notes for matters that are presented to the Board committees, such as, but not limited to, budgets and forecasts.
Nominating	
Remuneration & Share Option	
Others (specify)	N/A

6) External Advice

Indicate whether or not a procedure exists whereby directors can receive external advice and, if so, provide details:

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

7) Change/s in existing policies

Indicate, if applicable, any change/s introduced by the Board of Directors (during its most recent term) on existing policies that may have an effect on the business of the company and the reason/s for the change:

The following policies were recently adopted by the Board of Directors in FY2016:

Existing Policies	Changes	Reason
Directors' Conflict of Interest Policy The policy provides that Directors have a duty to act in the best interests of the Company and should ensure that this duty is not impaired in any way. The personal interests of a Director or persons associated with the Director must not be allowed to prevail over the interests of the Company or its shareholders. Directors should refrain from placing themselves in a situation where these interests, whether professional or personal, would or would likely to be directly or indirectly in conflict with the interests of the Company.	Recently implemented	The policy serves to: (i) emphasize the Company's commitment to ethics and compliance with the law; (ii) foster a culture of honesty and accountability; (iii) focus the Board and each of its Directors on areas of ethical risk; and (iv) provide guidance to the Directors to help them recognize and deal with ethical issues.
Acquisitions Policy	Recently implemented	This policy was issued to formalize into written policy the practices, standards and

Thi policy requires Management to present to the Board any plan or proposal to enter into a Transaction (as defined in the Policy), with disclosure of the target company or assets, the vendor and the parties that will be engaged or otherwise be involved in the Transaction.		requirements for the Company's acquisition of assets to ensure that applicable laws and regulations are complied with and that appropriate procedures for the evaluation, endorsement, approval and disclosure of acquisition transactions are properly adhered to.

D. REMUNERATION MATTERS

1) Remuneration Process

Disclose the process used for determining the remuneration of the CEO and the four (4) most highly compensated management officers:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Proposals on remuneration packages for CEO and Key Management Personnel are made by Management and submitted to the Remuneration & Share Option Committee ("**RSOC**") for consideration. The RSOC, having considered Management's proposals, would recommend the same to the Board for approval. Directors who are interested in any decision relating to their own remuneration would abstain from all discussions and deliberation in connection thereto. In conjunction with the review of remuneration matters of the Company's Key Management Personnel, the RSOC works with Management in reviewing individual performance appraisal reports and benchmarks studies conducted by Management. Remuneration proposals are benchmarked against comparable companies. The compensation structure for Key Executives of Group subsidiaries consists of two key components - fixed cash and a short term variable bonus. The fixed component includes salary, pension fund contributions and other allowances. The variable component comprises a performance-based bonus which is payable upon the achievement of individual and corporate performance targets.	
(2) Variable remuneration		
(3) Per diem allowance		
(4) Bonus		
(5) Stock Options and other financial instruments		
(6) Others (specify)		

2) Remuneration Policy and Structure for Executive and Non-Executive Directors

Disclose the company's policy on remuneration and the structure of its compensation package. Explain how the compensation of Executive and Non-Executive Directors is calculated.

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	A significant and appropriate proportion of the remuneration of EDs should be structured so as to link rewards to corporate and individual performance and align such Directors' interests with those of shareholders.	Structure of the Directors' Fees: • Board Chairman: US$79,200 per annum • Directors: US$43,200 per annum • ARC Chairman: US$19,800 per annum • RSOC Chairman: US$9,900 per annum • NC Chairman: US$9,900 per annum	The level and structure of remuneration are: Aligned with the long-term interest and risk policies of the Company and are appropriate to attract, retain and motivate Directors to provide good stewardship of the Company; Performance-related and aligned with the interests of shareholders and promote the Company's long term success; Symmetric with risk outcomes; and Comparable with the industry and

		• ARC Members: US$10,800 per annum • RSOC Members: US$5,400 per annum • NC Members: US$5,400 per annum	other companies.
Non-Executive Directors	The NEDs should not be overly compensated to the extent that their independence may be compromised.	The RSOC's recommendation for Directors' fees is made in consultation with the Chairman and endorsed by the entire Board, following which the recommendation is tabled for shareholders' approval at the Company's AGM. The Directors abstain from voting/discussion in respect of their own fees.	The remuneration of NEDs is appropriate to the level of their contributions, taking into account factors, such as effort and time spent, and responsibilities. Based on guidelines of the Singapore Institute of Directors, the RSOC adopts a framework, which comprises a base fee, fees for membership on Board committees, as well as fees for chairing Board committees.

Do stockholders have the opportunity to approve the decision on total remuneration (fees, allowances, benefits-in-kind and other emoluments) of board of directors? Provide details for the last three (3) years.

Yes; Article 95 of the Company's Articles provides that, with the prior approval by an ordinary resolution of members at a general meeting, the Directors may, by a resolution of Directors, fix or increase or any way vary the emoluments of Directors with respect to services to be rendered in any capacity to the Company, provided always that, in respect of an increase, fees payable to Directors shall not be increased, except pursuant to an ordinary resolution passed at a general meeting, where notice of the proposed increase had been given in the notice for that particular general meeting.

Remuneration Scheme	Date of Shareholders' Approval
Directors' fees and emoluments are tabled at stockholders' meeting annually, for stockholders' approval.	Annually: Latest was as of 28 August 2015, during the AGM of the Company's shareholders
The Del Monte Pacific Executive Stock Option Plan 1999 ("**ESOP**") of the Company	Approved and amended by its shareholders at the GMs held on 30 July 1999 and 21 February 2002, respectively. Expired on 24 July 2009.
Del Monte Pacific Restricted Share Plan ("**Del Monte Pacific RSP**") and Del Monte Pacific Performance Share Plan ("**Del Monte Pacific PSP**") (collectively the "**Share Plans**")	Approved by shareholders at the GM held on 26 April 2005.[18]

3) Aggregate Remuneration

The following table shows the disclosure on remuneration of the Company's Directors and the CEO/Managing Director for the period in review[19]:

For FY2016 (1 May 2015 to 30 April 2016):

Remuneration Bands and Names of Directors	Fixed Salary/ Consultancy Fees %	Director Fees %	Variable Income/ Bonus%	Benefits in Kind %
EXECUTIVE DIRECTORS				
Above S$500,000				
Mr. Joselito D. Campos, Jr.	49	2	49	-

[18] The Share Plans have expired on 25 April 2015.

[19] Due to the Company's change of financial year end to 30 April, any references to "the period in review" in this Corporate Governance Report shall mean to cover (i) the transition period from 1 January 2014 to 30 April 2014; and (ii) the financial year FY2015 from 1 May 2014 to 30 April 2015.

Mr. Rolando C. Gapud	79	21	-	-
S$250,000 to below S$500,000				
Mr. Edgardo M. Cruz, Jr.	82	11	6	1
NON-EXECUTIVE DIRECTORS				
Below S$250,000				
Mr. Patrick L. Go[20]	-	100	-	-
Mrs. Yvonne Goh[21]	-	100	-	-
Dr. Emil Q. Javier	58[2]	37	5	-
Mr. Benedict Kwek Gim Song	-	100	-	-
Mr. Godfrey E. Scotchbrook	-	100	-	-

Notes:
[1] *On 1 July 2015, Mr. Rolando C. Gapud was re-designated from Non-Executive Chairman to Executive Chairman of the Board.*
[2] *Refers to consultancy fees.*

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

Although the disclosure is not in compliance with the recommendation of the 2012 Code, the Board is of the view that, given confidentiality and commercial sensitivity attached to remuneration matters, disclosure in bands of S$250,000/- in excess of S$500,000/- will not be provided.

Ms. Jeanette Beatrice Naughton is Vice President, Strategic Planning of the Company's USA subsidiary, Del Monte Foods, Inc ("**DMFI**"). She is the daughter of Mr. Joselito D. Campos, Jr., the Company's Managing Director and CEO, and DMFI's Vice Chairman and Director. Ms. Naughton is responsible for spearheading DMFI's strategic planning function, with principal involvement in DMFI's mid-to-long term corporate vision, financial goals and key measures, business strategies and resources requirements. Her remuneration for the period in review was in the range of S$500,000-S$550,000.

4) Stock Rights, Options and Warrants

(a) Board of Directors

Complete the following table, on the members of the company's Board of Directors who own or are entitled to stock rights, options or warrants over the company's shares:

Share Options

The following Directors have outstanding options as of 31 July 2016:

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

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

Of the total outstanding options, 750,000 options were granted on 07 March 2008. The option

[20] Mr. Patrick L. Go resigned as an Independent Director of the Company effective 4 September 2015, and was replaced by Mrs Yvonne Goh.
[21] Mrs Yvonne Goh was appointed as an Independent Director on 4 September 2015 to replace Mr. Patrick Go.

periods for this batch of options are:

i. Up to 60% exercisable from 07 March 2010 to 06 March 2012;
ii. Up to 40% exercisable from 07 March 2012 to 06 March 2018.

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

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

Share Awards

The following Directors have outstanding unvested share awards as of 31 July 2016:

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

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

(b) *Amendments of Incentive Programs*

Indicate any amendments and discontinuation of any incentive programs introduced, including the criteria used in the creation of the program. Disclose whether these are subject to approval during the Annual Stockholders' Meeting:

Incentive Program	Amendments	Date of Stockholders' Approval
N/A	N/A	N/A

Not applicable; there were no amendments or discontinuation of any incentive programs introduced.

5) Remuneration of Management

The following tables show the disclosure on remuneration of top 5 key management personnel[22] who are *<u>not</u>* *at the same time executive directors:*

For FY2016 (1 May 2015 to 30 April 2016):

Remuneration Bands and No. of Key Executives	Fixed Salary %	Variable Income/ Bonus %	Benefits in Kind %
Above S$500,000			
1	42	57	1

[22] Key Management Personnel who are not Directors.

1	94	5	1
1	86	15	-
S$250,000 to below S$500,000			
1	90	9	1
1	90	9	1

As with the disclosure on the remuneration of the Directors and CEO, the remuneration of the top five Key Executives are similarly disclosed in bands of S$250,000/- with a maximum disclosure band of S$500,000/- and above.

Although the disclosure is not in compliance with the recommendation of the 2012 Code, for personal security reasons, the names of the Company's top five (5) Key Management Personnel are not disclosed.

E. BOARD COMMITTEES

1) Number of Members, Functions and Responsibilities

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No. of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-Executive Director (NED)	Independent Director (ID)				
Executive[23]	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Audit and Risk Committee ("**ARC**")	0	0	4	Under its terms of reference ("TOR"), the primary role of the ARC is to assist the Board with discharging its responsibility to safeguard the Company's assets, maintain adequate accounting records, develop and maintain effective systems of internal controls and risk management, ensure integrity of financial statements, and provide arrangements whereby concerns on financial improprieties or, other matters raised by whistle-blowers are investigated and appropriate follow up action taken. In particular, the ARC: 1. Reviews the scope and results of the audit and its cost effectiveness; 2. Ensures the independence and objectivity of the external auditors; 3. Reviews the non-audit services provided by the Company's external auditors; and 4. Reviews significant financial reporting issues so as to ensure the integrity of the Company's financial statements and any announcements relating to the Company's financial performance; 5. Conducts periodic reviews of all interested persons transactions; 6. Investigates any matter within its TOR, has unrestricted and has access to Management and the Head of the Internal Audit department, and has full discretion to invite any Director or Executive Officer to attend its meetings; and 7. Monitors the adequacy and effectiveness of the Group's internal controls system and internal audit function and ensures independent investigation of matters such as improprieties in financial reporting; and			

[23] The Board of Directors has not created or delegated its powers to an Executive Committee.

				8. Makes recommendations to the Board on the appointment, re-appointment and removal of the external auditors including the remuneration and terms of engagement of the external auditors. In the period in review, the ARC had reviewed the audit and non-audit services of the external auditors and was satisfied that the auditors continue to be independent.
Nominating Committee (“**NC**”)	2	0	4	Under its TOR, the NC is mainly responsible for making recommendations to the Board on all new Board appointments to ensure a formal and transparent process. It reviews the Board’s composition and effectiveness, and determines whether Directors possess the requisite qualifications and expertise and whether the independence of Directors is compromised. The NC has adopted procedures for the selection, appointment and re-appointment of Directors. The NC will evaluate the suitability of a prospective candidate based on his qualification and experience, ability to commit time and effort in the effective discharge of his duties and responsibilities, independence, past business and related experience and track record. The NC will also identify any core competencies that will complement those of current Directors on the Board. The NC is also tasked with reviewing the performance and contribution of Directors in order to nominate them for re-election or re-appointment. The NC will review, in particular, the Directors’ attendance and participation at meetings of the Board and Board committees and their efforts and contributions towards the success of the Group’s business and operations.
Remuneration and Share Option Committee (“**RSOC**”)	0	0	4	The RSOC’s principal function is to ensure that a formal and transparent procedure is in place for fixing the remuneration packages of the Directors as well as Key Executives of the Group. It is at liberty to seek independent professional advice as appropriate. Under its TOR, the RSOC is responsible for reviewing and recommending a remuneration framework for the Board and the Company’s Key Senior Executives. The RSOC assumed the role of the Employee Share Option Plan Committee, previously responsible for administering the Del Monte Pacific Executive Stock Option Plan, the Del Monte Pacific Restricted Share Plan and the Del Monte Pacific Performance Share Plan. The RSOC considers all aspects of remuneration - Director’s fees, salaries, allowances, bonuses, options, share awards and other benefits-in-kind. All remuneration matters are ultimately approved by the Board.

2) Committee Members

(a) Executive Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	-					
Member	-					

Member	-					
Member	-					
Member	-					

Not applicable.

(b) *Audit and Risk Committee*

As of 31 July 2016[24]:

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (Lead ID)	Benedict Kwek Gim Song	30 Apr 2007	2	2	100	8
Member (ID)	Godfrey E. Scotchbrook	28 Dec 2000	2	2	100	15
Member (ID)	Yvonne Goh	4 Sep 2015	2	2	100	-
Member (ID)	Emil Q. Javier	4 Sep 2015	2	2	100	-

Disclose the profile or qualifications of the Audit Committee members.

The members of the ARC are highly qualified with two (2) members having the requisite financial management experience and expertise.

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

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

Describe the Audit Committee's responsibility relative to the external auditor.

The ARC reviews the scope and results of the audit and its cost effectiveness. The ARC ensures the independence and objectivity of the external auditors. Likewise, it reviews the non-audit services provided by the Company's external auditors. The ARC reviews the audit and non-audit services of the external auditors and evaluates its independence.

(c) *Nominating Committee*

As of 31 July 2016[25]:

[24] The ARC held meeting for CY2016 (from 1 January 2016 to as of 31 July 2016) on 10 March 2016 and 29 June 2016.
[25] The NC held its first meeting for CY2016 (from 1 January 2016 to as of 31 July 2016) on 11 March 2016.

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (Lead ID)	Godfrey E. Scotchbrook	28 Dec 2000	1	1	100	15
Member (ED)	Edgardo M. Cruz, Jr.	30 Apr 2007	1	1	100	8
Member (ED)	Rolando C. Gapud	2 May 2006	1	1	100	9
Member (ID)	Benedict Kwek Gim Song	30 Apr 2007	1	1	100	8
Member (ID)	Emil Q. Javier	30 Apr 2007	1	1	100	8
Member (ID)	Yvonne Goh	4 Sep 2015	1	1	100	-

(d) *Remuneration and Share Option Committee*

As of 31 July 2016[26]:

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Godfrey E. Scotchbrook	28 Dec 2000	2	2	100	15
Member (Lead ID)	Benedict Kwek Gim Song	30 Apr 2007	2	2	100	8
Member (ID)	Yvonne Goh	4 Sep 2015	2	2	100	-
Member (ID)	Emil Q. Javier	4 Sep 2015	2	2	100	-

(e) *Others (Specify)*

Provide the same information on all other committees constituted by the Board of Directors:

Office	Name	Date of Appoint-ment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	-					
Member	-					
Member	-					
Member	-					
Member	-					

Not applicable.

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

There were no changes in committee membership that occurred as of 31 July 2016.

[26] The RSOC held its meetings for CY2016 (from 1 January 2016 to as of 31 July 2016) on 10 March 2016 and 29 June 2016.

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the period in review (FY2016).

Name of Committee	Work Done	Issues Addressed
Executive	Not applicable.	
Audit and Risk	Review of following Quarterly Reports such as: Management reports, consolidated financials of the Group and each business unit, review quarterly results announcements/press releases, internal audit reports; enterprise risk management and monitor major risk areas of the Company, corporate compliance report, external auditors' reports, review the non-audit services provided by the Auditors, determine independence of the Auditors, propose the re-appointment of Messrs KPMG as Auditors, report on Contingent Liabilities, report on Interested Person Transactions, report on Ageing of Receivables, consider the adequacy of internal controls addressing financial, operational and compliance risks; receive whistle blowing reports (where applicable); findings of ARC performance evaluation for FY2016; meet with the External Auditors and Internal Auditor without the presence of Management; ARC responsibilities calendar; ARC's compliance with its TOR; and report on conversion of DMFI financials from US GAAP to IFRS.	
Nominating	Review / consider / recommend the following: Board performance evaluation for FY2016, the findings of the NC performance evaluation for FY2016, nomination of the Directors named for re-election at the forthcoming AGM, nomination of Directors over age of 70 for continuation in office, confirmation of independence by the Independent Directors, multiple board representations held by directors, re-designation of Board Chairman and Company Secretary, composition of the Board of Directors and the Board Committees, NC's compliance with its TOR.	
Remuneration and Share Option	Review / consider / recommend the following: Findings of the RSOC performance evaluation for FY2016, performance appraisals of the CEO, COO and Key Management Personnel of the Group, Directors' fees for the financial year ending 30 April 2016, RSOC's compliance with its TOR, FY2017 Key Management Personnel Salary Plans for the Group, including the CEO & COO of the Company, and Key Management Personnel of the Group, and proposed long term incentive plan for the Company (i.e., Employee Share Option Plan).	
Others (specify)	Not applicable.	

5) Committee Program

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year (FY2017).

Name of Committee	Planned Programs	Issues to be Addressed
Executive	N/A	
Audit	The ARC shall continue to review the financial reporting issues of the Company, and evaluate the adequacy and effectiveness of the Group's internal controls and risk management policies, as well as its internal audit functions. The ARC has indicated its intention to specifically review cybersecurity risks that may affect the Group. The ARC shall also periodically review the interested person transactions of the Group.	
Nominating	The NC shall continue to assess the effectiveness of the Board and its committees, the contributions of the members of the Board, and determine the independence of each Director and oversee the succession planning with the Group.	
Remuneration and Share Option	The RSOC shall continue to review the remuneration framework and packages of the Directors and Key Management Personnel, and make appropriate recommendations to	

	the Board. It will oversee the implementation of new share option plans/new share plans to be adopted by the Company (the existing share option scheme and share plan had since lapsed), and determine any other long-term incentive scheme.
Others (specify)	N/A

F. RISK MANAGEMENT SYSTEM

1) Disclose the following:

(a) Overall risk management philosophy of the company;

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The ARC is responsible for monitoring the Group's risk management policies developed by management. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

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.

(b) A statement that the directors have reviewed the effectiveness of the risk management system and commenting on the adequacy thereof;

Based on the framework of risk management controls and internal controls established and maintained in the Company, the work performed by the internal auditors and the review undertaken by the external auditors as part of their audit, the assurance from the CEO and CFO and reviews performed by Management and various Board Committees, the Board, with the concurrence of the ARC, is of the opinion that:

(a) the financial records have been properly maintained and nothing has come to the Board's attention which may render the financial statements to be false or misleading in any material aspect; and
(b) the Group's risk management and internal control systems are adequate and effective to address the risks relating to financial, operational, compliance and information technology controls which the Group considers relevant and material to its operations.

(c) Period covered by the review;

The review covers FY 2016 (1 May 2015 to 30 April 2016).

(d) How often the risk management system is reviewed and the directors' criteria for assessing its effectiveness; and

Risk management processes and results 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.

Risk assessment and evaluation take place as an integral part of the annual operating plan ("AOP"). Having identified key risks to the achievement of the Group's AOP, mitigating actions are formulated in respect of each significant risk. Identified risks are also included and monitored in the corporate risk register, and mitigating measures are followed up.

The Board continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

(e) *Where no review was conducted during the year, an explanation why not.*

Not applicable; a review was conducted during FY2016.

2) Risk Policy

(a) *Company/Group*

Give a general description of the company's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

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

Risk management is a regular board agenda item.

<table>
<tr><th>Risk Exposure</th><th>Risk Management Policy</th><th>Objective</th></tr>
<tr><td>Financial Leverage</td><td colspan="2">The Group has long-term acquisition financing resulting in a leveraged balance sheet.

Risks would arise if there is a general economic or industry slowdown that may impact the Group's performance, which subsequently may affect the Group's ability to service its interest and principal obligations.

The Group manages its interest rate risk by swapping variable with fixed interest rates. The majority of the term acquisition loans in the USA have already been swapped to fixed rates in February 2014. The swap rates became effective beginning February 2016</td></tr>
<tr><td>New ERP system in USA</td><td colspan="2">In January 2015, the Group implemented a new Enterprise Resource Planning (ERP) System, SAP, in the US and outsourced its finance and accounting functions to a reputable global service provider in the Philippines.

Given the new systems and processed involved, there are risks to timely and accurate processing of documents, monitoring expenditures, along with the change of service provider and decision-making associated with the steady flow of detailed quality information.

To manage the risks:
• The Group is in the process of transitioning to a new global service provider for finance and accounting.
• The Group will manage the transition by retaining existing staff in its back office for a certain period, managing knowledge transfer to key members of the new staff, and solid training for all staff involved with SAP.
• Refocus IT support to effectively manage the project implementation which includes prioritizing SAP enhancements and alignment of key business processes with functional groups
• Transition in place</td></tr>
<tr><td>Branded and Non-Branded Business</td><td colspan="2">The Group's branded business in the U.S., the Philippines and the Indian subcontinent through Del Monte, and in Asia and the Middle East through S&W, is affected by a number of factors, including, but not limited to competition, product innovation and acceptance of new products, industry trends, distribution expansion, penetration and business partners' risks.

The Group's core categories in the US – Canned Vegetables, Canned Fruits and Canned Tomato – are large categories that generate strong cash flows but are</td></tr>
</table>

	slowing down. Certain non-branded business of the Group (including the USDA and certain private label) requires a competitive bidding process which does not guarantee the outcome of the bid nor the profitability of such bids. The Group's exposure to these risks is managed through the following processes, among others: • Strengthen the core business and expand the product portfolio and markets • Shift to branded value-added, packaged products with emphasis on innovation, health and wellness, convenience, quality, competitiveness and consumer appeal of the categories • Reinforce consumption-driven marketing strategies such as consumer advertising • Focus resources on growing categories – broth and single-serve fruit snacks • Market and customer diversification: increased penetration of high-growth channels such as foodservice and e-commerce • Building on closer working relationships with business partners • Reassessment of its non-branded business in its long-term strategic plan
Compliance with Regulatory Changes	Changes in legislation and government regulations affect the Group's business, including food safety, labelling, labour and environmental matters. The Group has a compliance program that aims to monitor and ensure the Group's compliance with laws and regulations to manage any risks related to regulatory developments. Our US business is converting to BPA free cans for our branded and non-branded fruit, vegetable and tomatoes. Compliance is a regular board agenda item.
Operations Integration in the United States	Acquisition of Sager Creek resulted in excess capacity and labour, breakdown of production equipment and different manufacturing operations. To manage this risk: • Standardisation of all U.S. manufacturing operations • SAP implementation at Sager Creek's Arkansas plant and monitoring of inventory balances • Closure of Sager Creek's North Carolina manufacturing facility in FY2016, in addition to the closure of the Wisconsin plant of Sager Creek a year earlier; consolidation of production capacity in other plants
Trade Concentration	A relatively limited number of customers account for a large percentage of the Group's total sales. In FY2016, DMFI's top customer accounted for more than 20% of Group sales. To manage the risks: • Leverage market leadership position in packaged Vegetable, Fruit and Tomato and growing categories – Broth and Fruit Cups • The Group has a dedicated sales team in the U.S. and Asia to service these major accounts and maximise growth opportunities • Diversify customers and channels, including foodservice and e-commerce
Environmental Risks	Production output is subject to certain risk factors relating to weather conditions, catastrophes, crop yields, contract growers and service providers' performance, and leasehold arrangements. There is no assurance that natural catastrophes or climate change will not materially disrupt the Group's business operations in the future, or that the Group is fully capable to deal with these situations with respect to all the damages and economic losses resulting from these risks. Our business in the US operates and contractually grows food in the U.S. where water availability may be at risk due to drought and limited water supply, new

	regulations on fresh water use and grey water discharges, and increasing cost. During the fiscal period, the Group experienced the El Niño weather phenomenon in certain areas of its operation. This affected crop yield. The drought in California has had an effect on fruit trees such as peaches, affecting quality, volume and pricing Which could reduce consumer demand. The drought in southern Philippines impacted the pineapple supply. To manage the risks: • The Group develops and executes a long-term strategic plan and annual operating plan, supported by a contingency plan and risk management measures • The Group also has in place disaster recovery plans and business continuity plans to mitigate these incidents, and has implemented programmes and initiatives to mitigate the effects of El Niño • The Group also works with insurance brokers to assess the risk exposure and secure adequate insurance coverage, if cost effective • The Group has Global Agricultural Practices (GAP) certifications, and complies with proven agricultural practices • The Group is exploring sourcing peaches from foreign sources • Higher peach product costs are expected to be offset by lower costs from productivity enhancements and operational efficiencies • To manage any impact from heavy rainfall and floods, plantings are done in various locations to minimise tonnage loss, and towing units have been augmented to ensure continuity of harvest during wet conditions • Long-term land leases with staggered expiry terms are also secured
Trademark Use and Intellectual Property Rights	While the Group holds the *Del Monte* trademark rights for packaged food products in the USA, South America, Philippines, the Indian subcontinent and Myanmar, the *Del Monte* trademark is licensed to other companies that are independent of the Group. Acts or omissions by any of such companies or any of the licensees of the *Del Monte* trademark may adversely affect the value of the *Del Monte* trademark and demand for the Group's products. The Group relies on trademark, trade secret, patent and other intellectual property laws, as well as non-disclosure and confidentiality agreements and other methods, to protect its proprietary information, technologies and processes. However, the Group may also be subject to intellectual property infringement or violation claims.
Cyber Security	The increasing global incidence of cyber attacks on company servers and websites demonstrates the need to strengthen and improve security of the Group's systems. To minimize the risks, the Group develops and implements measures to counter and eliminate cyber attacks from outside sources. The Group also has engaged a third party to audit its systems and mitigate such risks.
Group Assets	The Group assets are exposed to various risks relating to the assets of, and the possible liabilities from, its operations. To safeguard its assets, the Group assesses its risk exposure annually with its insurance brokers and insurance companies; assets are generally insured at current replacement values; and additions during the current year are automatically included with provision for inflation protection. During the financial year in review, all major risks were adequately covered, except where the premium costs were considered excessive in relation to the probability and extent of a loss.
Operations	As an integrated producer of packaged and fresh fruit products for the world market, the Group's earnings are inevitably subject to certain other risk factors, which include general economic and business conditions, change in business strategy or development plans, production efficiencies, input costs and availability, litigious counterparties, insurgent activities and changes in government regulations, including, without limitation, environmental regulations. To manage the risks, the Group develops and executes a long-term strategic plan and annual operating plan, supported by a business continuity plan, risk management and a corporate sustainability program. It also pursues productivity-enhancing and efficiency-generating work practices and capital projects.

	To manage insurgency risks in its operating units in the Philippines, the Group has strengthened security measures and improved its stakeholder relations in the communities where it operates.
Product Recalls and Litigation	The Group may be exposed to product recalls, including voluntary recalls or withdrawals, and adverse public relations if the Group's products are alleged to cause injury or illness, or if the Group is alleged to have mislabeled or misbranded its products or otherwise violated governmental regulations. The Group may also voluntarily recall or withdraw products that the Group considers below standards, whether for taste, appearance or otherwise, in order to protect its brand reputation. The Group has in place a robust Quality Management and Food Safety System that is designed to meet high global standards in product quality, food safety, hygiene and service. Manufacturing programmes have been established to identify and control hazards that impact on food safety and product quality. These programs' effectiveness is periodically verified by various third-party certification bodies following well accepted quality systems and standards such as ISO 9001:2008, GMP, HACCP, GLP, GAP, BRC, IFS and FSSC. Moreover, the Group has established a system to effectively manage incidents that may require immediate action to protect its brands, including procedures to manage emergency situations that may impact consumer safety, product quality or regulatory compliance. In the event that a product withdrawal or recall is initiated, a well documented traceability procedure is initiated. A complete identification of production lots from all raw and packaging materials used up to distribution is accomplished within eight hours. Effectiveness of these procedures is tested by an annual conduct of a mock recall.

Note: The table already includes the risk policies covering the Company and the Group.

(b) *Group*

Give a general description of the Group's risk management policy, setting out and assessing the risk/s covered by the system (ranked according to priority), along with the objective behind the policy for each kind of risk:

The Group implements an enterprise-wide approach to risk management. Please refer to the above for details.

(c) *Minority Shareholders*

Indicate the principal risk of the exercise of controlling shareholders' voting power.

Risk to Minority Shareholders
There is a risk that shareholders who hold a significant number of the Company's outstanding shares may not act in the interest of other shareholders. The risk is managed through policies that are intended to protect the rights of minority shareholders, including the Company's policies on interested person transactions, conflict of interest, etc.

3) Control System Set Up

(a) *Company*

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

Risk Exposure	Risk Assessment (Monitoring and Measurement Process)	Risk Management and Control (Structures, Procedures, Actions Taken)
Operational, Financial, Compliance and	DMPL's Risk Management and Internal Control Policy is adopted from the COSO Framework ("Committee of Sponsoring Organizations of the Treadway	

Information Technology Risks	Commission's "Internal Control–Integrated Framework"). Risk management reporting is a regular Board agenda.

(b) *Group*

Briefly describe the control systems set up to assess, manage and control the main issue/s faced by the company:

The Group implements an enterprise-wide approach to control systems. Please refer to the above for details.

(c) *Committee*

Identify the committee or any other body of corporate governance in charge of laying down and supervising these control mechanisms, and give details of its functions:

Committee/Unit	Control Mechanism	Details of its Functions
Audit and Risk Committee	The ARC provides oversight on management's implementation of risk management and internal control processes and obtains assurance on the adequacy and effectiveness of these processes. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the ARC. From time to time, the ARC also commissions third party firms to conduct independent reviews of risk management and internal control processes.	

G. INTERNAL AUDIT AND CONTROL

1) Internal Control System

Disclose the following information pertaining to the internal control system of the company:

(a) *Explain how the internal control system is defined for the company;*

The Group's Internal Control Policy adopted COSO Framework's definition of internal control as a process effected by an entity's board of directors, management and other personnel designed to provide reasonable assurance regarding the achievement of objectives in the following categories: effectiveness and efficiency of operations, reliability of financial reporting, and compliance with applicable laws and regulations.

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

(b) *A statement that the directors have reviewed the effectiveness of the internal control system and whether they consider them effective and adequate;*

Based on the framework of risk management controls and internal controls established and maintained in the Company, the work performed by the internal auditors and the review undertaken by the external auditors as part of their audit, the assurance from the CEO and CFO and reviews performed by Management and the various Board Committees, the Board, with the concurrence of the ARC, is of the opinion that:

(a) the financial records have been properly maintained and nothing has come to the Board's attention which may render the financial statements to be false or misleading in any material aspect; and
(b) the Group's risk management and internal control systems are adequate and effective to address

the risks relating to financial, operational, compliance and information technology controls which the Group considers relevant and material to its operations.

(c) *Period covered by the review;*

The review covers FY2016 (1 May 2015 to 30 April 2016).

(d) *How often internal controls are reviewed and the directors' criteria for assessing the effectiveness of the internal control system; and*

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

Risk assessment and evaluation takes place as an integral part of the annual operating plan ("AOP"). Having identified key risks to the achievement of the Group's AOP, mitigating actions are formulated in respect of each significant risk. Identified risks are also included and monitored in the corporate risk register, and mitigating measures are followed up.

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

(e) *Where no review was conducted during the year, an explanation why not.*

Not applicable; a review was conducted during FY2016.

2) Internal Audit

(a) *Role, Scope and Internal Audit Function*

Give a general description of the role, scope of internal audit work and other details of the internal audit function.

Role / Scope	Indicate whether In-house or Outsource Internal Audit Function	Name of Chief Internal Auditor/Auditing Firm	Reporting process
The Internal Audit Department is responsible for reviewing the risk management, control and governance processes to determine whether these are adequate and effectively implemented.	In-house	Gil Ramon Veloso (Group Head – Internal Audit)	The head of Internal Audit reports functionally to the ARC and administratively to the CEO.

(b) *Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?*

Yes.

(c) *Discuss the internal auditor's reporting relationship with the audit committee. Does the internal auditor have direct and unfettered access to the board of directors and the audit committee and to all records, properties and personnel?*

As mentioned in Section G (2)(a) above, the head of the Internal Audit Department reports functionally to the ARC and administratively to the CEO.

The ARC has the authority to investigate any matter within its TOR and has unrestricted access to the Head of the Internal Audit Department. The ARC monitors the adequacy and effectiveness of the Group's internal audit function. In the same manner, the Internal Audit Charter provides for the Internal Audit's full and free access to the ARC, including all records, properties and personnel.

(d) *Resignation, Re-assignment and Reasons*

Disclose any resignation/s or re-assignment of the internal audit staff (including those employed by the third-party auditing firm) and the reason/s for them.

Name of Audit Staff	Reason
N/A	N/A

(e) *Progress against Plans, Issues, Findings and Examination Trends*

State the internal audit's progress against plans, significant issues, significant findings and examination trends.

Progress Against Plans	Quarterly and annually
Issues[27]	Quarterly and annually
Findings[28]	Quarterly and annually
Examination Trends	Quarterly and annually

The relationship among progress, plans, issues and findings should be viewed as an internal control review cycle which involves the following step-by-step activities:

1) Preparation of an audit plan inclusive of a timeline and milestones;
2) Conduct of examination based on the plan;
3) Evaluation of the progress in the implementation of the plan;
4) Documentation of issues and findings as a result of the examination;
5) Determination of the pervasive issues and findings ("examination trends") based on single year result and/or year-to-year results;
6) Conduct of the foregoing procedures on a regular basis.

(f) *Audit Control Policies and Procedures*

Disclose all internal audit controls, policies and procedures that have been established by the company and the result of an assessment as to whether the established controls, policies and procedures have been implemented under the column "Implementation."

Policies & Procedures	Implementation
Revenue recognition policy	Implemented
Advertising and promotions policy	Implemented
Procurement policy	Implemented
IT Security policy	Implemented
Conflict of interest policy	Implemented
Whistleblower protection policy	Implemented
Contract management policy	Implemented

(g) *Mechanisms and Safeguards*

State the mechanism established by the company to safeguard the independence of the auditors,

[27] "Issues" are compliance matters that arise from adopting different interpretations.
[28] "Findings" are those with concrete basis under the Company's policies and rules.

financial analysts, investment banks and rating agencies (example, restrictions on trading in the company's shares and imposition of internal approval procedures for these transactions, limitation on the non-audit services that an external auditor may provide to the company):

Auditors (Internal and External)	Financial Analysts	Investment Banks	Rating Agencies
The Internal Audit Charter provides that the Internal Audit reports functionally to the ARC. It is free to allocate resources, and plan and execute its audits without management interference. The hiring, firing and compensation of the head of IA are also approved by the ARC. To ensure independence of the external auditor, it seeks prior approval from the ARC in relation to any non-audit services which may be provided to the Company.	In addition to the Company's Code of Business Ethics: The Company's Corporate Disclosure Policy sets the guidelines on the disclosure of company information to the investment community, the press, industry consultants and other audiences (the public) to govern the disclosure of material, non-public information in a manner designed to provide broad, non-exclusionary distribution of information so that the public has equal access to the information. The Company's Policy of Trade Secret Confidentiality and Non-Competition sets the guidelines for the handling of confidential company information. The Company's Securities Dealings Policy adopts and operationalizes the statutory prohibition on certain designated persons within the Company to deal in the Company's securities while in possession of unpublished material price-sensitive information and/or to provide such information to others.		

(h) *State the officers (preferably the Chairman and the CEO) who will have to attest to the company's full compliance with the SEC Code of Corporate Governance. Such confirmation must state that all directors, officers and employees of the company have been given proper instruction on their respective duties as mandated by the Code and that internal mechanisms are in place to ensure that compliance.*

The Chief Executive Officer, the Chief Financial Officer and the Chief Compliance Officer.

H. ROLE OF STAKEHOLDERS

1) **Disclose the company's policy and activities relative to the following:**

	Policy	Activities
Customers' welfare	The Company shall continually provide high quality products and best in class service to its customers. It shall endeavor to be the world's best source of processed pineapple, tropical fruit and other products in terms of quality, supply reliability, customer service and price competitiveness. Consumer satisfaction, health and safety shall always be of paramount concern to the Company. The Company's advertising shall be truthful. Information on the Company's products and services must be accurately communicated.	The Group implements strict controls throughout operations to ensure that the products consistently meet the highest levels of quality, safety and purity. The Group also has product traceability measures in place to respond to customer requirements. Also, to ensure customer satisfaction, the Company strives to establish effective communication lines with its customers and be always sensitive to consumers' concerns and needs.
Supplier/contractor selection practice	The Company acknowledges the importance of building a sound relationship with its suppliers. Accordingly, the Company shall conduct business with all customers on the basis of integrity, mutual interest and fairness.	In selecting suppliers, Del Monte in the Philippines uses its Supplier Quality Management Program (SQMP). The SQMP assesses the quality and delivery performance, feedback, recognition and continuous improvement program for all

	The Company performs periodic audits of contract manufacturers and certain direct suppliers, some independent and unannounced audits are used to address quality assurance and compliance issues. Furthermore, the Group prohibits the practice of forced and child labor. It is the Group's policy to seek out opportunities to buy from these suppliers where price, quality, and delivery of service are competitive.	direct materials suppliers and toll manufacturers. The suppliers are rated based on quality performance, delivery performance and competitiveness. DMFI has in place a Supplier Code of Conduct that applies to any entity providing goods or services, including suppliers and sub-contractors. The Group's Supplier Diversity Programme enables small and diverse businesses to be considered fairly as subcontractors and suppliers.
Environmentally friendly value-chain	The Company shall contribute positively to the environment and the communities in which it operates. It shall also promote social responsibility by supporting the health, education and welfare of these communities. The Company shall protect the environment. The Company shall strive to conserve natural resources, promote sound environmental values and practices, and manage waste effectively, as well as comply with the laws and regulations of the jurisdictions in which it operates. The Group communicates its Environmental Policy to its stakeholders in supporting resource-efficient processes that would enhance the Group's environmental footprint. The Group views full compliance with all applicable regulations as a minimum goal, and strive to exceed industry standards across its operations.	The Group's environmental management system sets out rigorous guidelines and processes to ensure that the Group's facilities meet the highest standards of environmental performance. *Land Use and Agricultural Practices in the Philippines and U.S.* The Group's land use practices are mainly aimed at improving plantation yield through ecologically friendly land preparation, plant disease management and chemical application; efficient water sourcing and drainage; and use of sustainable planting materials. The Group also installed soil conservation measures in pineapple fields implemented by crop growing units for better soil and drainage management, deepen and install auxiliary canals and silting basins specially designed for each field and planted trees along river easement near pineapple fields. The Group initiated programs to minimize waste, improve efficiencies in electricity and water consumption; increase usage of recycled but viable packaging materials; measure production efficiencies via 5S, Total Productive Maintenance and 6 Sigma; enhance the health and well-being of our workforce and their families; and ensure compliance of our service providers with local labor laws. In the U.S., the Group initiated efforts and programs to reduce the use of fertilizer and pesticide. *Energy Efficiency* Responding to the challenge of how power interruption in Mindanao negatively impacts the business, the Group embarked on a Renewable Energy project that produces bio-gas using the Cannery Wastewater. This Plant supports our Company's long-range Business Plan for increased

		production which ensures 100% wastewater treatment, and serves as a shield against unstable power supply and power cost increases. *Waste Management* The Group's pineapple pulp waste disposal system converts a by-product of the cannery into feed for our cattle farm at the plantation. The Group operates effluent treatment plants that treat wastewater discharged from agro-industrial facilities. A high-filtration extraction system processes excess juice into pineapple concentrate and syrup, significantly reducing volume of wastewater. Plantation-based families share in our total conservation effort as they segregate domestic solid waste right in their own homes. Recyclable materials collected from households are sold to fund community projects. *Responsible Use of Materials* The Group conducts regular safety audits on our fertilizer and chemical storage and work areas. *Green Initiatives* We undertake innovative composting, community-based tree planting and reforestation of denuded areas close to our operations sites.
Community interaction	As a responsible corporate citizen, the Group continues to contribute to the development and upliftment of the quality of life in communities where the Group operates. The rich heritage of partnership that the Group has with host communities inspires us to continue to make a difference in the lives of thousands of families around the Group's worksites and in other areas where insurgency and unrest have hampered growth. With a mission to raise the level of global health and wellness, the Company helps to bring greater awareness on health, nutrition and food safety to our host communities.	The Company undertakes various outreach programs to improve the welfare of the local communities in which it operates. These programs may include scholarships, health care, family planning, sports development and other acts of charity. Del Monte Foundation, Inc., a non-stock and non-profit organization, spearheads the Company's community programs in close coordination with the Del Monte Plantation and Cannery teams.
Anti-corruption programmes and procedures	The Company abhors any form of corruption by its employees and suppliers. Any solicitation or offering of gifts, payments or commissions by Company employees and their families, or by suppliers and their representatives, in exchange for business or for personal gain is strictly prohibited. Employees are expected to report any such violations or	The Group has an Anti-Corruption task force that meets as needed to reassess the Anti-Corruption program and evaluate whether further enhancements are necessary and roles and responsibilities of the task force are documented. An Anti-Corruption Policy as well as supporting policies (e.g., Code of Conduct, Employee Handbook, Travel & Expense) have been

	suspected violations.	communicated to employees and are readily available on the Del Monte intranet. The Group also implements a Whistleblower Policy that aims to deter and uncover any corrupt, illegal, unethical, fraudulent or other conduct detrimental to the interest of the Group committed by officers and employees, as well as third parties/any other persons, such as suppliers and contractors. Internal audits are periodically performed to assess corporate, facility and subsidiary processes and controls to mitigate corruption risks.
Safeguarding creditors' rights	The Company seeks to build a sound relationship with its business partners and suppliers including its creditors.	The Company seeks to continue doing business with its partners including its creditors on the basis of integrity, mutual interest and fairness.

2) **Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section?**

The Company's Corporate Social Responsibility is part of the Annual Report.

3) **Performance-enhancing mechanisms for employee participation.**

(a) What are the company's policy for its employees' safety, health, and welfare?

The Group is committed to provide its employees a safe and healthy working environment. It is also committed in upholding fundamental human rights and adhering to labor standards.

The health and safety of our employees are of paramount concern to the Group. We strive to provide a workplace free of preventable hazards and to comply with all laws and regulations governing workplace safety and health, including the Occupational Safety and Health Act.

(b) Show data relating to health, safety and welfare of its employees.

i. Safety, Health and Environment Awareness

The Group is mindful of the employees' health and safety. As such, it provides an ongoing safety training of plantation and cannery employees, and enforce the use of personal protective equipment (PPE) required in performing their duties and responsibilities.

These safety trainings have been extended to our service providers in both the plantation and cannery. We conducted inspection of trucks, safety talks, imposed the use of PPEs and initiated accident forums on safety and training on defensive driving.

ii. Welfare of Employees

Workers are paid above average rates in the industry, and are informed of the terms and conditions of employment prior to their appointment. They also undergo annual medical examinations or whenever required. Child and forced labour and any other form of exploitation are not practised. Discrimination on the grounds of nationality, ethnic group, religion, age and gender goes against the Group's Code of Business Ethics.

A comprehensive package of salaries and fringe benefits for employees is considered one of the most upgraded packages for agri-industrial workers in Southern Philippines. Employees enjoy benefits which include:

a. Free retirement plan with a vesting provision granting benefits to employees with 10 or more years of service upon resignation.
b. Voluntary supplementary provident plan with a vesting provision granting benefits to employees with 10 or more years of service.
c. Medical and Dental plan – administered by a Health Maintenance Organization (HMO) which includes free hospitalization at the company's 95-bed hospital and accredited hospitals and clinics; medicines; and medical and dental services.
d. Housing Benefits
    1. Company Housing Units (for Plantation employees only); and
    2. Monthly Housing Subsidy for those not enjoying company housing units.
e. Rice Allowance
f. Free transportation to and from work.
g. Free school bus for employees' children.
h. Annual vacation ranging from 16 to 25 days based on years of service.
i. Sick leave with pay for 16 to 18 days for the rank-and-file, and 19 to 20 days for supervisors and executives.
j. Bereavement leave of 3 days with pay.
k. Paternity leave of 7 days with pay, up to four entitlements
l. Death benefits: 12 months salary based on current rate or the employee's Personal Retirement Account (PRA) consisting of Company's contributions and earnings, whichever is higher, plus 1 week's pay per year of regular service but not exceeding 6 weeks' pay.
m. Scholarship programs.
n. Educational, religious and recreational facilities.
o. 18-hole golf course open to all employees.
p. Maintains and subsidizes schools (Del Monte School, Our Lady of Lourdes Elementary School and Holy Cross High School).
q. Voluntary Membership to Consumer and Credit Cooperatives for all employees.

The Group's agro-industrial workers enjoy one of the most attractive compensation and benefit packages. Complementing government-mandated privileges for all employees and qualified dependents is a broad range of free medical and dental services, a comprehensive retirement package, and voluntary plans for providential and insurance benefits.

In Mindanao, the Plantation employees live with their families in Group-owned houses and dormitories (for unmarried employees) within housing camps complete with social hall, chapel, playground and plaza, day care centre, primary and secondary schools, camp clinics and a 100-bed hospital managed by a medical service provider. Employee-organized cooperatives provide our workers with services that enhance economic benefits for their families. Cooperative members enjoy annual dividends and patronage refunds.

Children of the Cannery employees enjoy free year-round weekend tutorials on basketball and, as scheduled, other sports (tennis, swimming, martial arts) and creative skills (photography, theatre arts). Core Values are introduced through learning exposure that help them grow a strong sense of community and family life.

(c) State the company's training and development programs for its employees. Show the data.

(i) Training and Development

The Group cultivates a culture of excellence in encouraging its people to innovate and strive for continuous improvement. To address this, the following programs and projects are being implemented by the Group:

- The Group's Roadmap to Global Competitiveness focuses on building the capabilities of each employee on the ground. With the Centre of Excellence on Talent Management, key leaders at the plantation, cannery and Philippine market have developed a Competency Framework that will guide their teams towards achieving the Company's Strategic Roadmap

- The following training facilities on-site help employees upgrade technical and other skills: At "PineU" (Pineapple University), plantation personnel hone their farming expertise through formal sessions and benchmarking trips. "ManU" (Manufacturing University) opened a breakthrough for cannery staff to reorient on processes and adapt to new technologies.

ManU also administers two-year supervisory and trade-traineeship programmes for high-potential applicants and long-serving employees. On the faculty are our senior managers, who count among leading experts in their respective fields. Similar development programs are implemented in Finance through its Finance University and Marketing's Brand Leadership University (BLU).

In FY2016, the Company's average training hours in the Philippines increased by 20% versus FY2015 which included leadership and business training programmes, culture building, technical and regulatory training. The Company strengthened the competencies of Rank and File employees in FY2016.

- In the U.S., the Group offers specific development programmes to help employees meet organizational objectives, enhance their careers and maintain a consistently high level of performance.
- A management succession plan is also in place, with deep bench of candidates trained among our ranks to immediately assume responsibilities of Key Management Personnel in the event of vacancy.

(ii) Employee Engagement

As part of the ongoing employee engagement programmes, our employees in the Philippines are involved in various activities that promote a healthy work-life balance.

It has been the Group's tradition to give back to the community by visiting various communities. The employees volunteer their time to help make lives better for the less fortunate, our way of being a blessing to others. The U.S. facilities and corporate employees are also actively involved in contributing time and money to organizations that serve medical research, education, natural disaster, special needs, youth activities, veteran support.

Competition on various sporting events in Manila, the Cannery and Plantation are held each year. These sporting events extend to the employees' dependents in summer during school break. Programmes include sports, music, arts outreach and eco-projects.

To improve employee communication, our Human Resources Department in the Philippines has enhanced the online HRIS system called MyHR, an online system that maximizes technology for fast and accurate employment transactions. Employees can access and update their personal data, apply for leave, request for certificate of employment, view corporate announcements, download HR forms, policies and videos, and update and monitor employee performance.

Other employee engagement initiatives by the company include the Montee stores, where employees can purchase DMPL products at a discount, and the Montee Pass, a tie-up with various restaurants and stores for employee discounts and privileges.

In the Philippines, Labour-Management Cooperation (LMC) councils meet regularly to discuss and decide issues affecting employees, their families, the Group and the community. Memorandums of agreement (MOA) with three key labour unions stipulate wage increases and enhancements in benefits for farm and factory workers from year to year.

LMCs prepare the ground for efficient and short negotiations between Union and Management, as manifested in the signing of two MOA's covering enhanced economic and social benefits for approximately 3,000 employees at the plantation and cannery in the Philippines.

(d) State the company's reward/compensation policy that accounts for the performance of the company beyond short-term financial measures

The Group is committed to providing a motivating environment that recognizes and rewards our employees based on performance, teamwork, and continuous improvement in both the short term and long term, and should be designed to:

a) Motivate our employees to deliver the company's profitable growth goals;
b) Reward performance;

c) Retain top performers and high potentials; and
d) Promote teamwork.

- The Company's performance incentive plan aims to motivate and reward employees who contribute towards attaining and exceeding the Company's annual business objectives. The award is based on the degree to which divisional and corporate financial objectives are met. This incentive plan covers employees at the levels of supervisors and above.

- The Company is one of the first in the Philippines who offered the "flexible benefits program" where regular monthly paid employees of its subsidiary are able to choose their own set of benefits that will support their personal health and wellness objectives. The range of options includes spa and massage services, membership in fitness gyms, sign-up for sports tournaments, educational subsidy for dependents, optical allowance, etc.

- The Company rewards all regular employees for their dedicated and continuous service upon completing a minimum of 5 years and every 5 years thereafter, up to 40 years of service through the Service Awards Program. The awardee receives a special token and an increasing cash amount for each milestone year.

4) **What are the company's procedures for handling complaints by employees concerning illegal (including corruption) and unethical behavior? Explain how employees are protected from retaliation.**

A Whistleblower Policy has been in place since 2004 to promote the highest standards of business and personal ethics in the conduct of the Group's affairs.

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

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

The Board, together with the Chairman of the ARC, had appointed the Group CFO as the Protection Officer, as well as Mr. Gil Ramon Veloso, the Head of Internal Audit, as the Investigations Officer, to administer the Company's Whistleblower program.

The following are the contact details:

For legal compliance: +632 856 2557, +63 917 872 1472, or email legalcompliance@delmonte-phil.com
For other matters: +6388 855 2090, +63 917 712 0311, or email othercompliance@delmonte-phil.com

I. DISCLOSURE AND TRANSPARENCY

1) **Ownership Structure**

(a) Holding 5% shareholding or more

As of 31 July 2016:

Shareholder	No. of Shares	Percent	Beneficial Owner
NutriAsia Pacific Limited[29]	1,155,030,190	59.44%	NutriAsia Pacific Limited

[29] As of 31 December 2014, NutriAsia Pacific Ltd is a substantial and controlling shareholder of the Company, holding

HSBC (Singapore) Nom's Pte. Ltd[30]	148,226,771	7.63%	Bluebell Group Holdings[31]
Lee Pineapple Company Pte. Ltd.	100,422,000	5.17%	Lee Pineapple Company Pte Ltd.

Name of Senior Management	Number of Direct Shares	Number of Indirect Shares / Through (name of record owner)	% of Capital Stock
N/A	N/A	N/A	N/A

2) **Does the Annual Report disclose the following:**

Key risks	Yes
Corporate objectives	Yes
Financial performance indicators	Yes
Non-financial performance indicators	Yes
Dividend policy	Yes
Details of whistle-blowing policy	Yes
Biographical details (at least age, qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of directors/ commissioners	Yes
Training and/or continuing education programme attended by each director/commissioner	Yes
Number of board of directors/commissioners meetings held during the year	Yes
Attendance details of each director/commissioner in respect of meetings held	Yes
Details of remuneration of the CEO and each member of the board of directors/commissioners	No

Should the Annual Report not disclose any of the above, please indicate the reason for the non-disclosure.

Explanation on Non-Disclosure of Remuneration Details

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

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

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

3) **External Auditor's Fee**

The aggregate external audit fees that accrued for the audit of the Company's financial statements for FY2016 (1 May 2015 to 30 April 2016), FY2015 (1 May 2014 to 30 April 2015) and the transitional period from 1 January 2014 to 30 April 2014[32], and for services that were provided by the Company's external

869,315,246 shares therein. Its immediate holding company is NutriAsia Holdings Ltd. (formerly known as NutriAsia San Miguel Holdings Limited), the ultimate shareholders of which are Golden Chambers Investment Limited ("GCIL") and Star Orchids Limited ("SOL"), which hold 57.8% and 42.2% respectively through their intermediary companies - NutriAsia Holdings Ltd, NutriAsia Inc and Well Grounded Limited. GCIL and SOL are incorporated in the British Virgin Islands, and are beneficially owned by the Campos family.

[30] Bluebell Group Holdings Limited is the beneficial owner of the shares indicated. The shares are only held in nominee by HSBC (Singapore) Nom's Pte. Ltd.

[31] Bluebell Group Holdings Limited and NutriAsia Pacific Ltd. have common shareholders and are, thus, affiliated to each other.

[32] In May 2014, the Company announced the change of its fiscal year end from 31 December to 30 April. The information on the external auditor's fees for the audit of the Company's financial statements covering the fiscal year from 1 May

auditor are as follows:

Name of Auditor	Year Ended 30 April 2016		Year Ended 30 April 2015		Four Months Ended 30 April 2014	
	Audit Fee (US$'000)	Non-Audit Fee (US$'000)	Audit Fee (US$'000)	Non-Audit Fee (US$'000)	Audit Fee (US$'000)	Non-Audit Fee (US$'000)
KPMG LLP (FY2015 and SY2014) Ernst & Young LLp (FY2016)[33]	339	_	322	222	246	-
Other auditors	2,374	578	2,658	590	200	8

4) **Medium of Communication**

List down the mode/s of communication that the company is using for disseminating information.

The Company's disclosures and announcements are disseminated through the SGX-ST and PSE portals, the Company's email alerts and website.

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

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

The Company observes a closed window period of two (2) weeks prior to the announcement of its quarterly results and 1 month prior to the announcement of its full year results. During this period, the Company does not meet nor communicate with the investing community to ensure no selective disclosure is made.

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

The Management Discussion and Analysis (MD&A) report, press release and presentation on the Company's financial results are disseminated through SGXnet, PSE Edge, the Company's email alerts and website all on the same day.

The Company strengthens relationships with the investing community through one-on-one meetings, participation in at least 2 annual conferences, forums and road shows organized by stock broking and investing companies, to augment 2 briefings a year.

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

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

The following are also included in the IR site: IR calendar; next events; dividend policy and payout

2014 to 30 April 2015 are not yet available.

[33] On 28 August 2015, Ernst & Young LLP was appointed as the new Auditors of the Group, in place of retiring Auditors, KPMG LLP.

details; bio-data of Directors and senior management; and corporate governance. The following are uploaded in other sections of the website: sustainability; and Code of Business Ethics.

5) **Date of release of audited financial report:**

In May 2014, the Company announced the change of its fiscal year end from 31 December to 30 April. Following this change, the first fiscal year report of the Company would cover the transitional period from 1 January 2014 to 30 April 2014 and the regular twelve-month period from 1 May 2014 to 30 April 2015.

The Company's annual report for FY2015 was released on 13 August 2015.

6) **Company Website**

Does the company have a website disclosing up-to-date information about the following?

Business operations	Yes
Financial statements/reports (current and prior years)	Yes
Materials provided in briefings to analysts and media	Yes
Shareholding structure	Yes
Group corporate structure	Yes
Downloadable annual report	Yes
Notice of AGM and/or EGM	Yes
Company's constitution (Company's Memorandum and Articles)	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

Not applicable.

7) **Disclosure of RPT**

When RPTs are involved, what processes are in place to address them in the manner that will safeguard the interest of the company and in particular of its minority shareholders and other stakeholders?

The Company has an Interested Person Transactions (IPT) policy and manual that set out the definitions, general guidelines, and review and monitoring procedures to be adopted across the Company and the Group for ***IPTs*** compliance with the Listing Manual of the SGX-ST. The manual presents a comprehensive view of IPT and the procedures that all affected Group personnel, including members of senior management, directors and employees in Purchasing, Treasury, Finance, Sales, Legal, Internal Audit, must follow in order to comply with the SGX-ST rules. Non-compliance with the SGX-ST's requirements may lead to a range of sanctions such as public reprimand or in the worst case, de-listing.

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

In addition to the foregoing, the Company supplements its internal systems with stringent approval threshold requirements to ensure that IPTs are undertaken on an arm's length basis and on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority shareholders.

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

The following is a summary of IPTs that were entered into by the Company and/or its subsidiaries (the

"**Group**") with certain Interested Persons[34] for FY2016 (1 May 2015 to 30 April 2016), FY2015 (1 May 2014 to 30 April 2015) and SY2014 (transition period from 1 January 2014 to 30 April 2014):

Related Party Transaction	Relationship	Nature	FY2016 US$'000	FY 2015 US$'000	SY 2014 US$'000
Del Monte Philippines, Inc. (DMPI Retirement Fund)	Retirement fund of the Company's subsidiary	Rental to DMPI Retirement Fund	1,395	1,519	169
		Purchases of Services to DMPI Retirement Fund	-	-	8
		Management fees from DMPI Retirement Fund	(4)	(5)	(2)
Del Monte Philippines, Inc. (DMPI Provident Fund)	Retirement fund of the Company's subsidiary	Rental to DMPI Provident Fund	5	-	5
NutriAsia Inc. (NAI)	Affiliate of the Company	Rental to NAI Retirement Fund	529	582	-
		Purchases of Production Materials	743	392	43
		Toll Pack Fees	551	472	169
		Utilities	83	-	-
		Recharge of Inventory Count Shortage	(25)	(363)	-
		Shared IT Services from NAI	(215)	(419)	(27)
		Sale of other raw materials with NAI	(13)	-	-
		Sale of tomato sauce with NAI	(1,098)	(1,627)	(641)
TOTAL			**1,951**	**551**	**(276)**

J. RIGHTS OF STOCKHOLDERS

1) Right to participate effectively in and vote in Annual/Special Stockholders' Meetings

(a) Quorum

Give details on the quorum required to convene the Annual/Special Stockholders' Meeting as set forth in its By-laws.

Quorum Required	Under Article 75 of the Articles, a meeting of members is duly constituted if, at the commencement of the meeting, there are present in person by proxy two members entitled to vote on resolution of members to be considered at the meeting.

(b) System Used to Approve Corporate Acts

Explain the system used to approve corporate acts.

System Used	Electronic poll voting
Description	For greater transparency, the Company had, since 2013, instituted electronic poll voting and all resolutions are put to vote by electronic poll at its AGMs and GMs. Announcement of the detailed results of the number of votes cast for and against each resolution, and the respective percentages is also made on the same day.

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

(c) *Dividends*

The following is the dividend declaration history of the Company for 2012, 2013 and 2014:

	Declaration Date	Record Date	Payment Date
CY2012	8 August 2012 27 February 2013	17 August 2012 07 March 2013	05 September 2012 27 March 2013
CY2013	12 August 2013	20 August 2013	04 September 2013
SY2014	Nil	Nil	Nil
FY2015	Nil	Nil	Nil
FY2016	28 Jun 2016	26 August 2016	8 September 2016

(d) *Stockholders' Participation*

1. *State, if any, the measures adopted to promote stockholder participation in the Annual/Special Stockholders' Meeting, including the procedure on how stockholders and other parties interested may communicate directly with the Chairman of the Board, individual directors or board committees. Include in the discussion the steps the Board has taken to solicit and understand the views of the stockholders as well as procedures for putting forward proposals at stockholders' meetings.*

   The Company encourages shareholder participation at GMs and ensures that the venue for GMs is in a central location easily accessed by public transportation. It also ensures that shareholders have the opportunity to participate effectively in and vote in the AGMs and GMs either in person or by proxy. Shareholders are informed of the rules, including voting procedures, which govern GMs.

   The Memorandum and Articles of the Company do not allow corporations which provide nominee or custodial services to appoint more than two proxies to vote. The Company does, however, allow non-shareholders to attend the AGM as observers.

   Resolutions on each distinct issue are tabled separately at GMs.

   In GMs, shareholders are given the opportunity to communicate their views and direct questions to Directors and Senior Management regarding the Company. The Chairman of the Board, the respective Chairman of the ARC, NC and RSOC, all other Directors, Senior Management including the CEO, and the external auditors are present to assist the Board in addressing shareholders' questions.

   The Chairman of the ARC attended the most recent AGM held in August 2015.

2. *State the company policy of asking shareholders to actively participate in corporate decisions regarding:*

(a) Amendments to the Company's constitution

Section 12 of the Company's Memorandum and Article 169 of the Company's Articles state that the Company may amend its Memorandum and Articles by a special resolution of members subject always, for so long as the shares of the Company are listed on the Designated Stock Exchange, to the prior written approval of the Designated Stock Exchange.

Under the Articles, "special resolution" is defined as:

(a) A resolution approved at a duly convened and constituted meeting of the members of the Company by the affirmative vote of:

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

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

(b) Authorization of additional shares

Under Article 59 of the Company's Articles, the Company may, by an ordinary resolution of members, increase its authorized capital (or, by special resolution of members, reduce its authorized share capital) and, in connection therewith, the Company may, in respect of any unissued shares, increase (or reduce) the number of such shares, increase (or reduce) the par value of any such shares or effect any combination of the foregoing accordingly.

The Articles define "ordinary resolution" as:

(a) A resolution approved at a duly convened and constituted meeting of the members of the Company by the affirmative vote of:
(i) a simple majority of the votes of the shares which were present at the meeting and entitled to vote thereon and were voted and not abstained; or
(ii) a simple majority of the votes of each class or series of shares which were present at the meeting and entitled to vote thereon as a class or series and were voted and not abstained; or

(b) A resolution consented to in writing by:
(i) An absolute majority of the votes of shares entitled to vote thereon; or
(ii) An absolute majority of the votes of each class or series of shares entitled to vote thereon as a class or series.

(c) Transfer of all or substantially all assets, which in effect results in the sale of the company.

Article 15(1) of the Articles provides, subject to the provisions of these Articles, the unissued shares of the Company shall, with the approval of the members in general meeting, be at the disposal of the directors who may, without limiting or affecting any rights previously conferred on the holders of any existing shares or class or series of shares, offer, allot, grant options over or otherwise dispose of shares to such persons, at such times and upon such terms and conditions as the Company may, by resolution of directors, determine provided always that:

(a) No shares shall be issued so as to transfer a controlling interest in the Company without the prior approval of the members in general meeting; and
(b) Any other issue of shares, the aggregate of which would in any one financial year of the Company exceed the limits referred to in Regulation 15(3), shall be subject to the approval of the members in general meeting.

Also, Article 102(2) states that any sale or disposal by the directors of the Company's main undertaking shall be subject to the approval of the members of the Company in a general meeting.

3. *Does the company observe a minimum of 21 business days for giving out of notices to the AGM where items to be resolved by shareholders are taken up?*

Section 67 of the Articles provides that an annual general meeting and any general meeting at which the passing of a special resolution of members is to be considered shall be called by not less than twenty-one (21) clear days' notice in writing.

The Company was incorporated and registered in the British Virgin Islands. Section 65(4) of the Company's Articles states that the period of notice shall be exclusive of the day on which it is served or deemed to be served and exclusive of the day on which the meeting is to be held. All other general meetings may be called by not less than fourteen (14) clear days' notice in writing but a general meeting may be called by shorter notice with a few exceptions under the Company's Articles.

(a) *Date of sending out notices:*

The Company first sent out the notice of 2015 AGM and 2015 GM on 13 August 2015 which satisfies the requirement of 14 clear days' notice provided in the Company's Articles.

(b) *Date of the Annual/Special Stockholders' Meeting:*

The Company's latest AGM was held on 28 August 2015. A GM was likewise held on the same day.

A GM was held on 8 March 2016. The AGM of the Company's shareholders for 2016 will be held on 30 August 2016, which AGM will be immediately followed by two GMs.

4. *State, if any, questions and answers during the Annual/Special Stockholders' Meeting.*

At the AGM and GM held on 28 August 2015, questions were raised by the Company's shareholders, and addressed by the Chairman and Management team.

At the AGM, the shareholders asked questions relating to the Company's audited financial statements for the past year, acquisition of the Consumer Food Business in the U.S., dividend pay-out post acquisition, gearing levels, main competitors of the Consumer Food Business in the U.S., and how the Company intends to service its debts. The queries were sufficiently addressed by the Chairman, together with the Company's CFO and COO. The shareholders were assured that the Group's business is strong.

At the GM, the shareholders raised questions on the proposed listing and issuance of preference shares in Singapore / Philippines, dividend policy, and net margins. The Chairman responded to all these inquiries by providing relevant answers and adequate explanations to the shareholders.

5. *Results of Annual/Special Stockholders' Meeting's Resolutions*

(a) *Annual General Meeting*

At the Company's AGM held on 28 August 2015, the following resolutions were put to shareholders and duly passed by way of poll:

Resolution	Approving	Dissenting
Resolution 1 Adoption of the Directors' Report and Audited Financial Statements together with the Auditors' Report thereon, for (i) the transition period from 1 January 2014 to 30 April 2014 (the "**Transition Period**"); and (ii) the financial year from 1 May 2014 to 30 April 2015 ("**FY2015**")	1,286,571,782	209,700
Resolution 2 Re-election of Mr. Godfrey E Scotchbrook, a Director retiring pursuant to Article 88 of the Company's Articles of Association	1,286,666,732	391,200
Resolution 3 Re-election of Mr. Edgardo M Cruz, Jr, a director retiring	1,286,173,012	376,900

pursuant to Article 88 of the Company's Articles of Association		
Resolution 4 Approval of payment of Directors' fees of up to US$684,000/- for (i) the period from 1 January 2015 to 30 April 2015; and (ii) the financial year from 1 May 2015 to 30 April 2016 ("**FY2016**"), to be paid quarterly in arrears	1,286,377,682	545,000
Resolution 5 Authority to fix, increase or vary the emoluments of Directors	1,286,161,132	468,800
Resolution 6 Authority to issue Shares	1,198,018,729	88,736,183
Resolution 7 Authority to allot and issue Shares under the Del Monte Pacific Executive Stock Option Plan 1999 and Del Monte Pacific Restricted Share Plan and the Del Monte Pacific Performance Share Plan	1,198,456,579	88,869,483
Resolution 8 Renewal of shareholders' mandate for Interested Person Transactions	123,475,206	670,450

The following were required to abstain from voting on any resolutions:

i. Mr. Edgardo M Cruz, Jr, a Director of the Company, holding 2,881,635 ordinary shares in the Company, being interested in Resolution 3 had abstained in the voting thereof; and
ii. NutriAsia Pacific Limited, a controlling shareholder of the Company, holding 1,155,030,190 ordinary shares in the Company, being interested in Resolution 8 had abstained in the voting thereof; and Mr. Joselito D Campos Jr, being deemed interested in the shares held by NutriAsia Pacific Limited had also abstained in the voting of Resolution 8.

(b) General Meeting

At the Company's GM held on 28 August 2015, the following resolutions were put to shareholders and duly passed by way of poll:

Resolution	Approving	Dissenting
Resolution 1 Proposed adoption of Share Purchase Mandate	1,279,261,687	149,000
Resolution 2 Appointment of Ernst & Young LLP as the new Auditors of the Group, in place of retiring Auditors, KPMG LLP	1,279,222,487	62,900
Resolution 3 Appointment of Sycip Gorres Velayo & Co. (Ernst & Young Philippines) as the Philippine Auditors of the Group	1,279,384,607	62,900

No shareholder was required to abstain from voting on any resolution taken up during the GM.

(c) General Meeting

At the Company's GM held on 8 March 2016, the following resolution was put to shareholders and duly passed by way of poll:

Resolution	Approving	Dissenting
Ordinary Resolution The Proposed Specific Preference Share Issue Mandate	1,295,292,119	833,550

No shareholder was required to abstain from voting on any resolution taken up during the GM.

6. *Date of publishing of the result of the votes taken during the most recent AGM for all resolutions.*

(a) The results of the votes taken at the AGM and GM were uploaded to the SGX-ST portal on the same day 28 August 2015 and to the PSE EDGE on 29 August 2015.

(b) The results of the votes taken at the GM were uploaded to the SGX-ST portal and the PSE EDGE on 8 March 2016.

(e) Modifications

State, if any, the modifications made in the Annual/Special Stockholders' Meeting regulations during the most recent year and the reason for such modification:

Modifications	Reason for Modification
Holders of shares in the Company that were lodged in the PSE were allowed to vote in Manila by manually accomplishing the ballots instead of electronically voting.	Electronic voting is not available in Manila.

(f) Stockholders' Attendance

(i) Details of Attendance in the Annual/Special Stockholders' Meeting Held:

For the AGM and GM held on 28 August 2015:

Type of Meeting	Names of Board Members/ Officers Present	Date of Meeting	Voting Procedure (by poll)	% of SH Attending in Person	% of SH in Proxy	Total % of SH Attendance
Annual	Rolando C. Gapud Joselito D. Campos, Jr. Edgardo M. Cruz, Jr. Patrick L. Go Godfrey E. Scotchbrook Benedict Kwek Gim Song Luis F Alejandro Ignacio C.O. Sison Tan San-Ju	28 Aug 2015	Singapore – via electronic poll Philippines – via paper ballot voting	1.35%	0.28%	1.68%
Special	Rolando C. Gapud Joselito D. Campos, Jr. Edgardo M. Cruz, Jr. Patrick L. Go Godfrey E. Scotchbrook Benedict Kwek Gim Song Luis F. Alejandro Ignacio C.O. Sison Tan San-Ju	28 Aug 2015	Singapore – via electronic poll Philippines – via paper ballot voting	1.35%	0.28%	1.68%

(ii) Does the company appoint an independent party (inspectors) to count and/or validate the votes at the AGM/GMs?

Yes, the Company appointed independent scrutineers for purposes of tabulating and validating the votes cast at the 2015 AGM and GM, and at the 2016 GM. The firms and/or persons appointed to act as scrutineers were as follows:

- Ms. Madelyn Kwang of DrewCorp Services Pte Ltd for the proceedings in Singapore; and
- Atty. Kristel Ann Marie Bejar of Ortega, Bacorro, Odulio, Calma & Carbonell for the proceedings in the Philippines.

(iii) Do the company's common shares carry one vote for one share? If not, disclose and give reasons for any divergence to this standard. Where the company has more than one class of shares, describe the voting rights attached to each class of shares.

Yes, ordinary shares of the Company carry one vote per share.

(g) Proxy Voting Policies

State the policies followed by the company regarding proxy voting in the Annual/Special Stockholders' Meeting.

	Company's Policies
Execution and acceptance of proxies	The proxy form must be duly accomplished, signed and dated by the shareholder, and submitted to the designated officer, in accordance with the instructions given in the Notice of Meeting (AGM/GM). The proxy form is distributed together with the printed Notice of Meetings and Annual Report. Article 70 of the Company's Articles provides: (1) A member may be represented at a meeting of members by a proxy who need not be a member of the Company to speak and vote on behalf of the member, and to vote on a show of hands, on any matter at any general meeting. (2) An instrument of proxy shall be deemed to confer on the holder thereof the authority to demand or join in demanding that a poll be taken at any general meeting or annual general meeting. In the case of joint ownership of shares, Article 73 shall govern: (a) if two or more persons hold shares jointly each of them may be present in person or by proxy at a meeting of members and may speak as a member; (b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and (c) if two or more of the joint owners are present in person or by proxy they must vote as one and the person whose name stands first on the register of members shall be entitled to vote.
Notary	Proxies do not need to be notarized.
Submission of Proxy	Article 72 provides, the instrument appointing a proxy shall be produced at the place appointed for the meeting, or such other place as may specified in the instrument, forty-eight (48) hours before the time for holding the meeting at which the person named in such instrument proposes to vote.
Several Proxies	The Memorandum and Articles of the Company do not allow corporations which provide nominee or custodial services to appoint more than 2 proxies to vote. At present, only the Central Depository (Pte) Ltd (in Singapore) is permitted to appoint more than 2 proxies. Article 71 states: (1) Every member is entitled to attend and vote at a general meeting of the Company where such member is the holder of two or more shares,

	such person shall be entitled to appoint not more than two proxies to attend and vote instead of him at the same meeting provided that, if the member is the Depository: (a) the Depository may appoint more than two proxies to attend and vote at the same general meeting and each proxy shall be entitled to exercise the same powers on behalf of the Depository as the Depository could exercise, including the right to vote individually on a show of hands provided that, on a show of hands or otherwise, it is the votes allocated to the shares that shall be counted and not the number of members who actually voted; and X X X (2) In any case where a form of proxy appoints more than one proxy (including the case where such appointment results from a nomination by a Depositor), the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
Validity of Proxy	Article 71 (b) and (c) further provide: (b) Unless the Depository specifies otherwise in a written notice to the Company, the Depository shall be deemed to have appointed as the Depository's proxies to vote on behalf of the Depository at a general meeting of the Company each of the Depositors who are individuals and whose names are shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company and notwithstanding any other provisions in these Articles, the appointment of proxies by virtue of this Article 71(1)(b) shall not require an instrument of proxy or the lodgement of any instrument of proxy; (c) The Company shall accept as valid in all respects the form of instrument of proxy approved by the Depository (the "CDP Proxy Form") for use at the date relevant to the general meeting in question naming a Depositor (the "Nominating Depositor") and permitting that Nominating Depositor to nominate a person or persons other than himself as the proxy or proxies appointed by the Depository. The Company shall, in determining rights to vote and other matters in respect of a completed CDP Proxy Form submitted to it, have regard to the instructions given by and the notes (if any) set out in the CDP Proxy Form. The submission of any CDP Proxy Form shall not affect the operation of Article 71(1)(b) and shall not preclude a Depositor appointed as a proxy by virtue of Article 71(1)(b) from attending and voting at the relevant meeting but in the event of attendance by such Depositor, the CDP Proxy Form submitted bearing his name as the Nominating Depositor shall be deemed to be revoked.
Invalidated Proxy	Article 71 further provides: (d) the Company shall reject any CDP Proxy Form of a Nominating Depositor if his name is not shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company;
Proxies executed abroad	There is no requirement that proxies executed abroad must be authenticated.
Validation of Proxy Violation of Proxy	Article 71 (e) states that, on a poll, the maximum number of votes which a Depositor or proxies appointed pursuant to a CDP Proxy Form in respect of that Depositor is able to cast shall be the number of shares credited to the Securities Account of the Depositor as shown in the records of the Depository as at a time not earlier than forty-eight (48) hours prior to the time of the relevant general meeting supplied by the Depository to the Company, whether that number is greater or smaller than the number specified in any CDP Proxy Form or instrument of proxy executed by or on behalf of the Depository.

	For security holders with shares listed in the PSE, the Philippine stock transfer agent is the one responsible for receiving and validating the accomplished proxy forms.

(h) Sending of Notices

State the company's policies and procedure on the sending of notices of Annual/Special Stockholders' Meeting.

Policies	Procedure
As a rule, the notice of a general meeting of members shall be sent to the Company's shareholders at least 14 clear days. The Company takes into account the provisions of its Articles, as well as the listing rules of the SGX-ST and the PSE, as well as the SEC.	Article 67 of the Company's Articles provides: An annual general meeting and any general meeting at which the passing of a special resolution of members is to be considered shall be called by not less than twenty-one (21) clear days' notice in writing. All other general meetings may be called by not less than fourteen (14) clear days' notice in writing but a general meeting may be called by shorter notice: (a) in the case of a meeting called as an annual general meeting, if it is so agreed by all the members entitled to attend and vote thereat; (b) in the case of any other meeting, if it is so agreed by a majority in number of the members having the right to attend and vote at the meeting, being a majority together holding not less than ninety per cent (90%) of the total number of shares entitled to vote on all matters to be considered at the meeting, or ninety per cent (90%) of the votes of each class or series of shares where members are entitled to vote thereon as a class or series; and (c) in all cases, if all members holding shares entitled to vote on all or any matters to be considered at the meeting have waived notice of the meeting and for this purpose presence at the meeting shall be deemed to constitute waiver. For so long as the shares of the Company are listed on the Designated Stock Exchange, at least fourteen (14) days' notice of any general meeting shall be given by advertisement in an English daily newspaper in circulation in Singapore and in writing to the Designated Stock Exchange. Article 156 of the Articles states: Any notice, document, information or written statement to be given by the Company to members may be served in the case of members holding registered shares in any way by which it can reasonably be expected to reach each member or by mail addressed to each member at the address shown in the share register and in the case of members holding shares issued to bearer, in the manner provided in the Memorandum. *Note: "Clear days" is, in relation to the period of notice, that period excluding the day when notice is given or deemed to be given and the day when it is given or on which it takes effect.* Rule 704(15) of the SGX-ST Listing Rules provides that all notices convening meetings must be sent to stockholders at least 14 calendar days before the date of meeting (excluding the date of notice and date of meeting). In the Philippines, however, the SEC requires that whenever an annual or special meeting will be held, the Company should furnish its stockholders the information statement, proxy form and management report at least 15 business days prior to the date of the stockholders' meeting.

(i) Definitive Information Statements and Management Report

For the Company's AGM and GM held on 28 August 2015:

Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	13 August 2015
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	13 August 2015
State whether CD format or hard copies were distributed	The Company's Annual Report, Definitive Information Statement, and other reference materials, such as, but not limited to, the Memorandum on Interested Person Transactions and the Circular on the relevant resolutions tabled for shareholders' approval, were distributed in CD format to the shareholders.
If yes, indicate whether requesting stockholders were provided hard copies	N/A

For the Company's GM held on 8 March 2016:

Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by market participants/certain beneficial owners	15 February 2016 (no Management Report was distributed)
Date of Actual Distribution of Definitive Information Statement and Management Report and Other Materials held by stockholders	15 February 2016 ((no Management Report was distributed)
State whether CD format or hard copies were distributed	N/A
If yes, indicate whether requesting stockholders were provided hard copies	N/A

(j) *Does the Notice of Annual/Special Stockholders' Meeting include the following:*

As of the AGM/GM held on 28 August 2015:

Each resolution to be taken up deals with only one item.	Yes
Profiles of directors (at least age, qualification, date of first appointment, experience, and directorships in other listed companies) nominated for election/re-election.	Yes
The auditors to be appointed or re-appointed.	Yes
An explanation of the dividend policy, if any dividend is to be declared.	Yes
The amount payable for final dividends.	No dividends were declared
Documents required for proxy vote.	Yes

Should any of the foregoing information be not disclosed, please indicate the reason thereto.

Not applicable.

2) Treatment of Minority Stockholders

(a) *State the company's policies with respect to the treatment of minority stockholders.*

Policies	Implementation
The Group treats all shareholders fairly and equitably, and recognizes, protects and facilitates the exercise of shareholders' rights. Moreover, the Group continually reviews and updates such governance arrangements. Shareholders are informed of changes in the Company's business, which are likely to materially affect the value of the Company's shares. The Group ensures that all shareholders have the opportunity to participate effectively in and vote at GMs. Shareholders are informed of the rules, including voting procedures, which govern GMs.	Implemented

(b) *Do minority stockholders have a right to nominate candidates for board of directors?*

The Company's Articles state:

No person other than a director retiring at the meeting shall, unless recommended by the directors for election, be eligible for election as a director at any general meeting unless not less than eleven (11) clear days before the date appointed for the meeting there shall have been lodged at the Office a notice in writing signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice in writing signed by the person to be proposed of his willingness to be elected, provided that in the case of a person recommended by the Board for election not less than nine (9) clear days' notice in writing shall be necessary and notice of each and every such person shall be served on the members at least seven (7) days prior to the meeting at which the election is to take place.

K. INVESTORS RELATIONS PROGRAM

1) *Discuss the company's external and internal communications policies and how frequently they are reviewed. Disclose who reviews and approves major company announcements. Identify the committee with this responsibility, if it has been assigned to a committee.*

The IR policy of the Company promotes fair and equitable treatment of all shareholders, while recognizing, protecting and facilitating the exercise of shareholders' rights. This is consistent with the listing requirements of the SGX-ST and PSE, and reinforces the Company's commitment to providing easy and regular access to timely, effective, fair, pertinent and accurate information about the Company.

IR is a key function in the Company. As such, the IR manager reports directly to the Chief Corporate Officer (CCO), who coordinates with the Senior Management on IR, as required. The CCO reports to the CEO who, together with the Executive Committee, gets involved with IR, as needed. The CCO also updates the Board and Senior Management on IR developments and feedback.

The Board reviews and approves major company announcements.

2) *Describe the company's investor relations program including its communications strategy to promote effective communication with its stockholders, other stakeholders and the public in general. Disclose the contact details (e.g. telephone, fax and email) of the officer responsible for investor relations.*

	Details
(1) Objectives	The objective of IR is to enhance shareholder value.
(2) Principles	The Company's IR is guided by principles of trust, good corporate governance, transparency, openness and quality of disclosure, fairness, timeliness, proactiveness and engagement, accessibility, employment of information technology, and continuous improvement. In summary, these are the principles and corresponding actions which the Company adheres to.

	a) Trust – Grounded on SGX-ST guidelines and principles. b) Good Corporate Governance – Code of Corporate Governance pillars including Communication with Shareholders; Governance and Transparency Index (GTI). c) Transparency, Openness and Quality of Disclosure – Clear communication of business strategy and outlook; issuance of profit alerts, if warranted; management of market expectation. d) Fairness – No selective disclosure; closed-window period e) Timeliness – Timely and accurate information disclosed immediately via the SGXnet, PSE Edge, and the Company's corporate website; IR team is responsive to emails and calls, and targets one day turnaround to answer enquiries. f) Proactiveness and Engagement – Reaching out to the investing community through briefings, one-on-one meetings, conference calls, brokers' conferences, email updates. g) Accessibility – Contact details on IR homepage and annual report; IR manager is contactable by mobile phone. h) Employment of IT/latest tools – Email alerts, corporate website, keeping abreast of different online platforms in the market. i) Continuous improvement – Peer benchmarking, attending IR tasks and forums, keeping abreast of new Code of Corporate Governance and GTI and ASEAN Corporate Governance Scorecard (ACGS); implementation of best practices.
(3) Modes of Communications	The Group provides descriptive and detailed disclosure whenever possible and avoids boilerplate disclosures, and immediately announces any material information known to the Company concerning the Company or any of its subsidiaries or associated companies. Material information are disclosed to all shareholders and the investing community equally via the SGX-ST and PSE portals (i.e., no selective disclosure), including the Company's financial position, performance, ownership, strategies, activities and governance. The Company observes a closed window period of 2 weeks prior to the announcement of its quarterly results and 1 month prior to the announcement of its full year results. During this period, the Company does not meet nor communicate with the investing community to ensure no selective disclosure is made. The Company announces its financial results on a quarterly basis within the prescribed timeframe and holds joint briefings with the investing community on its half-year and full-year performance in an accessible central location. Key Executives are present during the briefings. The Management Discussion and Analysis (MD&A) report, press release and presentation on the Company's financial results are disseminated through SGXnet, PSE Edge, the Company's email alerts and website all on the same day. The Company strengthens relationships with the investing community through one-on-one meetings, participation in at least 2 annual conferences, forums and road shows organized by stock broking and investing companies, to augment the briefings/webcasts and conference calls. The Company has organized trips to its plantation and cannery, as well as trade checks, for the investing community, providing them with firsthand appreciation and understanding of the Company's operations and markets. The corporate website (www.delmontepacific.com) has a dedicated and comprehensive IR section that is user-friendly with easily downloadable and updated press releases, announcements, quarterly reports, presentations and annual reports. Announcements are uploaded as soon as they are released to the

	SGXnet. The following are also included in the IR site: IR calendar; next events; dividend policy and payout details; bio-data of Directors and senior management; and corporate governance. The following are uploaded in other sections of the website: sustainability; and Code of Business Ethics and other policies. The Company is committed to providing easily accessible, timely and relevant information. To maintain an open channel of communication, the Company has an email alert system whereby emails on its developments and updates are sent out to investors on a regular basis. Such information is also announced to the public via the SGXnet and PSE Edge systems. Various IR and communication modes are employed by the Company to establish and maintain frequent engagement and regular dialogue with the investing community, not just for the Company to provide them with information but also to gather their feedback and address their concerns. Insights gathered are taken and where appropriate, acted upon.
(4) Investors Relations Officer	Jennifer Luy jluy@delmontepacific.com Tel: (65) 6324 6822 / Fax: (65) 6221 9477

3) *What are the company's rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets?*

These matters are subject to review and approval by the Company's Board of Directors.

For material or very important transactions, the Company adheres to the requirements and procedures prescribed by the PSE and the SGX-ST, and other regulatory authorities.

Name of the independent party the board of directors of the company appointed to evaluate the fairness of the transaction price.

Not applicable for FY2016.

L. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Discuss any initiative undertaken or proposed to be undertaken by the company.

As a leading global food company, a Corporate Sustainability Team was organized to develop strategic plans guided by the Global Reporting Initiative (GRI) framework and included corporate sustainability as part of the Company's strategic plan, which goes beyond corporate social responsibility and environmental compliance.

In line with its sustainability commitment, many initiatives were taken through business plans, productivity and cost efficiency programs, agricultural enhancement measures, supply chain improvements, capital expenditure and facilities improvement projects, and other key programs.

The initiatives undertaken by the Group as of 30 April 2016 are set forth in the following table:

1) **FOR THE COMMUNITY**

Substantial focus was given to making life better to the communities where the Company operates. Social services for education, health and livelihood were provided to over 100 communities in Bukidnon and Misamis Oriental, Philippines.

Del Monte Foundation, Inc. (the "Foundation"), a non-stock and non-profit organization, spearheads the Group's efforts as it expands its reach in the community. The Foundation employs a framework for identifying and selecting community projects, in coordination with the Del Monte Plantation and Cannery teams, which is in line with the policies and procedures for CSR projects.

a) Education, Scholarships and Youth Development

Initiative	Beneficiary
1. *Building and Construction of Classrooms* Materials to help restore classroom buildings and facilities were donated to make them functional and ready for the opening of the new school year.	• The Foundation fabricated 900 classroom chairs for twelve (12) public schools and 50 sets of kiddie tables and chairs for day care centres and preschools in 10 towns where the Group grows its pineapples.
2. *Providing material assistance to institutions catering to needs of young children* The Foundation continues to promote child development through the material assistance it extends to institutions that cater to the needs of young children.	• Donated various materials designed to help develop the psychomotor skills of pre-school children in 16 communities, located mostly in Claveria, Misamis Oriental.
3. *Scholarship Grants* Gifted children earn quality education from pre-school and primary levels up to post-graduate studies through the Group's academic scholarship, grants-in-aid and sports scholarships.	• For the school year 2015-2016, 375 Del Monte scholars were enrolled in different schools in the region under academic, barrio and sports scholarships and the Jose Yao Campos Grants-in-Aid for children of Del Monte employees and from the community. • 19 college scholars graduated in March 2016 and 7 scholars passed licensure exams.
4. *Participation in Brigada Eskwela* The Foundation participated in Department of Education's Brigada Eskwela – an annual collective nationwide voluntary effort of doing minor repairs and clean-ups on their schools in preparation for the start of the school year campaign.	• 29 schools in 11 towns benefitted from the assistance extended by the Foundation.
5. *Playground Equipment become* Graduates of the Del Monte Foundation Centre's welding course fabricated playground equipment which are placed in the communities' open grounds.	• 8 barangays were recipients

b) Community Health and Home Care Education

Initiative	Beneficiary
1. *Medical and Dental Missions* Continuing its commitment to bring medical assistance to communities which have little access to doctors and medicines, the Foundation conducted free clinics in selected locations. The improved service has included dental extraction beginning this year.	• A total of 12 medical and dental missions were conducted by the Foundation, benefitting about 4,000 patients, providing them with free treatment and medicines.

2. *Home Care Education Programs for Women* The Foundation continues to implement its Home Care Education Program (HCEP), a 5-month program that teaches women proper nutrition, preventive health, family planning, herbal remedies, and emergency care and livelihood skills, among others.	• Five (5) classes were conducted during FY2016 benefitting 274 homemakers in the Company's expansion and more remote areas.
3. *Mobile Clinic* Through the Mobile Clinic Program, the Foundation is able to bring free medicines and provide the services of a doctor to communities where medical care is out of reach. The team also recommends interventions to help improve health conditions in a particular area. It gives feedback on its significant findings to the municipal health officers or recommends health education classes to be conducted by the Foundation.	• The Mobile Clinic catered to about 30,000 patients in its daily rounds over 40 remote communities within and around the Company's plantation. It serves 1 to 2 barangays daily.
4. *Trainings for Barangay Health Workers* Barangay Health Workers in several areas underwent training with the Foundation to further their knowledge and skills. The trainings were 1 or 2 day sessions with topics ranging from the basic taking of vital signs and immunizations to expanding their role in the community through disaster preparedness. The Foundation helps the health workers become more effective in their roles as promoters of health and wellness in the community.	• Over 1,000 community health workers underwent continuous training, which was conducted in over 9 municipalities.
5. *Educational Sessions and Information Campaigns* The Foundation conducted short educational sessions in small communities to influence residents towards a better way of life. Topics recommended by community leaders pertained to family values, health and nutrition, prevention and treatment of common illnesses, financial management, family planning and such other concerns relevant to the community.	• About 2,000 attended the 27 sessions organized by the Foundation.
6. *Toilet and Sanitation Project* In partnership with the local government, households were given materials to construct individual toilets.	• Over 100 families residing around the Company's plantation benefitted.
7. *Donation of Medical Apparatus* The Foundation donated blood pressure apparatus, weighing scale and sphygmomanometer to local health centres or clinics.	• 12 barangays were recipients of the medical apparatus

c) Technical Skills Training and Livelihood Development

Initiative	Beneficiary
1. *Technical Skills Training Program* The Group promotes short-term technical skills (e.g., agro-technical skills) courses as an alternative to college education.	• Over 800 out-of-school youth and unemployed heads of families availed of the Foundation's free technical skills training courses conducted in 15 municipalities.
2. *Community Education Centers* The Group's main Community Education Centre received official accreditation from TESDA, highlighting public-private sector cooperation for community education. Fully-equipped workshops welcome students in food processing, commercial cooking, baking, electronics, welding and woodworking. A computer centre, with 15 computer units and internet access, also serves the community. The Del Monte Foundation continues to offer technical and vocational training on shielded metal arc welding, bread and pastry production and basic driving.	• The Group channeled funds for enhanced learning in 5 centres, all satellite training centres of the government. • About 200 completed courses and passed the NC II assessment of TESDA.
3. *Community Feeding* Since 2015, DMFI contributed more than 8.5 million lbs. of product to Feeding America®[35] or local food banks.	• The Group partnered with Feeding America® to help create the following programs: a) "Grocery Programme®" through which we sold the not-so-pretty, but still perfectly edible, safe and healthy peach product to Feeding America® to supplement their inventory to support local pantries. b) "Brite Recovery" Programme, during which Feeding America collected damaged brite, or unlabeled cans, and re-labelled the product for their food banks. c) Second Harvest® "Field to FoodBank" Programme - A system that our Wisconsin plants created, through which they process carrots on behalf of growers who want to provide product specifically for Feeding America Wisconsin food banks.

2) FOR THE ENVIRONMENT

The Company also embarked on environmental initiatives that will contribute to water conservation, recycling and energy consumption. It continues to explore ways to reduce its environmental footprint and improve its social responsibility.

Initiative	Beneficiary

[35] Feeding America a leader in hunger-relief charity work and is the nation's largest non-profit organization addressing hunger. Each year the Feeding America® network provides food assistance to more than 25 million low-income people facing hunger in the United States, including more than nine million children and nearly three million senior citizens, through their network of more than 200 food banks throughout the country.

1. *Tree Planting* The Foundation aggressively pursued increasing its tree growing efforts and has partnered with schools and organizations in the vicinity of the plantation to gather volunteers to plant more trees. Beneficiaries of its training programs also planted trees in community tree parks prior to their graduation. The Foundation scholars gathered to continue their yearly commitment to plant trees during school break.	• A total of 17,000 trees were planted in various municipalities in FY2016. Seedlings planted came from local farmers' nurseries supported by the Foundation.
2. *Reforestation of Mt. Kitanglad* The Bukidnon Protected Area Management Board has granted the Foundation the permission to adopt a 10-hectare area in Mt. Kitanglad to reforest. A Memorandum of Agreement between the Foundation and the DENR formalized the agreement.	• A small community of about 50 households belonging to the Higaonon tribe has been established in the area.
3. *Environmental Fora with LGU-Libona* Recognized as a partner in development by the LGU of Libona, the Foundation has been invited to participate in environmental fora jointly organized by the local and national government and Enterprise Works Worldwide Phils. (EWWP).	• These were called upon to promote programs aimed to protect Libona's watersheds and bodies of water, which in turn contribute to the Cagayan de Oro City river basin.

3) **OTHER PROJECTS**

Initiative	Beneficiary
Rehabilitation of Water System The Foundation helped rehabilitate the water system in Brgy. Kulasi, one of the pineapple plantation areas of DMPI in Sumilao, which suffered from poor water supply because its water system from the main water source was comprised of pipes of various sizes. To help the residents have better access to potable water, the Foundation provided 23 rolls or over a thousand meters of polyethylene water pipes for the rehabilitation of the barangay's existing water system.	• About 170 households in Barangay Kulasi, Sumilao benefitted

M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL

Disclose the process followed and criteria used in assessing the annual performance of the board and its committees, individual director, and the CEO/President.

1) **Board of Directors**

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

a. Board composition;
b. Information to the Board;

c. Board procedures;
d. Board accountability;
e. Communication with CEO and Key Management Personnel;
f. Succession planning of Key Management Personnel; and
g. Standards of conduct by the Board.

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

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

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

2) **Individual Directors**

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

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

In cases where a Director has multiple Board representations, the NC also assesses whether such Director has been adequately carrying out his duties as a Director of the Company.

To address competing time commitments when Directors serve on multiple boards, the Board had set a maximum limit of four (4) directorships and/or chairmanships that Executive Directors can hold concurrently for listed companies and a maximum limit of five (5) directorships and/or chairmanship in listed companies for Independent and Non-Executive Directors.

3) **Board Committees**

a) *Nominating Committee*

The NC implements an evaluation process to assess the effectiveness of the NC as a whole. The evaluation process is undertaken as an internal exercise and involves NC members completing a questionnaire covering areas relating to:

i. Memberships and appointments;
ii. Conduct of NC meetings;
iii. Trainings and resources available;
iv. Reporting to the Board;
v. Process for selection and appointment of new Directors;
vi. Nomination of Directors and re-election;
vii. Independence of Directors;
viii. Board performance evaluation;
ix. Succession planning;
x. Multiple Board representations;
xi. Standards of conduct; and
xii. Communication with shareholders.

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

The evaluation exercise is carried out by the NC on an annual basis.

b) *Audit and Risk Committee*

The ARC implements an evaluation process to assess the effectiveness of the ARC as a whole. The evaluation process is undertaken as an internal exercise and involves ARC members completing a questionnaire covering areas relating to:

i. Memberships and appointments;
ii. Conduct of ARC meetings;
iii. Trainings and resources available;
iv. Financial reporting processes;
v. Financial and operational internal controls;
vi. Risk management systems;
vii. Internal and external audit processes;
viii. Whistle-blowing reporting processes; and
ix. ARC's relationship with the Board.

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

The evaluation exercise is carried out by the ARC on an annual basis.

c) *Remuneration and Share Option Committee*

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

i. Memberships and appointments;
ii. Conduct of RSOC meetings;
iii. Trainings and resources available;
iv. Scope of remuneration matters reviewed;
v. Reporting to the Board;
vi. Standards of conduct; and
vii. Communication with shareholders.

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

The evaluation exercise is carried out by the RSOC on an annual basis.

4) **CEO/President**

The Board conducts an annual performance assessment of the CEO. The CEO/Managing Director's evaluation is based on his key deliverables and criteria set.

N. INTERNAL BREACHES AND SANCTIONS

Discuss the internal policies on sanctions imposed for any violation or breach of the corporate governance manual involving directors, officers, management and employees

Violation of analogous corporate governance policies could warrant the imposition of penalties which range from reprimand to removal or dismissal of the concerned director, officer or employees.

SECRETARY'S CERTIFICATE

I, **ANTONIO EUGENIO S. UNGSON**, of legal age, Filipino and with office address at JY Campos Centre, 9th Avenue corner 30th Street, Bonifacio Global City, Taguig City 1634, Philippines, after having been sworn in accordance with law, hereby depose and say, that:

1. I am the Company Secretary, Chief Legal Counsel and Chief Compliance Officer of Del Monte Pacific Limited (the "**Company**"), an international business company incorporated under the laws of the British Virgin Islands, with registered office address at Craigmuir Chambers, P.O. Box 71, Road Town, Tortola, British Virgin Islands.

2. Pursuant to the Company's Articles of Association, the Board of Directors duly approved the changes and updates to the Company's Annual Corporate Governance Report ("**ACGR**") for the year 2015 as follows:

> *"RESOLVED That:*
>
> *1) The Directors hereby approve the changes and updates for 2015 to the Company's ACGR, as reflected in the ACGR attached to these resolutions as Annex "A"; and*
>
> *2) The Directors hereby authorize the Company Secretary, Antonio E. S. Ungson, to issue the required Secretary's Certificate confirming the Board of Directors' approval of the changes and updates to the Company's ACGR."*

3. The foregoing statements are in accordance with the records of the Company.

IN WITNESS WHEREOF, I have hereunto affixed my signature and seal this MAR 16 2016 at MAKATI CITY.

ANTONIO EUGENIO S. UNGSON
Company Secretary, Chief Legal Counsel
and Chief Compliance Officer

SUBSCRIBED AND SWORN TO before me this MAR 16 2016 at MAKATI CITY, affiant exhibited to me his Passport No. EC3335333 issued at DFA NCR East and valid until 1 February 2020.

Doc. No. 391;
Page No. 80;
Book No. 198;
Series of 2016.

ATTY. VIRGILIO R. BATALLA
NOTARY PUBLIC FOR MAKATI CITY
APPT. NO. M-32
UNTIL DEC 31, 2016
ROLL OF ATTY. NO. 48348
MCLE COMPLIANCE NO. IV-0016333-4/10/13
IBP No. 705767, LIFETIME MEMBER YR.2003
PTR No. 532-3505 JAN. 04, 2016
EXECUTIVE BLDG. CENTER
MAKATI AVE. COR., JUPITER ST. MAKATI CITY